

RAFTER J RANCH ANNUAL HOMEOWNER'S ASSOCIATION MEETING MINUTES-APPROVED
August 17, 2010, at 7:00 p.m.
River Rock Lodge Assisted Living Center

Directors/Staff present:

Directors: Vernon Martin, Kip MacMillan, Joe Greene, Brian Remlinger, and Paul Boillot

Staff: Cheryl Fischer

Call to Order: Kip MacMillan, President, called the meeting to order at 7:15 p.m. and thanked River Rock for the cookies and water.

Quorum: Joe Greene, Secretary, reported that the meeting was quorate.

Minutes (August 18, 2009): Vernon moved to approve the August 2009 Annual minutes. Don Martin seconded the motion. It passed unanimously.

President's Address:

Kip MacMillan introduced the Board members and staff and summarized the following Rafter J issues.

- **Expansion of River Crossing in Rafter J:** Kip reported that the HOA has appealed the county's decision. Initial briefs are due in approximately 40 days.
- **King Eider Subdivision:** Kip stated that Too Buds is developing a King Eider Subdivision which is part of the Walden Pond Homeowners Association. A letter was sent to Too Buds requesting them to remove their signs until approved by the Design Review Committee. Too Buds is owned by Scott Shepherd and Kasey Mateosky.
- **Tract 3A:** Too Buds is acquiring the Tract 3A parcel, which is above Highway 89. They propose to develop three single-family resident lots. The issue is access.

Financial Report:

- **Fiscal Year Ending June 30, 2010:** Brian highlighted items of interest for the fiscal year ending June 30, 2010. He noted that the actual Income was in good agreement with the budget, the Operating Expenses were approximately \$30k below the annual budget, and the Capital Expenditures amount was \$7k over budget. Thus, the Net Cash Flow was \$139,270.
- **Annual budget for 2010/11:** The Board plans to have at least one year of operating expenses in cash reserves. Since we have reached that level, the Board decided not to raise the homeowners and storage fees for this year. The Capital Expenditures line item includes a contribution of \$200k to the ISD, fencing replacement, pond mitigation, and replacement of Rafter J street signs. Brian asked for feedback from the audience regarding street signs. Vernon commented on the \$200k line item. He stated that the ISD Infrastructure improvement is funded primarily by loans and grants from the State and County. Recently the Town of Jackson, the County, and the State provided additional grants with the stipulation that Rafter J provide matching funds. The HOA decided to take \$200k out of reserves to avoid an additional assessment.

An individual asked about the \$91k ISD Support in the Annual budget? Vernon stated that it is money paid by the ISD to the HOA for contracting employees and equipment.

Another individual inquired about the HOA actual cash balance at the end of the year. Brian stated that the amount is \$545,634 as of June 30th. This includes petty cash, checking, money market, and accounts receivable.

Following comments, Herb Brooks moved to approve the annual budget. Diane Peterson seconded the motion. It passed unanimously.

Old Business:

- **River Crossing:** Paul Boillot reported that the Teton County Commissioners spent three days over three months discussing the River Crossing project. The HOA Board appealed the County decision regarding: (1) parking requirements and (2) the zoning designation. The Board believes the zoning is RA, which entails specific height limitations that the present application exceeds. The applicant has not submitted their plans to the Rafter J Design Review Committee.

An individual commented that River Crossing is seeking to add an additional 60,000 sq ft, similar to the size of Smith's or Albertsons. Mike Atkins stated that the buildings are already 18,000 sq ft; the planned additions would bring the total to approximately 60,000 sq ft.

A resident requested additional information be made available concerning the River Crossing expansion.

Update on other projects:

- Daycare Center: The Daycare Center is in the final 60 days of construction. The expected occupancy is October 1st.
- Noxious weeds in the Rafter J common areas: The HOA Board decided to spray the weeds and are evaluating the results. A crew of four workers spent 25 to 30 days spraying. Rafter J received a 50% discount for chemicals through the Teton County Weed and Pest and 40% reimbursement from Teton County for spraying.
- Mitigation pond: Brian stated that we are now controlling cattail growth and water level in the mitigation pond. Volunteers from the Journey School helped with cattail removal and water is now flowing again.

An individual asked how it is that Too Buds can build on wetlands when they never obtained the permits. It was noted that US courts have ruled that the US Army Core of Engineers no longer has jurisdiction over wetlands not directly connected to a body of water.

Another individual commented on the new FEMA floodplain boundaries and asked how they affect Rafter J. It was noted that no Rafter J structures are in the floodplain. However, some residences are in the floodplain.

A resident suggested that we have Rafter J maps available for the next meeting.

New Business:

- Board of Directors election: Joe Greene, running for a three-year and Kip MacMillan, running for a two-year term, each spoke about their interests in Rafter J over the coming years.

Comments from the floor:

- A resident stated that the RVs in the Rafter J storage area are an eyesore and asked if we could add screening.
- Another resident suggested that the Board consider auditing our financials and send out quarterly reports.

Improvement and Service District (ISD) Issues:

Vernon Martin, President of the Improvement and Service District (ISD) presented an update on ISD issues. He mentioned that we are near the end of the infrastructure project and we are starting to pay back the loans.

- Drinking Water Loan: The Drinking Water Loan was for \$1.5M at 2.5% interest. Rafter J has made a \$700,000 payment and Vernon noted that we intend to repay the remainder of the loan at approximately \$100k per year from the special assessment. Approximately, \$41k of interest has also been repaid.
- Clean Water Loan: The Clean Water Loan (sewer) was issued from the State through the County. Vernon noted that we will begin paying back the \$850k loan, with 2.5% interest, using money from the special assessments.
- Joint Powers Road Loan: The ISD is hoping to finish the repaving this year; the road loan was for \$900k at 6% interest. This is being repaid as rapidly as possible due to the high interest. There is still an issue as to the \$700k that Rafter J put up as matching funds; it is not clear if we have to use it.
- Reserve fund: The ISD is developing an independent reserve fund for future projects.
- Water project: Vernon reported that the galvanized piping, which was very corroded, carrying Rafter J drinking water has been replaced. We were pumping 160,000 to 500,000 gallons a day.

- New storage tank: The ISD now has two 200,000 gallon water tanks.
- Well house: The ISD rebuilt the well house and a backup electric/diesel generator was added. Two generators failed this year and were replaced.
- Wells: The ISD had a test well drilled to 400 ft. There was no fine sand, but the water is warm and very hard. The current wells are shallow, ~100 ft, in very fine sand, which is a problem. The ISD is considering alternatives.
- Water bills: Vernon stated that the ISD is working on the software for water billing. It is expected that quarterly billing will commence in September with a charge of \$1.20 per 1,000 gallons, which is similar to the Town of Jackson, plus a monthly service charge for amortizing the meters.
- Sewer system: The Rafter J sewer system had a large amount of ground water infiltration which has been repaired. We have three sewer lifts; lifts one and two feed into the town interceptor and lift three feeds into lift two. Our pumping costs have gone down due to repairing the sewer line leaks, but the Town of Jackson fees have gone up.
- Road repaving: Vernon reported that Westwood Curtis is the main contractor and Owen PC is the subcontractor on the road repaving project. The work done so far does not meet specifications. Thus, the ISD hired Evans Construction, who did better, but still didn't meet specifications. We are trying to avoid litigation and are presently working with a third contractor.

A resident asked about the staging area. Vernon stated that we still need it. However, when the project is finished, the staging area will be reclaimed with native grass.

Adjournment: John Sidle moved to adjourn, Marie Suhre seconded the motion and it passed unanimously. The meeting adjourned at 9:30 p.m.