

Michigan Hill Owners Association  
**Approved Minutes**  
Board of Directors Meeting  
Jefferson Community Church – 9 AM  
October 6, 2012

Board Members Present:

Jerry Clinton  
Blenda Crawford  
Steve Johnson  
Larry McClymonds  
Dennis Sherman

Homeowners Attending:

Ken Baker, Lot 169  
Sallie Baker, Lot 256  
Tom Clinton, Lot 202  
Jerry Dean, Lot 138  
David Hazlett, Lot 20  
Terry Hull, Lot 264  
Judy O'Neill, Lot 246  
Terry O'Neill, Lot 246  
Jamin Ramirez, Lot 271

Meeting called to order at 9:03 a.m. Determined that a quorum was present. All board members present.

Offered Minutes of July 28<sup>th</sup> 2012 Board meeting for review. No revisions. Steve Johnson motioned to accept. Dennis Sherman seconded the motion. Approved by Board.

Open Forum

The floor was opened to MHOA Members for comments/concerns:

Dave Hazlett – Lot 20. Brought the question forward regarding covenant provision regarding that board officers are lot owners from the homeowner's group. Stated that current members of the Board and its committees were not all owners. Larry stated that committee members don't necessarily need to be a home/lot owner, such as the ACC, because it is overseen by the Board and headed by a board member. The Board will review homeowner's covenants and bylaws for this concern.

Jamin Ramirez, Lot 271. Received a letter from an ACC member. Reiterated Dave Hazlett's concerns as to whether this ACC member is permitted to serve under the homeowner's covenants since the member's lot is owned by family entity, not them. Wants to know if Board will respond quickly to this concern. Larry responded that the Board will review and take corrective action as needed.

Jerry Dean, Lot 138. Received calls in Denver from Rocker7, Stagestop and Michigan Hill homeowners regarding remarks they had overheard about the former board by current Board members while in the Jefferson Market. Accusations were refuted and were asked to be taken offline to be dealt by the accused member if Jerry wishes to provide the names of the individuals making the accusations. Larry mentioned appreciation for last board and their efforts in the creation of the new and revised policies and by-laws. Everyone is a volunteer and does good things for the association, but agrees that negative remarks are not productive and are not acceptable.

Terry O'Neill, 246. Doesn't want things to get as negative as they have in the past. Is satisfied that the current board is doing things transparently and responsibly. Said that Larry came in with a commitment to represent members openly and with integrity. The current acrimony needs to be left in the past. Suggested leaving the conflict of the past behind – the members deserve that. Larry agrees that any continued negativity will be addressed.

Sally Baker, 256. Prepared a letter and is ready to prepare a DORA complaint form. She stated that she gave her life to the association and stated that she was beaten up for it. The board was a group of committed people. She requested an open review of the records. Wants to follow up to see that certain things that were identified by her as needing to be addressed by the current Board have been accomplished: Wants: 1) to know about the CD that was not properly accounted for last year; 2) for the Board to open up the bank records for everyone to let everyone see where the money is going. Sallie provided a copy of a DORA Complaint form; and a copy of a form regarding Inspection and Copying of Records of the MHOA for any in attendance who were interested. Referenced concerns about taking Jerry Clinton off the bank signature card for the Association. Felt that members should have copies of new policies within 90 days. Larry stated that the CD was located in a Denver bank, came due and moved to the bank in Fairplay (see minutes of 7/28/12 meeting). The other CD is in a bank in Texas and will be moved to Fairplay when it comes due in December with the help of the past treasurer Patrick Strong. The Board has accounted for all monies. The money has been properly deposited in the bank account. Regarding the removal of Jerry Clinton from the bank signature card, the Board is trying to follow good policy and make sure that there are checks and balances to assure that there is no question of its activities. Jerry turns in receipts for payment and is in change of the largest part of the budget. It's important for checks and balances in an organization that she not sign checks for those same expenses. Jerry Clinton thought she should have been given that choice to continue to sign on the checking account. Was not notified in advance that her name was taken off as signer. Larry stated that the decision was made by the President, Vice President and Treasurer when transferring the accounts from the old Board to the new Board and that he made an executive decision. Discussion ensued about the communication among board members. Specific situations of communication was discussed along with expectations for email and or telephone responses to request for communication. Larry suggested that responses to member concerns should take place in 24-48 hours when possible. Blenda Crawford stated using the Board distribution list is working very well. Steve Johnson asked Sally to get with him to set up a time for inspection of the MHOA records. Sally agreed to get with him to move forward.

Terry O'Neill, Lot 246. Is shocked to hear that the CD issue surfacing again. Came up during a past board discussion. Prior and current board members have attended meetings to provide full information and put the conversation to rest about CDs.

Jerry Dean, Lot 138. When two or more board members talk, are those conversations emailed to all members? Larry – no, the emails are sent out to all board members. Larry made the executive decision to change signatures in order to get the bank transition taken care off.

Jamin Ramirez, Lot 271. Wanted answers during the meeting/today regarding three different issues. Doesn't want to leave without issues being finalized: 1) Snowplowing contract. As of Oct 1 he is the plow guy. Contract says \$600 is paid on the 1<sup>st</sup> of every month. When and how will that be paid. Larry: Needed proof of insurance – only had personal insurance. On 9/22/12 got insurance for coverage on 3 vehicles, which are allowed to plow road. Received Tom Clinton's cover sheet today. Jamin: when is the money for the 1<sup>st</sup> paid? Larry. Needs to get an invoice in advance for the 1<sup>st</sup> of month services, will be paid from the invoice; and the invoice is required for proper record for the books.

Jamin: regarding snowplowing. Wants knowledge and time on road to be acceptable as indication of level of snowfall. Larry suggested that additional detail regarding roads plowed and amount of snow would be helpful, especially when responding to owner inquiries. Jamin indicated that he doesn't plow 2 inches. Would like to know what the Board needs from him to avoid future disputes. Who does the Board want him to call regarding plowing needs? Larry indicated that Jerry Clinton is the board member overseeing the roads and is the Board member to be contacted. Item 2) Grading Contract. Jamin stated that this contract expired on September 30<sup>th</sup>; however, the roads need to be plowed. Larry indicated that he hadn't heard anything from the road person; and that there wasn't any insurance on the grader per the old contract. Whoever is running the grader must have liability insurance to protect the Association. The contract is with Southpark Plowing, which is expected to carry \$300,000 in liability. Jamin indicated that when the contracts were re-written, the insurance clause from one contract was put in the other. Shouldn't the HOA grader be under the homeowner's liability policy? Larry indicated that the Board didn't know about having Fall grading – that it hasn't made that decision. It needs to figure out if there's a need

for grading. Don't know if there will be a decision in this meeting. Jamin was concerned that the board might hold him in violation of the contract and end up in court. Also, Southpark hasn't been paid for spreading of the gravel. Item 3) ACC compliance (personal). Wants the letter quashed today regarding his shed, the dog run and the dump truck. Larry stated that they had discussed that they would take care of this item today after the meeting. Jamin gave Larry copy of letter to which he was referring.

Jerry Clinton – noted that the contracts for plowing and grading were handed over to the former Board. Larry stated that he was at that meeting and that it was his fiduciary obligation is to ask for copies of those documents and proof of insurance since the current board is unable to locate those documents. He indicated that it took six weeks to get the requested copies. The Board is glad that there are three qualified people to plow the roads. Only asking for the detail to enable the Board to administer the contracts. The Board has looked through the boxes and over time will need to request copies of documents to move forward. The Board still needs a copy of the invoice for spreading gravel in order to pay South Park Plowing.

Terry Hull, Lot 264 – Would like a copy of the Homeowner's insurance or to know the levels of coverage. Larry stated that he doesn't know what the MHOA insurance covers. Terry's key concern is that he wants to know that he's covered if he runs the grader; and if he needs to have coverage, then he needs to know that. Larry indicated that he will check into it. The nice part about the contract is that the required liability insurance protects the Association. It's important that the homeowner's are protected. Terry's second item is that he wanted to discuss some private roadwork at Selkirk and Michigan Hill. Larry stated that they had agreed to take that discussion offline. Terry referenced the inclusion of the Corp of Engineers and Larry stated that the Corp of Engineers has nothing to do with Michigan Hill and its private roads. Need to separate Homeowner's business from personal business.

Larry ended the Open Forum and thanked the membership for discussion and stated that he loves it when there is passion because passion drives community.

## Reports of Officers

### President – Larry McClymonds

Easements: still working on easements. Biggest is Michigan Hill road and are continuing to have communications with owners of lot. The others are moving forward.

### Augmentation Pond:

Talking with Garver Brown again next week. Has gone through all the spreadsheets received from Fred. Pulled new data from Division of Water and Park County and recreated a new spreadsheet with the most current data on all lots. The augmentation plan is critical to Michigan Hill. Allows us to have our wells and permit functioning as a community. Wells are household use only. There was a discussion with a potential purchaser and his desire to have greenhouse and collect rain water for the greenhouse. Rain water collection requires a permit from the Division of Water and can only use the water for same purpose as the well permit – household use only, i.e. sanitation purposes and drinking. Anyone who is using water outside of these purposes (i.e. including water of trees, plants, animals, hot tubs, etc.) must hall water in. Homeowner's need to keep receipts in the event of questions and/or need for documentation as to water usage. Will send notices out to homeowner's to remind them of these restrictions on water use. HASPA (Headwater Association of the South Platte) has another option for additional water usage which include additional fees. It permits the use of a well for outside uses, \$200 application, \$2,000 one-time fee plus a \$150 annual fee for approx. 8,800 gallons. HASPA will release water from their South Park diversion project to compensate for the additional use.

Terry Hull, Lot 264 raised the question as to whether Jefferson Heights was part of the Michigan Hill augmentation plan. Larry didn't know and indicated that it was a good question for Garver Brown. Larry indicated that he thought that Michigan Hill's augmentation plan is specific to MH.

## Reserve Study Policy

Reserve study committee is comprised of Larry McClymonds, Patrick Strong and Mark Matulik. This group is looking for additional volunteers. The reserve study will be completed annually for anything that may require future budget allocation and expense. Examples are MHOA assets that have an expendable life and replacement cost like roads, culverts, fencing, grader, etc. The initial reserve study is due by April 14, 2013.

#### Covenants, Bylaws and Policies Review Committee - Mark Matulik

Larry is specifically asking Mark and his committee to review Section 18 regarding enforcement. Larry would like to ask the Board to go to counsel for an opinion on this. Needs to look trespassing, access, etc. What do other HOA's do? County rules, state rules, association rights and rules, etc. Steve Johnson made a motion to enable the Board to contact our HOA counsel, David Firmin, regarding enforcement of Section 18. Blenda Crawford seconded. Board voted to approve.

The Board needs more refined definitions of: an improved lot, camping on unimproved lots, and trailers on lots. Larry brought up trailer usage, i.e. bringing a trailer up for the summer, and the potential to handle this with an easy permitting system with specific rights and obligations, i.e. period of time, how to deal with waste, penalties for noncompliance with permit, etc. The Board asked the members to contribute ideas and concerns around the trailer concept.

Sally Baker, Lot 256. Remarked that she loved the tone of the meeting. Indicated that at the bottom of the document including the conduct of meetings, the reference to policies is incorrect. Would be happy to talk with Mark around these issues. Also indicated that membership approval is not required. Larry stated that going back to the association for approval is not required, but part of building community. Sallie Baker indicated that she would be willing to be asked to be on the committee.

Jerry Dean, Lot 138 – offered to be on the reserve committee. Larry will contact Jerry as soon as they start the work on the reserve study.

#### ACC Report – see attached as Appendix A

Larry read ACC report submitted by committee, see Appendix A. Have heard back from Lot 209 and 271 are working with Board.

#### Newsletter

Board discussion: Members can get information from Minutes of Board meetings for current information.

Terry Hull, Lot 264 — Several lots (e.g. Fremont Knoll) have put out poles with lot numbers and/or boulders by their driveways that obstruct plowing. Suggests that the Board notify specific homeowners of possible problems. Larry indicated that the Board is planning to send out a survey for homeowners for demographic information (i.e. live full time on the hill, weekend only, etc.), for improvement update information on lots, along with request for updated contact information and to notify them of access to information on website. This could be included as part of that request for information.

#### At-Large – Jerry Clinton

##### Road Grading

Road grading was done in April; no maintenance has been done on graders since last meeting. Gravel was put down, 30 loads, 500 tons of road base. Cost for the gravel and trucking was \$7,000. Roads are going to need the gravel re-scattered and washboard areas cleared up by the time the hill has snowfall. Larry asked the number of hours that would be needed for this, and whether it would include all 13.5 miles of road. He requested an estimate of what this would take. Jerry indicated that only some of the roads required grading, not all of them. Steve Johnson asked whether it would require more than 8 hours or less? Tom Clinton suggested a maximum of 2 days, probably about 1.5 days. Larry asked Jamin what would be required to obtain liability coverage per the grading contract for the grader and Jamin stated that it could be handled with a phone call. Larry moved to approve up to 16 hours of road work and to extend the road grading contract two weeks, through October 20, 2012. Southpark will get liability coverage for that period for grader. Dennis Sherman seconded the motion. The Board voted its approval.

### Augmentation Pond.

Jerry indicated that she has not been able to get to the pond; however, the water looks low. Larry indicated that he will be there today. He will look at possible ways to lock the valve to prevent any unauthorized discharge of water like last November when someone emptied the pond. Also, need to figure out what to do with the weir before it freezes. Larry and Steve will create a plan to address.

### Burn Pit.

Burn pit was burned. The Fire Department requested that MH move the center berm to the east bank (closest to Jefferson) and leave the west bank the way it is to make it one full pit. Tom Clinton used his equipment with no charge to the homeowners to previously do the required maintenance on the burn pit. Many thanks Tom! Larry asked if there was something we can do to thank Tom. Tom suggested that he be paid by the hour to move the dirt and ash as suggested by the Fire Department. Larry asked Tom to provide an estimate of the burn pit work to Jerry. Tom indicated that he has insurance on his loader. Jerry will provide estimated to Board once obtained from Tom for discussion and a decision. Tom also, suggested that the Board needs to stop Armstrong from moving rock and dirt with trees when he is clearing for new owner driveways and dumping onto the pit. Rocks are a problem. Dirt is okay; however, needs to be sifted for the rocks.

### General

Jerry indicated all bills had been given to Steve.

Larry said he would follow up on the account with Sinclair. Tom Clinton indicated that the Sinclair owner owns the diesel supplier as well. A name and address will be provided to Tom Clinton for further follow up. Larry thought he might know someone who is acquainted with the Sinclair owner and would get Tom that information so that MH can set up an MHOA account. Tom Clinton will also find out when winter mix comes in. Would be good to leave with winter mix in the equipment if possible. Also discussed setting up other accounts with suppliers in order to reduce the dependence on Jerry Clinton acting as a bank for MH when supplies are needed for the grader.

Gerry Dean, Lot 138 - Augmentation pond needs new cable to keep cars off of the dam.

Sally Baker, Lot 256 – had a llama problem. Has called Bea and let her know to come get her llamas back. Steve Johnson has called animal control. Bea indicated that an individual continues to leave the gate open – Bea has filed a complaint against those individuals to prevent the llamas from escaping in the future. If you see a llama on the hill, do not attempt to pet as a few of them are very mean spirited and not safe to approach. Call Bea Kasperek at \_\_\_\_\_.

### Treasurer Report - Steve Johnson

Filed taxes for last year (2011); working on liens; signed up for DORA, and gathering W-9 information in order to send out 1099's for 2011. List provided to Board for information needed to complete the above. Sallie Baker indicated that she has some information which might be helpful. One of the required forms was given to Southpark Plowing during the meeting. Steve Johnson, Jerry Clinton and Sally Baker will coordinate information.

Has six lots that haven't paid dues. Sent certified letters. Received check from one. Ready to go to Fairplay to file liens. Also waiting for check from bank on a foreclosure property to pay back dues and penalties and then remove the associated lien.

Final outstanding CD for \$6,627.13 is in a bank in Texas and comes due in December. The money from the CD will be relocated to our bank in Fairplay. The misplaced CD that was in Denver was redeemed for \$2,632.11, and was deposited in our bank in Fairplay. Checking account balance \$8,233.50; Savings balance: \$40,853.40. The total combined balance is \$55,714.03. Outstanding bills: approximately \$1,500. Outstanding dues: approx. \$1,300. (Note: all numbers are approximate as of the date of the meeting.)

Terry O'Neill, Lot 246. – Outstanding job by Steve stepping in as Treasurer. Steve responded that Judy Pecora, our new MHOA bookkeeper, is working with Steve and doing a great job. Larry stated that the Board is trying to keep all money in one place right now for transparency.

Steve Johnson reminded the Board that at the last meeting a motion was approved to pay bookkeeper \$100.00/month. A subsequent discussion with Patrick Strong indicated that Patrick suggested that the Association pay the bookkeeper \$300.00/month for Apr-Jun. because of the additional volume of work during those three months associated with dues; with Jul-Mar paid at \$100.00/month. Steve Johnson made a motion for same. Larry seconded. Discussion: Sallie Baker said there is a ton of work associated with the board. Sallie also questioned Larry about getting paid to maintain the MH website. Larry indicated that we received an opinion from David Firmin, our HOA attorney, at the last general members meeting that professional duties outside of specific board member duties are acceptable to be paid, such as maintaining the website, bookkeeping. Rates paid for these professional services are presently well under market rates. Call for vote: approved by board.

#### Budget

Another budget is due January. The Association is currently right at budget. Over budget area in 2012 was \$13,000 spent in lawyer fees; more going forward as the easements are worked on in the months ahead.

Terry O'Neill, Lot 246 – asked if the Board has looked into whether there was a way to get an effective hourly rate under the various contracts. Larry responded that the Board has not looked at that.

Tom Clinton, Lot 202 – Suggested that there seems to a concern over the 3 inches of snow referenced in the contract as a guideline for services. Stated that in his and Terry Hull's mind, it should have been 6 inches. Can the contract be changed and initialed to 6 inches. Larry suggested that sometimes its 3 inches in one place and blowing large drifts in other places and plowing needs to be done smartly. Stated that's where the driver logs are helpful. The Board was willing to amend the contract by writing in 6 inches and having everyone initial it and be done with it. Jamin stated that plowing needs common sense and good judgment. If the consensus was that everyone wants to change the 3 to 6 inches, Jamin indicated that it was fine with him. Larry stated that as long as there's a reasonable process that everyone understands that works, there is no need at this time to change the contract. Jerry Clinton stated that the guys did a good job last year.

#### Secretary's Report – Blenda Crawford

Nothing to report.

#### New Business

Larry McClymonds. Email from 435 Selkirk Lane – Steve and Shaye. Will be generating a lot of noise cutting and clearing dead aspen trees. If noise becomes an issue, let them know – 720-236-2743. Stop by and say hello.

Ken Baker, Lot 169, regarding yearly elections and proxies. Larry asked if this was a continuance of the discussion from the July meeting. Ken stated that he will not vote on a proxy if he doesn't know what he's voting for. The MHOA proxy votes don't include a ballot. Suggested that folks who wish to run for board should provide names 30 days ahead of time. Proxies needs to have issues and candidates on them. Postage should not be an issue – can send out a post card. Larry asked Ken if he would like to be on the nominating committee. Ken stated that he had no interest in serving on the board or a committee. Larry stated that an owner can give his/her proxy to a Board member or to a trusted individual and indicated that historically individuals get nominated off the floor at the annual general meeting. Owners must have trust in the person who they ask to vote their proxy. The hard part is trying to have enough of a list of nominees prior to the annual meeting. Ken indicated that the Board budget is able to pay for a lot of the postage required to put the process he is suggesting in place. Larry stated that it's a great idea in theory. Jerry Clinton suggested putting a note on bottom of the dues statement that encourages people that have an interest in the board or certain activities to express their interest, and what position they're interested in. Larry indicated that a request for owners volunteering for the Board and other Association needs could be included in the survey previously mentioned.

Terry O'Neill – Supported the concern. He raised the issue of changes to new policy documents that the membership were to vote on after the documents were posted to the website for review at the 2012 annual general meeting due to last minute updates at the June 9<sup>th</sup> Board meeting a week before the general meeting. How would anyone giving someone a proxy know that their proxy might be voting on something different? Larry acknowledged the concerns expressed by the membership over the current system of proxy voting and indicated that the process supports the current Covenants.

Meeting Adjournment

Steve Johnson motioned to adjourn. Jerry Clinton seconded. Board voted to adjourn at 11:45 a.m.

Appendix A

ACC Report of October 4, 2012 for the October 6, 2012 meeting:

**Approvals:** Since the July 28<sup>th</sup> meeting the ACC has not received any submissions. There are no outstanding requests at this time.

**New Issues:**

**Lot 209:** Trailers on property. ACC sent a letter to Homeowners. They did not know trailers could not be stored on an unimproved lot and they are removing them.

**Lot 103:** Trailer parked in trees. They have a home but no current building permit. The ACC has sent them a letter to remove said trailer. We have not heard from the Homeowner as of the date of this report.

**Lot 271:** Shed and Dog run not in compliance and incomplete to the homeowners approved ACC submissions. A letter was hand delivered to the homeowner September 24, 2012 to come into compliance.

**Rainwater collection in Colorado and Michigan Hill well water usage** - Larry

**Old Issues:**

**Lot 172:** Had a trailer parked on it, the trailer has been removed.

**Lot 90:** foundation with boat in it. (please note that they have a home on lot 89) A letter is being sent to them. A boat without a structure is not permitted as noted in Nuisance, section 9 of MHOA covenant. Needs to be either removed entirely or moved to lot 89 where home is located.

**Lot 216:** Trailer on lot. No structure. Spoke with Park County building. He was approved by the County for a 3 year building permit on 2-10-2011. At this time there have been no plans submitted to ACC for a structure. ACC is sending a letter to Homeowner.

**Lot 77:** Unfinished home and a lot of trailers. Spoke with Park County and a building permit was issued on 7-21-2011... expired 4-25-2012. The ACC is waiting on Park County as to the status of any renewed Building permit. ACC will proceed with a letter next week to remove trailers and trash once we hear the County.

Respectfully Submitted,  
MHOA ACC Members  
Dennis Sherman, Board Vice President  
Mike Hogan  
Alan Lubow  
Traci Bailey