

Michigan Hill Owners Association
Approved – Meeting Minutes
Board of Directors Meeting
Jefferson Community Church – 9 AM
January 18, 2014

Board Members Present:

Blenda Crawford, Lot 66
Steve Johnson, Lots 182/183/184
Larry McClymonds, Lots 206/207
Dennis Sherman, Lot 156.

Homeowners Attending:

Ken Baker, Lot 169
Tom Clinton, Lot 202
Jerry Clinton, Lot 202
Jerry Dean, Lot 130A
Terry O’Neill, Lot 246
Jamin Ramirez, Lot 271

The meeting was called to order at 9:00 a.m. It was determined that a quorum was present with four of five directors in attendance.

A call was made for any revisions to the October 12, 2013 Board of Directors Meeting Minutes. None were forthcoming. A motion was made to accept the Minutes as written by Steve Johnson. The motion was seconded by Larry McClymonds. Minutes were accepted by a vote of the Board. The approved Minutes will be posted as final on the website.

Open Forum for MHOA Member Comments

- a. Ken Baker, Lot 169. Requested that the Board define porta-potty. While his residence has a septic system, he also has a porta-potty for handle emergency situations, i.e. when the electricity goes out and water is not available. Concerned that the porta-potty provisions preclude such use. Board response: According to the state and county, a property cannot have a porta-potty unless it has a building permit. It must be approved, permitted and comply with County regulations, including the disposal of sewage and gray water This information was obtained from the health department. The Board will get further clarification from the county on porta-potty use from the Park County Environmental Health department.
- b. Ken Baker, Lot 169. Asked for further clarification of trailer usage on lots, mentioning a specific lot. Board Response: The Board indicated it was familiar with the lot in question and that it has talked with Park County regarding building permit requirements. Building permits are granted for six months and the builder/homeowner must have something under construction within that time period. The Homeowner’s covenants state that if no building is taking place i.e. the property does not have an active building permit with building construction taking place, then all trailers must be removed.

- c. Ken Baker, Lot 169. Raised a concern about the north entrance inaccessibility/closure during the recent storms. Board: Southpark Plowing has been doing an excellent job and the Board has been in contact with them over the last couple of weeks. It requires additional communication when the plowing contractor is required to pull in extra equipment to clear snow because of additional costs and the Board's responsibility to manage the budget. The Board will continue to fine tune that communication.
- d. Jerry Dean, Lot 130A. Expressed a concern about the recent road conditions over the holidays and on weekends. Board response: Have agreement with Contractor to plow at 6 inches. Board response (with information from Southpark Plowing): The Hill had a couple of consecutive storms, neither of which had 6 inches. The plows went out at six inches. Still have some places that need additional work. Plowing is a judgment call and key to that process is making sure roads are accessible and also assuring that we're not plowing just to plow. There's a fine balance and the Board and Southpark plowing need to continue their efforts to fine tune this process. The Board trusts Jamin's judgment; however, it also wants to be dialed into the needs of the Hill because of its fiduciary responsibility to all homeowners. Generally try to wait for the storm to abate a bit so hit the end of the storm to plow rather than plowing twice. Looks like it might be a heavy plowing season this year.
- e. Jerry Clinton, Lot 116. Expressed concerns on the decision-making process. Board response: The Board has a responsibility to the homeowners and Jamin (Southpark Plowing) is responsible to the Board. A communication process has been set up to meet the needs of the homeowners while being responsive to weather conditions. Prior contracts had 6 inches as a response basis. The current response baseline is 3 inches, so the Board is trying to work with Southpark Plowing to optimize its efforts while balancing road conditions, current weather, weather forecasts, etc. The Board has never required Southpark Plowing to wait for permission to go out; it only asks that Jamin send an email to let the Board know he's going out so that it can be responsive to member inquiries on what efforts are taking place. The Board only requires a conversation prior to bringing out the big equipment as that action is a budgetary item. The Board trusts Jamin as its contractor. The Board will have Steve and Jamin now working more closely together. Jamin is experienced enough to know the problem parts of the hill and take care of them.
- f. Terry O'Neill, Lot 246. Board has done a good job trying to bring balance to this problem. It's okay that some homeowner's feel that the problem should be revisited from time to time with the Board. The problem with revisiting it however, with limited attendance at the meeting, is that the greater body of homeowners has already spoken by participating in discussions and voting in the proper forums at the annual meeting. The Board is fulfilling its fiduciary responsibility. The membership wants the Board to exercise legitimate oversight over plowing and to contain costs.
- g. Jamin Ramirez, Lot 211. Southpark Plowing has no intention of changing or modifying the contract. Is interested in making the process cleaner and more streamlined. Board response: The Board asked Jamin to stay after the meeting to talk about the aired concerns and to fine tune understandings and the communication process. The Board expressed its gratitude for Jamin's/Southpark Plowing's efforts.
- h. Ken Baker, Lot 169. Indicated concerns about what communication is taking place when the north entrance is closed, i.e. is anyone contacting trash, propane, fire department,

sheriff's department, etc. about the closure. Also indicated that a sign is needed on CR 35 to let folks know that north entrance is closed. Board response: Indicated that it will work with the county to see about a sign on CR 25. Also, need to make homeowner's aware that if renting cabins, information provided should include directions to cabin location from south entrance as well as from the north entrance.

Reports of Officers

President

- a. The High Plains Ranch - Burn Pit Grazing Lease and Outlot C & E Agreement is now complete. This agreement includes leasing grazing area, which is part of the burn pit (approx. 13-16 acres that have never been used) to the Carrington's for their cows; allowing the remaining burn pit area to be used for 2 weeks a year for grazing purpose which will enable MHOA to get an agricultural tax rate after two and one-half years, saving MHOA about \$900/year; re-deeding MHOA lands used by Carrington's for grazing back to MHOA (parts of outlots C & E); and fencing to reflect these changes and use needs. Carrington's will be maintaining the new fencing once erected by MHOA.
 - i. The negotiations concerning the Augmentation Road are open and remain on-going. This is the last of the easements identified at the annual meeting to be worked through. Adverse position is in the MHOA's favor so this negotiation has been less of an issue than the other easements (road right-of-way and MHOA boundary lines).

Vice President

ACC Report: No requests since last meeting

At-Large

- a. Road Signs
 - i. The new road sign is up for Swandyke. All remaining signs have been ordered and have been made by County. The Board is presently waiting on the county to approve the invoicing of the signs for payment. The Board has been working on this for 6-7 months; and will get them up as soon as the county releases them. Several other homeowner communities are also in the same situation with the county.
- b. Snow Plowing
 - i. Jamin's doing a fantastic job. The Board has heard the general session's comments and will work on the concerns raised.

Treasurer

- c. Treasurer Report
 - i. Outstanding dues: \$224.66. Owners are making payments.
 - ii. The Colorado State Bank & Trust CD matured. The bank's check was received for the funds in the amount of \$6,594.34. These funds will be deposited into the MHOA Fairplay checking account.

- iii. Checking balance: \$527.69; Savings balance: \$45,006.27. Total Balances: \$52,128.30.
 - iv. The goal has been to get all monies in one place. Will look at the upcoming needs of the MHOA prior to reinvesting any funds.
 - v. The books for the past two years have been audited. Reports are posted on the website. The audit for 2013 is now starting. The audits were conducted as directed by the discussion at the 2013 annual Homeowner's meeting.
 - vi. The books are now being handled through one accounting package, which enables MHOA to produce balance sheet as requested by Homeowners. Transparency is going up and will increase moving forward. MHOA spent \$700 for each year of the books reviewed.
 - vii. Per CCIOA, a financial review was not required; however, MHOA elected to do so at the behest of homeowner's per the 2013 annual meeting. The Board will take this requested activity back to MHOA members at the annual meeting to see if they want to continue to have the books reviewed each year.
 - viii. Southpark Plowing indicated that it is getting checks for services in a timely manner. This feedback/information was requested to determine if the current system is working.
- d. 2014 Budget review and board approval
- i. The Board presented a proposed budget for 2014. The legal fees, anticipated fencing fees (1 time expense), Earnest Easement payment (\$4,300/year over next 4 years), have increased the budget for 2014. MHOA will be spending approximately \$11,500 over anticipated revenues for the year. It has a current proposal from K&C Fencing for the work to be done. It will seek additional proposals prior to proceeding with fencing.
 - ii. The budget cuts back on gravel given that 2013 expenditures placed an emphasis in that area. MHOA put in a fuel tank next to the grader to lower hauling costs; now requires one delivery/yr. MHOA had bolts stolen from grader wing while sitting over the summer (\$80.00/bolts). The Board is taking measures to avoid that loss in the future.
 - iii. The \$11,500 overage will be covered by reserves and cash on hand.
 - iv. The pond dump valve has been modified and locked. MHOA will need to clean up the ditch based on review by the Water Commissioner (see prior minutes). 2014 Budget includes \$2,500 to work on pond inlet and outlet in order to maintain a dry pasture below the pond. MHOA has a couple of years to get in compliance.
 - v. A motion was made by Steve Johnson to accept the budget as presented to the Board; and to present it at the annual meeting. It was seconded by Dennis Sherman. A vote was called and the motion was approved by Board. The proposed budget will be posted to the website.

Old Business: None offered.

New Business

e. Volunteer group

- i. Suggestion was made to have volunteer homeowners commit to working with a Board member on certain projects on the hill, i.e. culverts, trees, pond, etc. Board will identify specific areas, i.e. aspen maintenance by road by owners, where assistance is needed. This could replace the one-day Volunteer Day and be more long-term. The Board will try to localize the projects to the area in which volunteer live.

f. Animal Policy – The questions was put forth as to whether a clarification of covenants is needed for Section 8?

"No stables, corrals or other structure for the housing or feeding of horses or animals other than domestic pets, shall be located or placed closer than fifty (50) feet to any lot line or street."

- i. Statement of the problem: the covenants of MHOA do not specifically state no horses on the hill; and only provides guidance on the housing and feeding of such animals. There are homeowners/neighbors who have shared lines with properties which have horses on the hill. Section 8 (above) does not address the issue of having horses that go right up to a neighbor's property line. The Board has determined that this discussion requires additional membership input.

ii. Key points made during Open Discussion:

There are owners that have horses and bring them temporarily to the hill for recreation. The owners put up rope corrals while on the hill; and use their horse trailers to meet the animal needs while there. Some owners were told by their Realtors when they were looking for property that the properties on Michigan Hill were horse properties. There are certain new LUR laws regulated out of Fairplay and Park County of which the Board should be aware. Need to include in the discussion the restraints on water usage and the need to haul water for non-domestic animals under the Water Commission for the wells on the hill. Also, the current covenants in place are not clear about non-domestic animals, e.g. horses roaming free within an owner's property lines. It appears that the covenants suggest a 50-foot buffer. Need to consider a buffer because of the fly and odor issues affiliated with horses. The discussants were thanked for their input. The Board will look into some of the items mentioned during this discussion; and will continue the discussion at future meetings.

Next meeting: March 1; Annual Meeting June 7, 2014.

Adjourn Meeting: Motion to adjourn made by Steve Johnson, seconded by Dennis Sherman. Affirmed by vote. Meeting adjourned.