

SWEETWATER GOLF COURSE HOMEOWNERS ASSOCIATION

ANNUAL MEETING

Minutes of June 21, 2008

The Annual Meeting of the Sweetwater Golf Course Homeowners Association was held at Ideal Beach, Garden City, Utah in regular session on the 21<sup>st</sup> day of June, 2008.

**Attendance by Board Members;**

President Mark Chugg, Kent Parker, Jane Larsen Gene Merrick, Bill Rich, James Ruggles, Jim Roberts, Karl Keeler and Pat Parker, Secretary. Please see sign in roll for membership attendance.

**Call to Order:**

President Mark Chugg called the meeting to order at 1:10 p.m. and welcomed all in attendance.

A motion to approve the minutes as submitted was made by Barb Roberts and seconded by Bobbie Coray. Passed unanimously

- You, the membership asked the Board to enforce our CC&Rs concerning clean up around the cabins. Board Member Jim Ruggles has sent out several letters and we have had a very good response. There are some we are still working with. We have not had to fine anyone yet and as a Board we set the fine at \$1,000.00 we can probably go high if we

need to. We voted this morning to fine a person \$200.00 for a situation that has not been taken care of. You as homeowners have a responsibility to take care of your place. Also if you see violations please let us know.

- A request was made by a member for a better copy of the CC&Rs. President Chugg referred them to the title company where they closed on their purchase. It was recommended from the membership that the Association create a web site for the Association and they could then be put on a web-site for access also.

- We are still working with the County on trying to take care of roads. I have been working with them to see if they would take over more roads and they came back about three weeks ago and said they would not take over any more roads in the County unless they are paved. Members were encouraged to register in Rich County to vote. This will give us more of a voice. Bobbie Coray stated you can register on the internet but should check with the Lt. Governor's Office to verify your primary residence. A

- Question was asked if the Association annexed into Garden City would the

- Situation with roads be the same. Chugg responded we tried to work with Garden City to look at annexation about two years ago and they did not want to help us with roads because the City did not have the funds or equipment to support this request. However, things may have changed and we should probably look into it again. A member asked about all the money the county takes in from our Hill she did not see we got anything back from it. Chugg responded there is not a lot the County gets from taxes. Chris Coray stated this Homeowners Association paid to the County about \$70,000 in property taxes. The County gets money for Class B C and D roads as well. When you see your property tax approximately 70% goes to the Schools District who has no power to do anything for our infrastructure. The County collects the property tax but cannot keep it and the same goes for cities.

- In order to defer some of the expenses of our roads, and they are our major expense, we raised the building permit fees from what it was \$500.00 and is now a \$1,000.00. Construction has really worn our roads. In order to keep from raising our dues all the time we elected to raise the

building permit fee. This will not go too far, and it looks like next year in order to maintain our \$60-\$70,000 in reserve account that we have from year to year we may have to raise our dues next year. It has been four to five years since we have raised them.

- Dumpsters – we have the nice fence up however the problem still exists of keeping the area clean. We, the people, keep the area clean. It was suggested from a member that we require all cardboard boxes be crushed. Chugg asked the membership to stop by and if there is a mess, take a minute and clean it up. Everyone has to help. A member asked if there was a possibility of another depository. Chugg responded that he had tried and a property owner was not cooperative and Chugg did not have the support from the board. Chugg passed out a sign up sheet for volunteers to take a shift at the dumpster to see who is using it. This will take place during the July 4 weekend. We will give these results to Chris Corey so he can present them to the Hillside Homeowners Association Board.

- Open Burning - There is no open burning, the only burning we allow outside is if you have a fire pit that has been approved by the Garden City Fire Department.

- Pot Luck Dinners – Chugg asked the membership their feelings on this. Our By-laws say that whoever is here attending a meeting form a quorum and that quorum has the authority to vote for the 648 members. A **motion** was made by Tony Christiansen and seconded by Elvira Luczak to have a pot luck lunch after the meeting. The Board will furnish drinks. Passed unanimously.

## **Financial Report**

Keeler gave the following financial report. In 2007 the Sweetwater Golf Course Homeowners Association Members had about 81 million dollars of building assets. It is important that Members and the Board work together to maintain these valuable assets.

We as a Board need your participation. We, as a board, take our responsibility seriously but we also recognize that we need a lot of support. We have tried to keep \$60-70,000 in reserves but with the expenses to maintain roads and the water systems, we have had to take additional money from our operating budget. In 2008 we expect our taxes to the County to be \$69,150.00. We expect our revenue to be \$53,457.00. Our expense for 2008 is expected to be \$53,440.00. In 2009 the members should be prepared to see an increase in dues so we can build up the reserve. Our cash position is okay we are not in a deficit position. Snow removal expenses were very high this year. It typically is around \$4,000.00 and this year it was \$18,000.00. In order to build our reserves back up to the \$60-70 thousand range, we will need to increase the dues in 2010. A member asked if the \$15,000 would be a one time assessment or would it be permanent. Keeler responded he was not sure at this time. A member asked if under the by-laws does the Board have the power to make that decision on their own or does the membership have to vote on it? Karl stated that the membership has to approve all increases in annual dues. The Board is just making the membership aware should this have to take place.

Bobbie Coray asked for a point of personal privilege. Last year a small group of the Board met on their own...Chugg asked if this could wait until after the election...the membership opposed that request and asked that Coray continue. Last year a small group of the Board met on their own which resulted in a disputed election results. There was not resolution to those results but the people who had met and created this problem were reprimanded. Again this year I understand; I have a copy in hand of a meeting that was held, a meeting was called and five of the board members were asked to attend this meeting. I would like to know who called the meeting, and why were not all the board members present at this meeting. I understand that one board member has resigned as a result of that meeting. Is this legal to have formal meetings about this board by a portion of our board and do we feel good about it.

Chugg stated it is okay for people to get together and talk about situations. It is unethical, in my opinion, to call a meeting without inviting all the Board Members. Chugg did not feel what was done was illegal.

Coray asked who called the meeting. Larsen asked what difference does it make. Coray responded we are going to be electing these people – who called this separate meeting?

Coray stated that she had been informed those attending were: Jane Larsen, Jim Roberts, Gene Merrick, Randy Gnehm (who has resigned) Bill Rich and Don Jardine. Quite a bit was discussed according to this agenda. Coray asked: Mr. Chugg were you invited? Answer: no I was not. Mr. Ruggles were you invited? No I was not. Mr. Parker were you invited? Answer- No, Mr. Keeler was in the hospital.

Coray stated the Agenda was entitled – Preparation Meeting for the June 21, 2008 Annual Sweetwater Meeting. Larsen tried to explain, that there was a discussion on who was running and who we would be working with and how they might fit into their offices. Coray stated she had been, as a reporter, fighting with the County for the past year over open meetings and felt that we in a situation where we have a different board operating separate from the Board as a whole. One of the reasons we have a Board as a whole is to have broad representation. You can discuss in a Board meeting, as a whole, who is not, or is, doing their job if that is indeed a situation. If you want to be one-on-one that is another thing. But to have a pre-meeting prior to the annual meeting and have an agenda and minutes – I would like to know the out come of that meeting. Larsen responded that every one of those things on the agenda was discussed. Not one of those items on the agenda came to a conclusion.

Coray asked did you (Larsen) call the meeting? Larsen responded she did not. Coray asked who called the meeting?

Larsen stated sometimes you have to have a little bit of being able to communicate and not hurt someone's feelings. Last year feelings were hurt and this year we met, we discussed some things and we agreed that these.....Coray asked who is we – the Board...Larsen continued everyone except those people who did not go. Ruggles stated we (Chugg, Ruggles and Parker did not even know about the meeting). Larsen stated they were not invited because we felt there was some hostility on the board and maybe they should not be there to have a discussion. The membership was upset. A member stated that he had set on many boards and you have what is called an "Executive Session" and the Board members are always invited you never ever talk about another member or any business without an executive board meeting. If that member is being challenged for the work they are doing, they have every right to have that done in front of their face. What was done here was not only inappropriate but according to most boards is actually illegal. This is not the way to do business, if the Board has a problem then they need to retire to executive session and resolve that. You do not have meetings without everyone being there.

Coray asked again – who called the meeting.

Larsen resigned her position on the Board.

Rich stated he called the meeting. We have a number of openings on the board, we mentioned throughout the whole executive committee to see who would run for the board. As many people that were asked there were two – Dan Jardine and Karl Keeler said they would run. We were one short so the meeting was called. The purpose of the meeting was not a board meeting. We were trying to see who was going to say yes to run. It was a meeting to see where we are. It was never discussed to see which board member would be good or bad.

Coray asked – Mr. Rich you are saying that you chose a group of people to choose who would run for office – is that what you are saying? Answer yes. Coray... in doing this you left out four members of board to help chose? Rich...the whole board was trying to find people and these are the ones....

Chugg stated the process for filing board members is we put out in the newsletter that if anyone wants to run, please submit your name. The date we put on that was April 30, 2008. We put out another letter that says those names needed to be in by April 30, 2008 if you wanted to run. We had the three incumbents which filled our board plus two others. There was some waffling by these candidates and so we decided to give them until the end of May. A letter was then sent out to each of these people. At that time the secretary was Greg Merrill and he was going to make up the ballot for the election. Then between May 21, 2008 when this meeting was held and the end of that period, Mr. Jardine dropped out. We still had four candidates – Keeler and three incumbents. Then Gnehm after the 21 of May dropped out that still left us with Keeler and three incumbents. Then Greg Merrill dropped out and we as a Board appointed Keeler to take his place. That still left three open positions – 2 incumbents and 1 that we will present to you today. There was never any time that any of the board members was unaware of who was going to run and if we had enough to run.

Coray asked if it was possible to nominate from the floor at the annual meeting. Chugg responded no. Chugg did not think we have ever done that. Merrick thought about 12 years ago we did nominate from the floor because of certain circumstances.

Coray stated what she was most concerned about is that a meeting was called that sounded official; some of the people that went thought they were part of a board meeting and it was not. Rich responded only the people that said they would run. Coray stated that Rich, Merrick, Larsen, Roberts were thinking of not running? Rich – no. Coray

continued Larsen, Roberts, Merrick, Genhm, Rich were all members of the Board and not up for election and not up for election – correct? So you went to the meeting and then you invited Karl Keeler who is now a member of the board to talk about Dan Jardine. Keeler was in the hospital. Coray stated so we have had a separate board decide things for us that the whole board should have. As members of the association, Coray found this very offensive.

Coray stated that if she ever serves on a board (and she has served on many) and they did this, she would absolutely want the board dissolved.

A member stated that a board has been given power from the ACLU to do these types of things in the formation of a committee. That committee then is authorized by the board officially to contact perspective people and discuss specific issues and those issues have to be determined in advance. They are not allowed to go there and talk about other board members, they are not allowed to go there and talk about board business. They are authorized by the board to represent and ask candidates if they are interested on the board. They cannot politic them, they cannot pre-disclose to them, they cannot say how they would vote on an issue. None of that can be done, if you do that that is illegal. I am not an attorney but I have been through this enough to know that will get you in a lot of hot water very quickly. The board has ways to get things done. I say it was inappropriate; we have to move beyond it.

The members asked the board to represent them as a whole,

A member asked if there was a term limit on the Board. Chugg responded no. But, each Board Member has to be re-elected every three years.

Coray stated they had read from the by-laws and they are silent on whether you can or cannot nominate from the floor. If anyone is willing to run Coray would be happy to nominate them.

Chugg stated that the Board will have the candidates who volunteered to work with the Board, namely Jon Ord, Mark Anderson and Vicci Mendez, attend the next Board Meeting where their names will be submitted to be Board Members or Assistant Officers,

Cheryl Edwards made a motion to vote on the proposed Board Members, Jim Ruggles and Tom Bardsley. And if Jane Larsen is serious about resigning her replacement would be appointed at the next Board meeting. The motion was seconded by Christiansen. The voting was past by a majority vote.

Ruggles spoke in behalf of Tom Bardsley. As the community grows as it is today the importance of having Board members full time residents is significant.

Chugg stated we will have Jim Ruggles and Tom Bardsley as Board Members. That will leave one position open, until we confirm Jane Larsen's position.

Vicky Mendez – Would like to serve and be involved in the community.

Mark Anderson – lawyer – real property, water, natural resources, owns five lots.

John Ord – lives here and wants to preserve the beauty.

Bardsley introduced himself to the membership.

### **Buildings Permit Report**

Rich stated he had been a board member for 22 years and have witnessed tremendous growth. He extended an apologize to anyone he may have offended. The permit report: In 2006 – 20 homes, 5 out buildings; 2007 - 24 homes, 1 garage (17 were requested by developers; 2008 (so far) 5 homes (4 were requested by developers).

### **Roads**

Parker reported that \$18,000 was spent on snow removal this past winter. The roads have been graded and mag water applied. More regulatory signs will be installed as we have the money to do so.

## **Signs**

Roberts reported he had installed many signs and will be installing more in an attempt to control ATV traffic. Roberts is asking everyone to respect their neighbors and cooperate so everyone can enjoy their time at the Lake. The membership was encouraged to contact law enforcement if they felt it was necessary.

## **Enforcement**

Ruggles reported on enforcement. Many letters have been sent and the Board approved issuing a \$200.00 fine to a homeowner. Please help in controlling Dyers Woad. It will take an effort from everyone to control this weed. We put 68 tons of mag water down at 41 cents a gallon equaling \$4,718.00. A member expressed concern over parking trailers on your property. It seems like we are running two Associations – one for primary and one for non-primary. Ruggles responded permanent residents should be allowed to have their toys on their property. However, we as a Board, do not feel that this should be a dumping ground for toys. The member responded then if you are a permanent resident you have a dumping ground. The member continued, my dues are the same as your dues and therefore it should be equal. Ruggles states that we as a board did not feel we wanted this community to become the storage for travel trailers, boats, etc. The member suggested the Board look it over again.

## **Water**

Merrick reported on the status of our water. The water system is 25 years old and is wearing out. Last year we spent approximately \$300,000 replacing lines and this year we have had the same problem. We have had people without water from January to March. We are fixing the leaks as fast as we can. Some of the water lines froze a couple of years ago and the roads were raised 18 inches, this seems to have worked. We sold the property down at Sweetwater Parkway for \$400,000.00. We have hired a full time water

person and he is doing a great job. We are also trying to work on the fire hydrants. Meter reading should be out by the end of June. We are going to put the new well on line as soon as we can get the paperwork.

### **Aged Receivables**

Chugg reported we have approximately \$22,000 outstanding on people not paying their bills. We will keep working on that.

Bobbie Coray complimented Chugg on the fine job he is doing in representing the membership. He put in many hours and attends the Rich County Commission meetings on a regular basis. The member applauded Chugg and thanked him.

Chris Coray stated the members will elect the board members. The nomination process is one thing but the members elect the board. You can replace someone on a temporary basis.

Chris Coray read from the by-laws: Article 3 Governing Board Section I – *at each succeeding annual meeting of the members, one third of the shall be elected to fill vacancies occurring as a result of expiration of trustees terms of offices for a term of three years by a majority vote of the members.* There is nothing on nominations.

Chugg did not feel we can put in a board member without them first submitting their names and filing for the opening. We have never done that in a situation like this. We are talking about Larsen's position. Chugg asked the membership to give him authority to talk to Larsen and see how serious she was. Then we can wait until next year or you, the membership can give us authority to appoint one of the four names given today to the board.

Scott Green made the motion to put the three candidates, Mark Anderson, Jon Ord and Vicci Mendez on the Board as Assistant Officers. If Jane Larsen's resignation is determined to be final, then one of the four, the forth being Chris Coray who is an

Assistant Officer, will be appointed by the Board to fill Jane Larsen place on the Board.  
The motion was seconded by Bobbie Cory. Passed unanimously.

This meeting will stand adjourned until the Annual Meeting in 2009.