

**RAFTER J RANCH HOMEOWNER'S ASSOCIATION
BOARD OF DIRECTORS REGULAR MEETING
MEETING MINUTES—APPROVED
October 25, 2005 at 7:00 p.m.
Rafter J Office**

IN ATTENDANCE:

DIRECTORS: Kip MacMillan, Joe Greene, Jim Huspek, and Chuck Rhea Absent: Vernon Martin

STAFF: Chuck McCleary and Cheryl Fischer

HOMEOWNERS: Don Martin

GUESTS: Matt Ostdiek, Rendezvous Engineering; Paul D'Amours, Hess Carlman, D'Amours, LLC

CALL TO ORDER: Chuck Rhea, President, called the meeting to order at 7:00 p.m. and gave a brief meeting summary.

MINUTES: (AUGUST 30, 2005)

Jim Huspek noted some changes to the August meeting minutes. After comments Jim moved to accept the August meeting minutes with those changes. Kip seconded the motion. All were in favor.

ACCEPTANCE OF THE FINANCIAL REPORTS (SEPTEMBER):

Jim Huspek commented that the Board had acted to transfer \$5,000 from the budget number from the Contribution to the ISD to the "utilities" line item due to delays in transferring the billing to the ISD. Jim reported that \$100,000 to ISD of the \$179,000 budgeted under the Contribution to the ISD has been transferred. The amount was used to open an ISD money market account similar to that of the HOA's except the ISD's would earn 3.5% interest. This interest is higher than the HOA's money market account because the ISD is a government agency and eligible for accounts not available to the HOA. Jim also noted that last month the Board agreed to eliminate the fifth column on the Cash Flow Statement labeled "last year's actual" because it was unneeded information. Jim also mentioned he had talked to Kirk Meckem with Edward Jones and told him what the Board was doing and he said he would look for something that was better but hadn't responded back yet. Jim noted the ISD is really limited as to what they can do with their money. It has to be safe. He noted the ISD could put it in a bank, a CD, and invest it with the state. The state has a fund or two but it can't be invested into mutual funds. Jim also noted that one of the letters written to transfer some of that HOA funds to ISD is included in the correspondence to be reviewed later. Chuck R. asked a few questions on checks written to Shervins, Estate Land Maintenance, and Staples. Then Chuck R. motioned for approval. Kip so moved and Joe seconded the motion. All were in favor.

MAINTENANCE REPORT: Chuck McCleary reported everything is going well and that is a plus. Then he gave a report on the following items:

Hydro-seed: Chuck M. reported that he had two quotes on the hydro-seeding and noted the third number that Matt gave him didn't hydro-seed. He noted the areas of interest total approximately an acre and one bid was \$1,800 and the other was about double that price. It was noted that areas to be hydro-seeded are by the pump house, the south entrance, and across the highway where the tie-in with the new south loop water line occurred. Jim noted that technically this issue really belongs to the ISD. ISD didn't budget for it and Homeowners didn't budget for it and he recommended keeping it in the HOA under "grounds". After comments Chuck R. asked for a motion to approve hydro-seeding for \$1,800 maximum. Kip moved and Joe seconded the motion. All were in favor.

Ford Truck: Chuck M. commented on the Ford Truck and noted the repair shop, Wedco, is working on the hydraulics and is waiting on parts. He assumed the repairs should be completed any day and noted it has been several weeks.

Storage Area: Chuck M. reported that he has been having some problems with the storage area gate with people taking the hinges off to gain access. Chuck R. mentioned he saw some chains on there and Chuck M. noted he had put the chains on and people still took the hinges off so he had Teton Fence weld the hinges in place. Chuck R. asked if any vandalism up there at all had been noted or reported. Chuck M. noted there had not been any lately. Comments followed and Chuck M. further noted that if he saw something he would alert the homeowner and call the sheriff and let them know, and that the sheriff does, on occasion, make patrols up there.

Ditches: Chuck M. mentioned that he had received a call from Ralph Gill on the South Park Ditch Company regarding having a meeting on October 31, 2005, at 10:30 a.m. at the 4-H Building as to the cost from now on, or at this point, to be in the South park Ditch Company. Chuck M. noted that Mr. Gill wanted him to attend and then he could report back to the Board. Chuck M. further noted that there is going to be an increase in rates and it will deal totally with water rights in Rafter J. Kip asked what the cost is. It was noted it's \$140 a year, so much an acre, unless something goes wrong, then they assess everyone for repairs. Chuck M. further noted he mentioned they want to start maintaining the ditches better. After more comments it was further noted that Chuck M. attend the meeting and gather information. Chuck M. also reported on the ditch coming off the Porter Estate. The north ditch is still running water and Kirk Lane has complained about the ditch still running after it is normally turned off because if it continues to run it will freeze, come out of the top, and flood nearby residents. Chuck M. noted then when Ralph was talking to him, he had asked Ralph about the continued water flow. Ralph gave Chuck M. his foreman's name but didn't have a phone number so Chuck M. had not talked to the foreman yet. After comments Chuck M. noted that Kirk Lane actually called Kelly Lockhart's wife and the ditch has dropped about seven or eight inches but it is still flowing. Chuck M. further noted it has to be dealt with so Kirk wanted him to report it to the Board in case he can't get it done.

Sewer Lifts: Chuck M. reported he still had a few more plugs in Sewer Lift number three but was able to unplug them by reversing the motors. He further noted we haven't had to pull any pump but they are still flushing stuff that shouldn't be going there.

Telemetry System: Chuck M. noted that the telemetry is down to one alarm that he can't turn on but the rest are functioning properly. Chuck M. further noted it has to do with the chlorine smart valve and that the technician would be here in about two more weeks to adjust it. Comments followed on the antenna. Chuck M. also shared information with Matt.

OTHER ISSUES:

Paul D'Amours, Attorney, was on the agenda to visit with the Board regarding some homeowners covenant violations. After discussion it was decided to have Paul send a letter and a draft complaint to one homeowner. There were further comments and discussion on sending another request letter to another homeowner with outstanding fees, giving a deadline, saying that, if not paid, a claim would be filed, and sending it registered with a return receipt. There was further discussion on those homeowners who responded to the painting letters and those who have not responded. After comments it was noted to send a follow-up note giving a deadline to come up with a plan and sending by registered mail. The Board had further discussion on another individual with a covenant violation. After discussion Kip moved that the Board proceed against the homeowner and ask Paul to write a letter of complaint. Jim seconded the motion. All were in favor. There was further discussion with Paul regarding another homeowners' fees and lien filing along with issues of painting and maintenance of the property. After comments it was noted to send the homeowner a painting letter with a date noting to either have it painted this year or to provide the Board a copy of a contract for it to be done next year along with sending the complaint certified with return receipt. More comments followed on when letters should be sent certified.

Improvement and Service District (ISD) Issues: The following ISD-related information was reported to the Homeowners Board.

ENGINEERING REPORT: Matt Ostdiek gave an update on the following issues:

Easements: Matt asked if the Board had heard about the Church easement and Phil Wilson easements. Matt noted he had meant to call Matt Turner the attorney for Phil Wilson but noted he hadn't done it. It was noted the Board had received the church easements. It was further noted they had been signed and recorded: one for the Homeowners and one for the ISD. It was also noted that copies had been received and Matt asked if he could have copies of those. Matt and Jim also shared comments on the easements for Phil Wilson that Jim noted is an ISD issue. Matt stated he hadn't heard from any of the individuals and had been meaning to follow up the last two board meetings but hadn't done so. Jim stated that it is time for a phone call. After further comment Matt stated he could give them a call.

Infrastructure Project: Matt noted he has the letters ready to notify people that have problems on their water service lines and sewer service lines. He noted he has the database set up to send the letters. Matt noted he would like to have somebody on the ISD review those. Jim stated that if Matt had them ready, to fax or email the ISD a copy. Comments followed and it was noted the ISD was having a meeting on November 3rd and Matt mentioned the date in the letter. Jim noted the legal ad for the meeting would be in the newspaper the next day. Matt noted the other thing he has been trying to get going is a demonstration project for the water service line replacements and noted a couple of issues. Matt noted that, first of all, he is considering doing it on Brahma and thinking about targeting this cul-de-sac. All these brown houses have galvanized lines and it might be a good place in the subdivision to try some different techniques. Matt commented on another option and area that had the most galvanized lines and highest number leaks in the leak survey. He noted those were the worst leaks and what he is looking at is bringing in a vacuum excavation truck instead of digging a hole with a backhoe. Matt then commented on the advantageous of the vacuum truck. Matt also commented that he thought that setting up to test two or three different methods and would allow choosing the one that does the best job. More comments followed. Matt commented on the funding and further noted that he is exploring some options on how to accomplish the tests. Jim commented that all galvanized lines are being replaced and that the purpose of the ISD meeting next week Thursday is to listen to any ideas regarding how the ISD could help finance work on the private homeowner lines. Chuck R. asked Matt when he was going to try this. Matt noted he would like to do it in November when the weather would be a little colder and the ground water is a little lower. Matt further noted he is trying to prove that it would be feasible to do this during the winter. Don Martin noted he came tonight to mainly update the Board on his conversation with the county on the special assessment option. Don further reported what the county's reaction is to do a special assessment for the 50 water lines on private property. Don noted that it has been done before here in Teton County by an Improvement and Service District. Don commented that the cost and assessment would be specific to each lot and the assessment would be after the work is done. Then the assessment would be on their tax bill for that particular property for each of those who want to commit to that approach. Don further noted the process could be investigated further to see what problems it might raise. Don also noted that all the details are not yet known but DeAnn with the county would be in on November 7th. After comments Don noted it was something to think about between now and November 3rd.

Well Project: Matt reported that there were no new developments. Matt noted the new well has problems. Matt stated an option is to spend \$2,500-\$4,000 to pump test it and see what it will do. Matt thought it would produce good water but the well screen is messed up. The other option is to abandon the hole and drill a new well. Matt noted that at this point in time a decision is needed as to whether to go ahead and see whether to salvage it and get as much life as possible out of it. Matt didn't have a good feel for whether to abandon it or starting a new well. Matt noted this well contract's original bid a year ago was an \$87,000 contract. Matt anticipated that same job today is going to cost \$95,000 to \$100,000—material price may be even more. Matt noted more comments on the liability. Matt guessed the ISD is probably focusing on another well and noted the next step is probably to check with the state who is providing funding for this well. He suggested having a conference call with the state. Matt noted that one option that is available is to apply for more funding for another well. Matt noted if that is the decision it needs to be made this week. Their funding cut-off is the end of the month. They have to have their request in for approval amending the contract essentially by November 1st. After comments it was noted it was the best way to proceed. Matt stated he needed to get Weber involved in a conference call with the state and probably have a couple of ISD Directors there. Matt noted it has to happen sometime Thursday. Matt further pointed out the ISD would only get a grant for 50% of what the infrastructure cost is. So we still have the other \$50,000 to work out. After comments Matt noted he would get to work on that

tomorrow. Matt inquired on the accounting with the county of what was spent on the water project. Comments followed. Jim asked Matt when to touch base next. Matt stated he would make phone calls the next day and would probably notify the ISD immediately as to whether something can happen on Thursday.

DISCUSSION ITEMS:

Correspondence: The Board reviewed correspondence from Lower Valley Energy on our patronage capital certificate. After comments Chuck R. noted he signed the certificate to redeem it. The Board further reviewed emails from homeowners and noted the letters received and mailed out along with action to take on a few of them. There was some discussion on a letter received regarding safety and speed limits. It was noted that Jim and Kip talked to the sender and noted to put the letter in the packet. Kip further noted that he thinks the sender has a point and maybe our signage could be improved. Comments followed on signs and placement and height of signs. Kip also mentioned making some sort of contractual arrangements with the Sheriff's Department to do some enforcement on our streets. Kip noted he doesn't know what it will cost but he knows Sheriff Zimmer pretty well and certainly could discuss the issue with him if this Board is interested in doing that. In Kip's opinion doing so would be the fastest way in getting the problem solved. Chuck R. suggested looking into it. After comments Kip noted again he could explore the issue with Zimmer, otherwise let's see what a couple of more appropriately placed speeding signs might do or speed limit signs. He noted they are about \$35 apiece. There was also discussion on a note received from a homeowner regarding issues of vehicles parking on the street, towing vehicles, and the number of people residing in a residence. After comments Chuck R. noted to have Chuck M. take some photographs and send it to the property manager with a cover letter. It was further noted to keep a copy of the pictures and Chuck R. stated he would write a letter.

Delinquent Property Owners: The Board reviewed a list of delinquent property owners and noted the action to take on each of them.

Coupon Mailing: The Board reviewed a sample of the coupon mailing for January 1, through June 30, 2006, and it was noted it tends to be mailed the end of November. Cheryl asked the Board if they wanted to mail a cover letter or any other correspondence out because she noted that what Vernon and she were going to do this time was to target just those people that either paid monthly or six months. Those that had paid through the year would not be sent this mailing. After comments it was noted the enclosed cover letter was effectively a cover letter and looks fine.

River Rock Parking Lot Lighting: Kip reported about a week ago Sunday he went there with a light meter especially designed to determine foot candles and from his layman's perspective, Jason definitely has an issue. Kip met with him today and went through some of the material that the Association has just as sort of a guideline for him to look at what the county has. Kip's theory is the county probably has the most definitive paperwork on River Rock Lodge and that is basically where it stands. Kip noted he is going to the county to see what the final version of the River Rock Lodge restrictions. Kip further noted that once he finds out what they are he would like the Board to send a letter to River Rock with a copy to the county saying that this is what the HOA has found and that there is a problem. Kip noted that he told Jason that after that action the issue is between him and the county since it is the county that is the one who established the restrictions. Chuck Rhea asked Kip if he would write the letter. Kip agreed. Kip further noted that he is not going to write it until Jason comes back with what he determines. Chuck R. again mentioned to get a draft to all Board members to review. Kip agreed to do that once Jason comes up with his details so he can write a letter without a problem at all.

Other Issues: The Board discussed a new accounting program and noted it has not been approved yet. It was also noted the money to do whatever is desired is in the budget. There were comments on the copier regarding the lease on the copier that matures November 7th and that a couple of bids for new copiers had been received from Teton Business Systems. It was further noted that one option is to pay the difference on this copier or get a different one. After comments it was noted to defer to Vernon on the issue. The Board also signed Jackson State Bank forms and noted changes on a couple of them.

ADJOURNMENT: Jim moved to adjourn. Kip seconded the motion. All were in favor. Meeting adjourned at 10:10 p.m.