

Sweetwater Golf Course Homeowners Association Annual Meeting June 11, 2022

CALL TO ORDER AND ROLL CALL

- The meeting was called to order at 10:00 am by HOA President, Paul Carver.
- All HOA Members were requested to sign in.
- A roll call of Board Members was taken. The following were in attendance:
 - Paul Carver
 - Jim Roberts
 - Doug Pincock
 - Jeffrey Stringham
 - Jon Nichol
 - Danielle Jensen
 - John Sullivan
- One Board position is vacant, and the following Board Member was absent due to a family funeral:
 - Carol Hirschi
- Tiffany, Wahlberg was also present.

ADD-ON ITEMS FROM THE BOARD OF DIRECTORS

None were reported.

PUBLIC COMMENT

Question: Loretta Nielson – “I paid a rental assessment of \$1,800 and then received a credit of \$1,800. Can I get a refund instead of a credit?”

Answer: Doug Pincock – “The HOA charged rental fees based on occupancy load. We no longer assess fees. We have credited back fees back to owners. If you want a refund, we will issue you a check.”

GENERAL HOA ANNUAL MEETING

- I. REVIEW NOTICE AND PROOF OF PROPER NOTIFICATION OF MEETING TO THE MEMBERS
The Board sent proper notification 30 days prior to the HOA annual meeting. We think we did our fiduciary duty to notify everyone. If there are any concerns, please contact us.
- II. REVIEW AND APPROVAL OF MINUTES OF THE LAST ANNUAL MEETING IN 2021
The minutes of the 2021 Annual Meeting were given to you in the packets as you came in. Additional packets are available on the back table. A motion was made to approve the minutes and the motion passed.

III. REPORT OF THE PRESIDENT – Paul Carver

- The new Board Members elected today will be posted on the HOA website. Since we missed the 2020 annual meeting, we replaced six Board Members last year. We are all new and appreciate your patience. There are three positions open for re-election today.
- Our biggest problem this last year has been the failure of property owners to follow the rules. The Board Meetings have mostly been about violations of the rules. We have been reactive instead of proactive about violations. I extend a plea to everyone. Please follow the rules to keep our community clean and attractive, protect monetary investments, and to keep home values high. Prices are skyrocketing. Our subdivision has been discovered.
- There have been violations of house painting colors. An attorney has been given the task of delivering an opinion on enforcing the color rule. He is still reviewing this issue.
- We are assessing levying fines for violations. Guests are parking in the street. This makes clearing the snow from the roads impossible.
- The golf course is being sold to new owners. We are examining the easement issues with the County, but it appears there are no difficulties.
- Please conserve water. Water demands are up. We draw water from ground water. Look at the lake as the two are connected. The ground water table has decreased as well. We need to have good stewardship of our water. You might consider changing sprinklers from spray to bubbling, which won't waste a lot of water. Water use could drop 50-75%. Spraying is measured in gallons/minute while bubbling is measured by gallons per hour.

Question: Scott Cottis – “Can we remove the grass in the parched areas, so we don't use extra water?”

Answer: Doug Pincock – “The CCRs say no grass.”

IV. REPORT OF THE SECRETARY

Since there is no appointed Secretary to the Board, the minutes from the 2021 meeting will stand as the Secretary's report.

V. REPORT OF THE TREASURER – Doug Pincock

- **Profit & Loss Statement:** The 2022 budgeted and actual Profit & Loss Statement was shared via projector. Budgeted income for 2022 is \$130,600 and expenses are projected at \$128,631, which results in net income of \$1,969. The actual budget so far includes (\$27,000) in rental property assessments as this is no longer allowed and rental assessments were credited back to the homeowners. The majority of the income came from \$50,200 in permits and \$182,000 in HOA fees. Total income is \$206,093. The actual expenses for 2022 are \$37,183, which includes \$6,040 in accounting fees, \$11,127 in road maintenance, and \$16,885 for snow removal. Net income is \$168,910. The major expense is road maintenance. Most of us are unhappy with the condition of the roads. We need more money to bring the roads up to standard.
- **Balance Sheet:** We had a lot that came into our possession because of unpaid assessments. Danielle Jensen, through her brokerage, sold the lot and we received

\$143,000. We were charged no brokerage fees. We have \$686,000 in our checking account. There is a requirement by the State of Utah Community Association Act for us to provide a reserve analysis. We should have \$300,000 at the end of the year and we should be contributing \$50,000 annually. This reserve negates special assessments. Our only assets in the HOA are the roads. We have to make improvements to them. We have issues with water crossing the road and damaging them. We will have \$280,000 at the end of this year after road improvements.

Question: Dave Mills – “Building permits are charged. Is there an impact fee?”

Answer: Tiffany Wahlberg – “The impact fee is included in the building permit fee.”

Answer: Alan Edwards – “The impact fees are assessed by the water company.”

Question: Dave Mills – “Short-term rental fee is not correct?”

Answer: Doug Pincock – “The fees have been refunded to the owners.”

COMMENDATION: A resolution was presented and approved to present a commendation to Jim Roberts for his service on the Board of Directors of the Sweetwater Golf Course Homeowners Association for the past 16 years from 2007 to 2022. His father, Reed Roberts, was also commended for his service to the Board from 2004 to 2006.

VI. REPORT OF COMMITTEES

A. Building and Architecture – Jon Nichol

- Approved 19 homes for construction in the last year. There is one tentative approval for a modular home, one disapproved for a Hobbit home with a mud exterior, and several in the current pipeline.
- The Architectural Committee consists of Jon Nichol, Danielle Jensen, and Christian Wilson, and outside architect who charges \$100/plan review. We need another Board Member on the Committee.
- Construction is going well. There were 30 permits approved in 2020 and 19 so far in 2022. Could have 40-50 by the end of the year. We are growing faster than anticipated. This may slow down if the economy tanks. Through the end of 2020, there were 300 total homes constructed.
- There is a question whether we want to allow modular homes and whether to require that they gingerbread them to make them appear more custom.

Comment: Carl Roberts – “There was a modular home put in behind me within the last 24 months.”

Comment: Jeff Stringham – “There are 12 subdivisions in Sweetwater. The CCRs were written in 1973-1978. The CCRs say that mobile homes and trailers may not be placed or erected on lots. If we want to change this, we need to vote to change it.”

Comment: Jon Nichol – “The new applicant is not a mobile home. There is nothing in the CCRs to say that modular homes are not allowed.”

- We inspect and approve new homes before the owner takes final occupancy so that they aren't over the height restriction, setbacks are met, and that they have mitigated water drainage problems. We are going to try to be more formal about inspections in the future.

Question: Carl Roberts – “What about homes from Board Members that exceed the elevation requirement? Why do Board Members get a pass and we do not?”

Answer: Jim Roberts – “That was in the past when the CCRs were illegible due to pages sticking together at the County and we didn't know the restriction. Since then, we have followed the regulation.”

Comment: Jon Nichol – “We are now proactive in following this regulation.”

Question: Unknown – “Do we have an inventory of houses that violate this rule?”

Answer: Jon Nichol – “There is no inventory. We can't go back now to make homeowners comply due to the problem at the County when the CCRs were unreadable.”

Comment: Red Fraige (sp) – “Our homeowner height restriction is 28 feet. The County restriction is 32 feet.”

Comment: Jon Nichol – “Sloped lots makes it difficult to build within the 28-foot restriction.”

Comment: Alan Edwards – “We ought to address this height restriction.”

Question: Rebecca Kline – “Please clarify. Is the height 28 feet from the lowest point of the soil?”

Answer: Jon Nichol – “Yes.”

B. Roads – Doug Pincock

- Repairs to the roads are ongoing. They will be working through June 18th. We don't have enough money to do every road that needs work. We will repair the worst roads first. I apologize that we can't do all roads every year.
- There is a new contractor this year. He is a homeowner and has a vested interest. We requested four bids. Two declined and two bids were close. We selected the best bid. We are happy with the progress. MAG water will be laid on June 21st.
- We hope we can get to a point where we just groom roads in the spring and then going into the winter. Traffic continues to grow.
- Speed bumps will go in after the grading.
- We will reseal the road from Kimball Lane to Partridge Place on June 28th. It is a 48-hour process. The road will be closed the night before on the 27th and then there can be no traffic for 24 hours until it cures, so the road will be closed through the 29th. Please spread the word to guests and renters. Have them park at the end of the roads or go around on other roads.

Question: Dave Mills – “Is there another way to get in?”

Answer: Doug Pincock – “There are multiple ways to get in.”

Comment: Tiffany Wahlberg – “Go to the website and there is a map.”

Question: Dave Mills – “Is there any plan to start paving?”

Answer: Doug Pincock – “Paving would save maintenance costs and dirt. It is cleaner and easier to clear snow.”

Comment: Danielle Jensen – “I took bids to pave my subdivision (GC-2). The cost would be \$320,000 to \$380,000 for 115 lots or \$3,200-\$3,500 per home. If the entire HOA wants to pave, we could do an assessment. We could do it by subdivision or the whole HOA. The whole HOA would be \$4-5 million (900 lots X \$4,000). We may have to do it over more than one season. An option is to stretch it out 10-15 years and have homeowners pay \$600/year.

Question: Jon Nichol – “Can we carry it over multiple years and carry over to a new owner if we sell the lot?”

Answer: Doug Pincock – “We can do that. We wouldn’t want to borrow to do the paving.”

Question: Red Fraige (sp) – “Would this include road base?”

Answer: Danielle Jensen – “Yes, it is all included.”

Comment: Candy Robbins – “If we put in asphalt, we will see traffic and speed increasing.”

Comment: Doug Pincock – “We could put in rolling waterways-dips that are 12-18” wide. This could help control the water and the speed.”

Question: Greg Moss – “Asphalt requires maintenance. What would annual maintenance fees be?”

Answer: Doug Pincock – “Sealing asphalt cost is \$13,000. Ongoing maintenance costs would go down from what we are currently paying.”

Question: Carl Roberts – “What is the width of the roads?”

Answer: Doug Pincock – “18 feet.”

Comment: Dave Mills – “I live on Brassie. I’m in favor of pavement. I would like to work with you. I am a retired civil engineer. I can help work up a cost/benefit analysis to study doing it all at once or doing it over time. And I can provide specs for road paving. We can put the analysis out to homeowners and ask them about their preferences.” Dave was asked to speak with the Board after the meeting.

Comment: Tiffany Wahlberg – “We need to know the interest of homeowners before we do a full analysis, so we don’t spend money. 10% of dues don’t get paid every year

and they have to go to collection. Prices could be higher based on those that won't pay an assessment.

A straw poll was taken: 10 homeowners opposed paving and the remainder approved.

Comment: Doug Vause – “We should put traffic counters on the main roads. Some roads should be prioritized over other roads. Start with the main roads and graduate to the smaller roads.”

Question: Dave Nielsen – “Would the County pay to pave County roads?”

Answer: Jeff Stringham – “The County Commissioner is not in favor of it. We could get Sweetwater Parkway paved by the County. They are collecting rental tax from our renters, so they will consider doing it.”

Comment: Paul Carver – “The Board will form an ad hoc committee to analyze the paving question.”

C. Weed Control – John Sullivan

The County is helping with weeds on the side of the roads. Thistle and Dyer's Woad are a big problem. Please help remove weeds by your home. The HOA has the ability to remove weeds. Notify us if you have a problem.

Comment: Carl Roberts – “The State of Utah will help with weed spraying. I spray 3,500 acres. The NRCS will help spray. You would not need a grant to do this. The State pays for the spraying and the chemicals are free. Don't try to spray on your own. The chemicals are too dangerous. The County also pays \$10/bag for Dyer's Woad. You can bag it and turn it in. Spray in the spring. Each plant has 40 million seeds. The County has to do the spraying. Individuals cannot access this chemical. Let the people who have the knowledge and equipment do this because I got Leukemia from chemicals. Go to the County and HOA websites.”

D. Water Company – Paul Carver

- The state of the infrastructure is a concern for the Water Company. The Master Plan needs to be updated. The current Master Plan is 10 years old and has 10 years of planning remaining. The pipes are old. They are approaching 50-60 years of age and are at the end of their service life. We need to patch and replace pipes. The pumps are also showing age. Large water replacement projects are happening this year. Scott England is the General Manager of the Water Company. We are in the beginning stages of determining how to increase spending. The Master Plan will tell us. More homes are coming on-line.

Question: Cheryl Edwards – “I thought the Water Company was to become a public entity. Could we get low interest loans?”

Answer: Paul Carver – “That would take a complete restructuring of governance. The Water Board is elected from the community. There hasn't been an appetite for making the utility public.”

Comment: Doug Pincock – “Do we have adequate water for a full build-out of the community? We are actively securing water rights (mitigation shares). We will have enough water to provide water to all of the HOA. But there has to be enough water to use.”

Comment: Paul Carver – “There is a difference between paper water and wet water. We need infrastructure in place to cover future requirements.”

Comment: Unknown – “They (Water Company) currently have 45 services waiting to be installed. Half are from last year. They will proceed to install service when you have broken ground and have the foundation poured so they know where to run the pipe.”

E. Rules and Fines (Doug Pincock for Carol Hirschi)

The expectation is that you have the HOA rules posted. Guests should be aware of them. Educate your renters. As the owner of record, you will be held responsible. We are more active as a Board in pursuing violations. If you have a problem neighbor, don't try to address the situation yourself. Send us the information for the violation and we will handle it. We might add some rules. If you have suggestions for rule modifications, please submit a suggestion on the website.

F. Revised HOA Building Application Form – Danielle Jensen

We have altered the color section of the application. We are trying to have colors fit with the surrounding area. The revised application requires the color and a code. I will check the code to verify the color. If you wish to change your color later, there is an Exhibit A. Fill out Exhibit A in writing and submit it for approval. Contractors need to also follow the rules for paint colors as well.

G. Report on Rich County Discussions of Short-Term Rentals – Jeff Stringham

I am the liaison with Rich County and also with the Ideal Beach Resort. At the time of the June 2021 annual meeting, there were 40 short-term rentals in the HOA. At the end of the year, there were 53. If you want to have a short-term rental, you are allowed. We are governed by the Utah Association Act. WE have been allowed rentals but need to abide by the rules. You bear the risk of it someday being disallowed.

- You need to get your property approved and licensed. Go to the County website. Look at short-term rentals and file an application. The County meets the last Thursday of every month to consider applications and renewals.
- Rich County loves the revenue. 100% of the applications will be approved unless there are complaints from adjoining homeowners.
- You need the application and the Fire Authority approval. You need fire extinguishers installed in the property.
- You also need occupancy number to be determined.
- You should be there at the meeting for the approval.
- 80-90 properties in the County are not licensed. 120 are currently licensed.

- The County tracks renters on a special software to search AirB&B, Verbo, and other rental sites. They will find out if you are renting in an unincorporated area. They will notify you if you are in violation. They have a list as of December 31.

Comment: Burke Christensen – “What is the penalty if you aren’t licensed?”

Answer: Jeff Stringham – “If you aren’t licensed, you are in violation with the County, State, and Federal taxes. If you rent more than 13 days a year, you must report and pay taxes to the IRS. In addition, there is a State sales tax and County transitory tax. We have a list of whose who have licenses.

Comment: Tiffany Wahlberg – “The GRAMA report from the County has the report. You can go on the County website and request the list.”

- It is a misdemeanor with the County if you don’t have a license. It could be a felony if you don’t pay taxes.
- Update your insurance coverage to current real estate values for the replacement cost as values have increased significantly. Most homeowner policies exclude short-term rentals. Insurance will not pay if you have a fire and don’t have a special endorsement on your policy for short-term rental coverage.

VII. ELECTION OF NEW DIRECTORS

There are three vacant positions on the Board (Jim Roberts is retiring, Mark Weiss resigned, and John Sullivan is at the end of his term and is not running again.) We only had two applicants, so I am making a motion to accept by acclamation the two candidates. The two candidates, Tyce Jensen and Lis Christensen, came forward to introduce themselves.

Tyce Jensen: He is the husband of Danielle Jensen, a current Board Member. He builds houses and does remodels and works as a real estate agent. He is the Chair of Government Affairs for Property Owners so he can advocate for us.

Lis Christensen: She is a mother of four. He and her husband bought a lot last December in Omega. They live in Logan and want to move to Sweetwater full time. She wants to contribute to the community.

A motion to accept Tyce and Lis by acclamation was voted on. All were in favor. There were no objections. A request was made of the general homeowners’ body for volunteers to serve in the last Board seat. Carl Roberts volunteered to be a candidate for the last position. There are several others who previously expressed interest. The Board will appoint the final position at a future Board Meeting.

VIII. TRANSACTION OF OTHER BUSINESS – None

IX. OTHER INFORMATION

Jeff Stringham: The Ideal Beach Resort had its annual meeting. All Sweetwater HOA members have the right to use the private beach. The current fee is \$1,250 per year for those members who have a home, not just a lot, in Sweetwater. You will get an entry card to identify how often you use the gate. Renters typically use the beach more than homeowners.

Question: Carl Roberts – “If renters cause a problem, what is the recourse to the homeowner?”

Answer: Jeff Stringham – “You are responsible. Use your discretion.”

Question: Andrew Christensen – “What is the sentiment of Ideal Beach? Are they willing to continue this service?”

Answer: Jeff Stringham – “There is a push to have guests pay more than the \$1,250. Ideal Beach Resort members pay \$4,000/year. Ideal Beach receives about \$100,000 per year in revenues from Sweetwater. You can sign up for the card by taking a utility bill and going into the Ideal Beach office to apply.”

Question: Carl Roberts – “Boats come up and land on the beach. Is there any recourse for nonmembers?”

Answer: Jim Stringham – “The State owns the beach up to the high-water mark so there is no way to eject them. The beach is technically owned by the State. They can’t kick people off.”

X. ADJOURNMENT: Paul Carver made a motion to adjourn, and the meeting ended at 12:05 pm.