

Sun Mountain Ranch Club Annual Meeting
September 16, 2006 9:00 a.m.
Church on the Rise

After determining a quorum of the voting membership was in attendance, President Paul Tillman called the meeting to order at 9:00 a.m. Board members and officers present included Paul Tillman, Ronnie Davis, Steve Smith, Jamie Forsythe, Joan Bassen, Al Muzzy and Betty Johnson. Dave DeVoe was absent.

Paul welcomed all in attendance and thanked them for taking the time to be present at our yearly meeting. He also thanked the many volunteers who worked so hard the past year for the ranch club: Dave Bassen, dumpster; Jerry Johnson, Steve Smith, Julie & Dewey Meier, lawn mowing; Al Hanes, trash pickup. Paul briefly explained some protocols for the meeting, i.e. waiting to be recognized before speaking, one speaker at a time, no profanity, etc.

REPORTS

Secretary - The minutes for the 2005 Annual Meeting were read by the Secretary. After questions were asked and answered Dave Bassen moved to have the minutes approved as read; Jim Harbor 2nd; motion carried.

Treasurer -

Savings	\$38,864.55
Checking	16,970.60
Petty Cash	<u>90.00</u>
TOTAL	\$55,925.15

The 2007 Proposed Budget was presented. Jamie pointed out that the dues collected are not equal to the budget. It was also noted that overestimating budgetary amounts was better than underestimating. The biggest expense is the roads, but gas prices are also very high. The proposed budget contains a lot of educated estimating. Jim Harbour moved to approve the Proposed Budget; Al Jansen 2nd; motion carried (one nay).

Architectural Committee - Joan Bassen gave the following report:

13 Lots were approved to develop or improve since the last General Meeting -	
1 shed (storage)	2 garages (Rodeo Trails)
3 pole buildings	1 house & garage (Rodeo Trails)
1 cabin	1 carport
1 double-wide	1 double-wide (replacement)
1 enclosure of RV cover (convert to cabin)	1 cabin (replace park model cave-in)
1 application returned for improper setbacks	

Joan also asked for two more committee volunteers especially with construction knowledge; please see her after the meeting. **[Secretaries note: written report filed with these minutes.]**

Road Committee - Jerry Johnson/Al Jensen - Al reported that all roads had been graded; three culverts now drain onto greenbelts; one catch basin was installed; and a trouble spot above the burn pile has been identified. The Lignin application was delayed as long as possible to get past the rainy season. The roads were double passed but this procedure may be changed next year. (Rodeo Trails was not done because of the construction projects that continually tore up the roads.) Most road signs are up. Dave Bassen asked why the dead-end signs were not completed. Al explained that the money for materials (wire & posts) wasn't there. Paul interjected that during this time we found out we own the roadway clear to the County Road so a big portion of the budget was spent on the South entrance. Al also reported that crowns are needed on some roads.

Bathhouse Construction/Remodel Committee – Dave DeVoe – Paul reported that two independent inspectors said the support timbers were okay but found electrical problems, plumbing problems, code problems, etc and recommended gutting the interior. For a remodel, we had conceptual plans done: 1) Bath area only, and 2) Bath area plus meeting room. Dave attempted to get costs but no contractors responded. Rick Avery said he has spoken to an architect (home owner in Rodeo Trails) who suggested it'd be better to start from scratch. He (the architect) offered a design at a reduced fee and also said band-aiding was not good. Rick Avery looked at the conceptual drawings and came to the same conclusion. Paul also pointed out the Bathhouse is not ADA compliant so we have to consider the liability of ignoring that issue. Garland Watkins asked if our dues would increase; Paul said no; we are looking at a one-time assessment for each property owner, i.e. a \$100,000 project would probably be around \$350 per lot owned. Joan Bassen moved the Board table the bathhouse issue until the year 2007; Dave Bassen 2nd, motion carried. Further discussion ensued on financing, i.e. monthly payments, one time assessment, interest compounding, etc. Evelyn Watkins asked that the Board send out information on the type of project and the costs involved.

ELECTIONS

Paul reported that Director terms for Dave DeVoe and Steve Smith are up: Dave has declined to run and Steve has agreed to run again. Rick Avery was nominated and agreed to run. Jim Harbour declined his nomination. With no further nominations, it was moved and seconded the nominations for Directors be closed; motion carried. Steve Smith and Rick Avery were elected by acclamation.

Officer terms for VP, Treasurer and Secretary are up; all incumbents have agreed to run again. Phyllis Boulton moved the current incumbents be re-elected; Dave Bassen 2nd; motion carried. Incumbents were re-elected by acclamation.

OLD BUSINESS

Fire Wise – John Dailey – John gave a brief overview of the accomplishments to date: fuel breaks developed along 22,200 feet of roads in the Ranch Club; a Firewise Workshop was conducted on 5/24/03 to increase Ranch Club members' awareness of wildfire risks and the benefits of fuels reduction; and mechanical and manual fuels reduction was completed on 105 lots (276 acres). The work to be completed includes: some lots still need slash piles burned; and Arnie Arneson, Cascade Woodlands has drafted a Community Wildfire Protection Plan which the SMRC Board of Directors have reviewed and will provide comments.

The remaining grant funds are very limited – approximately \$4600 still available to complete fuel reduction work. The slash pile burning that remains to be completed will likely use up the majority, if not all, the grant money.

Future grant requests will arise in January or February of 2007. The community wildfire protection plan must be completed prior to that time in order to develop a comprehensive proposal to request additional funding.

John thanked Ronnie Davis, Joan Bassen and Linda Muzzy for auditing the books and bank account.

Phyllis Boulton asked about the pine beetle problem. John said that what you see now means the tree died last year. You can call John to look at your trees (spring). He said the best program is to have your trees thinned out; they stay healthier that way. **[Secretaries note: written report filed with these minutes.]**

Park & Pool – Paul Tillman – Paul said the maintenance work for the pool and bathhouse was advertised but only one bidder responded – Sandi's Clean Sweep – and that bid was accepted. There were no significant vandalism problems this past year. The pool heater is shot and will be replaced. The solar panels needed a lot of repairing and were worked on most of the summer. A solar panel expert told us a Plexiglas box for the panels would make them work more efficiently, and he also said we had too many panels. We are looking into a saline system for sanitizing the pool; it's supposed to keep it cleaner. We purchased a new commercial-grade lawnmower in June

(\$6500) and volunteers are doing the mowing. With yearly maintenance it will last 10-15 years. Phyllis Boulton expressed her thanks to the volunteers.

Paul said the usual comments about the pool being too cold or too hot were expressed at various times during the summer but as for the pool water being cloudy, that goes right back to using sun block/tanning lotions and not showering before entering the pool. He also said the bathhouse would stay open through hunting season. Garland Watkins pointed out that since Rick Avery is on the Board he cannot vote when the bathhouse remodel bid is awarded. Rick said he would abstain from voting.

Twin Lakes Aquifer Coalition (TLAC) – Steve Smith – Steve said the coalition is more hopeful now than they've been in quite some time because of a new director at DOE. This director met with Dick Ewing and offered to go back to a process we had tried in the past which was moving us to the head of the line as far as acquiring water rights – it's called the Hillis Rule – so that's what we're pursuing. The only catch was they needed some more research. You may have seen some guys going around the development testing water flows of wells in the Ranch Club. That study has been completed but we have not had another TLAC Board meeting so we haven't received the results back yet. Once they have all their stuff together we could possibly move ahead on this project in the spring. We may receive the water right and start pumping into the lakes. All in all, the project is much more positive this year. Dick Ewing deserves a lot of credit for hanging in there. Ronnie Davis asked that the Secretary send a letter of appreciation from the Board of Directors. **[Secretaries note: letter sent 10/2/06]**

Rules Enforcement – Paul Tillman – Our attorney said we cannot assess money for rules infractions. The question was then asked that if we assess fines for late dues, etc. where's the difference. Ronnie Davis suggested we pursue changing this.

NEW BUSINESS

Annual Audit – Paul Tillman - After working for months to try and complete their task, the Audit Committee informed the Board there were insufficient records for them to do an audit. The Board then hired auditor Terry W. Greer. He charges \$3000 and thanks go to Linda Muzzy for the suggestion. Our attorney also said we are only responsible for the audits of the years we are in office. Paul suggested we do the audits each year since after this initial audit the cost will drop to \$1500 - \$2000 per year.

Linda Muzzy said the security of our records needs to be addressed. Currently the access to them is restricted; only Steve and Paul have keys to the storage shed where the records are stored. It was suggested we have a backup set of records with the CPA and our Treasurer. Ronnie Davis also suggested SOP's for the Treasurer and Secretary be developed.

Covenants Enforcement/Inspections – Paul Tillman – Complaints have been noted about property owners who are not complying with the covenants, i.e. too many units on one lot; cluttered lots; no covered storage; etc. Our attorney said we cannot pick and choose: we must uniformly inspect all the lots, list the violations, and send a letter requesting compliance. If the letter is ignored we need to evaluate whether to proceed or not. Paul will form a committee and try for the spring of 2007 to notify property owners, possibly in a newsletter. It was suggested that setbacks be stressed in the newsletter too.

Dumpster Remodel Proposal – Ronnie Davis – Paul gave a brief overview of Ronnie Davis' meeting with Don Davidson of Methow Valley Sanitation (MVS). The purpose was to explore ways the Board could cut costs for refuse disposal. We currently pay \$100/dumpster pickup plus \$2.70/mile for the 26 mile round trip – the mileage charge starts when the truck leaves the MVS yard and ends when the truck returns to MVS. Currently the truck comes to pick up the dumpster, takes it to Twisp, dumps it, returns it to SMRC and then returns to MVS. We could save approximately \$50/haul by having a second 20-yard dumpster available for the truck to drop off when it comes to pick up the full one. SMRC paid for 58 hauls in 2005: one less round trip would save us \$2900/year.

The cost for a new dumpster is about \$6000. However, we would also need to expand the existing enclosure to accommodate the second dumpster and this would run approximately \$4000 - \$5000. With the total cost in the range of \$10,000 - \$11,000 and the \$2900 savings, the project could be paid off in 4 years or less. An added bonus would be having the second dumpster available for holiday weekends thus avoiding overflow problems.

A comparison of other developments in the area (Pine Forest, Lost River and Eidelweiss) which use smaller dumpsters or a combination of dumpsters and individual cans showed their systems were not as cost effective as our present system. As of 8/22/06, we have spent \$33/lot in refuse disposal services. **[Secretaries note: written report filed with these minutes.]**

Paul again clarified the fact we would eliminate one round trip and that's where the savings comes from. Al Jensen said this would be a positive return on our money. Garland Watkins asked about burning and the answer was no. However, we still have the burn pile for legitimate burnable materials. In answer to the question about spending the money now, Paul said the vote results will answer that question. Dave Bassen said he was still finding cardboard in the dumpster. Paul explained there would be an area between the two dumpsters for cardboard.

The ballots for the garbage proposal were counted: 41 – yes; 10 – no. Proposal passed.

Paul asked for questions, comments or concerns from the membership:

Dave Bassen said outsiders (non-members) were still coming in and using the dumpster. Paul suggested getting a license plate number and calling him with that information whenever someone suspects a non-member is using our dumpster. Paul also related an incident reported to him: someone was observed dumping yet they were known to be camped on Gold Creek. Upon investigation, it was found that an SMRC member had given the campers their Key Card to use.

There being no further business, the meeting was adjourned at 11:25 a.m.

Respectfully submitted,

Betty L. Johnson, Secretary

Paul J. Tillman, President

A short Board meeting was convened immediately after the close of the Annual Meeting. Paul Tillman was unanimously re-elected President. A brief update on the Sherry Sullivan lot status was given. The next Board meeting will be dependent on Architect Dave Coleman's availability after October 14. Adjourned at 11:45 a.m.

These minutes (Annual Meeting, September 16, 2006) were approved as written at this years Annual Meeting held September 15, 2007.