

SWEETWATEER GOLF COURSE HOEOWNRS ASSOCIATION
ANNUAL MEETING
June 11, 2016

The Annual Meeting of the Sweetwater Golf Course Homeowners Association met in regular session on the 11th day of June 2016 in the Idea Beach Reunion Center, 2176 Bear Lake Blvd., Garden City, Utah.

Attendance:

Alan Edwards, Kent Parker, Jim Roberts, Jon Ord, Don Jardine, Bob Peterson, Gene Merrick, Mark Anderson, John Sullivan and Pat Parker, Secretary. Others in attendance: Tom Bardsley and Tiffany Wahlberg.

Call to Order:

President Edwards called the meeting to order at 1:00 pm. He welcomed all members to the meeting. Members of the Board were introduced and thanked for their service. President Edwards also acknowledged Board Member, Gene Merrick for his 29 years of service on the Board of Directors. Mr. Merrick has chosen not to run again for office. The membership recognized Merrick with a round of applause.

President Edwards reviewed the minutes of the Annual Meeting held on June 23, 2015. The minutes of the Annual Meeting of June 13, 2015 were presented to the membership for approval. A motion was made from the floor by Brent Scott to approve the minutes as presented. The motion was seconded by Cindy DalSoglio. Passed unanimously.

President Edwards asked all new members present to stand and introduce themselves.

Report of President:

President Edwards stated that everything seems to be going very well. The Board members who work on the roads, weeds, buildings, website and other aspects here have done such a great job. The cooperation of the Board with each other is an example. We very much try to listen to each and work with each other. The support and unity on this Board is very good. We would like more people to get involved. Think about being willing to join in and volunteer and part of the Board. We would like to see women involved in the Board. It would add a very good perspective

Report of Secretary/Treasurer - Bob Peterson:

Peterson reported we are doing very well. We had another good year. As of yesterday between our checking and savings accounts we are just over \$400,000.00. Last year at this time we were just at about \$300,000.00. We have not paid our water bill yet which is about \$50,000.00. So, year-to-date we

are about \$50,000.00 above last year at this time. With that good news, we will go another year without raising our dues. (Applause).

Another thing to note, there will be no changes in the snow removal fee. This year we stayed well within budget again. We had about \$13,000.00 budgeted for snow removal but because February and January we did not get as much snow and more rain in March and April. Our snow bill was \$8,000.00.

Accounts receivable, monies we have billed out but haven't been able to collect on, from last year to this year we are \$3,000.00 less. This means we have had more people pay to date than last year. More people are paying which helps our cash flow. We will continue to be very aggressive in our collection efforts.

As of now we are staying to budget and things are looking very good.

President Edwards stated it has been a good thing to hire the outside group to go after accounts receivable. They have been doing an excellent job for us.

Election of Officers:

President Edwards stated the members whose terms expire this year on the Board are Jim Roberts, Alan Edwards and Gene Merrick. Board Member Nate Cater sold his home last year and moved. In September, the Board appointed John Sullivan, who had been acting as an advisory member of the board, to fill that Board position. Sullivan resigned from that position and applied to run for an open Board position for a three year term. Otherwise, Nate's term would have expired next year. So, right now we have three people who have applied and indicated, as the by-laws require, in writing that they would like to be members of the Board. Those three people are Alan Edwards, Jim Roberts and John Sullivan. We have three people running for the board, all three of whom have been members of the Board.

Question from Member:

How many times does the Board meet and what do the board members do?

President Edwards responded that our HOA has a fairly large Board – nine members. Board members introduced themselves and where they serve. Don Jardine (retired) – roads, weeds, etc., Jim Roberts (works for Raymond Construction) – building permits; Gene Merrick (retired) – coasting; Bob Peterson (retired and works as City Administrator for Garden City) – Secretary/Treasurer; Alan Edwards (retired) - President; Mark Anderson (Lawyer) - water issues primarily and sits on the Water Company Board); Jon Ord (Retired Physician) – website); Kent Parker (Retired – Highway Patrol) – works on signs.

President Edwards asked for a voice vote from the membership. All in favor of electing those three people to those three positions for the next three year say Aye. (Vote was unanimous Aye), Any opposed. (No opposition).

Question from Member:

Is there a place for an alternate on the Board where our newest members could move in?

President Edwards responded that, if anyone would like to assist the Board who is new or didn't have a chance to apply, come and talk to us after the meeting. We would love to have the help.

President Edwards stated that the Board has appointed Tom Bardsley (a past President and served as a member of the Board three years prior to becoming President) to fill the rest of the one year that was part of Nate Carter's term that John Sullivan has no left. Bardsley will be a member of the Board until next year at this time. President Edwards asked for a supportive vote. (Vote was unanimous Aye)

Report on Roads – Don Jardine:

Starting last fall, we did some preventative work which gave us a benefit where water runoff and things like that are concerned. We were in much better shape this spring. This also helps in the maintenance of roads. We now have contracts in place which will better help to protect us as a homeowners association. Also, to make sure there is no misunderstanding between what the expectation is and what should be done, as well as the costs. We feel the things we have done this year are moving us in the right direction and save us some money as well as getting us some great roads.

This year, rather than going with a contractor we have used in the past, we went out and sought other contractors so we would have three vs. the one person we have been using. As a result we moved to another contractor. The feedback has been that they have really done a good job and even better than we have had in the past.

We did have two unexpected expenses this year. So, unfortunately, we have spent more money than we usually would spent as far as roads are concerned. We had to move a road that when the Sweetwater developers put it in, went right over someone's lot. When the individual had the lot surveyed, they found out the corner stake was in the middle of the road. This was on the corner of Bluegrass and Bluebell. That in another place, we had to move a culvert and do some trenching.

We are putting some gravel down on Country Club Way. This is an artery for more than 50% of the traffic in this area. The contractor uses a nice road base, and we feel this has worked well.

Mag water will be applied the 27th of June, 2016. The good news is, that it will be on before the 4th of July. The other good news is that the weather has been such that the roads are not too dusty yet. Usually, we try to have it on by the time of this meeting, but we got a little delayed due to getting all the work done on the roads this year.

Jardine stated he had met with the gentleman this week regarding the weeds. What is great with this is how we have gotten on top of the weeds over the last six or seven years. And, because we have a good relationship with Rich County, we have been able to utilize grants in the past, which has saved us thousands of dollars. There is always a chance we have missed some weeds. Please let us know if you see some hot spots. We don't necessarily come on private property, the owners are responsible for their own properties.

Question from Member:

Someone said something about speed bumps. Where are you locating the speed bumps? I live on Bluebell and there is a speed limit sign close by, but in the summer time especially it is a raceway.

Jardine responded that they have been put on Country Club Way, but not sure about Bluebell. We could put one on Bluebell, but there are also some owners who are opposed.

Question from Member:

I am wondering about snow removal to the home.

Jardine stated that Peterson was actually referring to a cul-de-sac. Sometimes we will plow the main road and miss a cul-de-sac, especially if it is a new build. When snow plowing, your driveway will get plowed in. This is something we, as homeowners, have to deal with. When our family (Jardine) comes up for a ski weekend during the winter, I have to call Bear Lake Landscape and have them come up and plow me out.

Question from Member:

When they scrape the roads, they push a lot of material off to the side.

Jardine said the best way he knows to answer this, is the contractor I am working with now does not do that. In the past, what I suspect was taking place, is they were trying to grade and basically smooth off the top and in the process were pushing all the material off to the side. I am not an expert in this field, but this is what I suspect was happening. With our new contractor, we should see a positive difference.

Question from Member:

Is there some type of machine, like a mower, that could mow the weeds along some of the roads? I am concerned about fire.

Jardine responded that we spent more on roads than we have spent in past years. When I was working with Greg, our number one objective was to get the drweyer's woad, which I guess you would call spot spraying, and I did not have him spray the sides of the roads like we have done in the past. As far as having someone come along and have them mow the sides of the road, I don't know, but think you would have to find someone commercially to do it. The County will not do this.

Question from Member:

When was Country Club Way paved?

Jardine replied he thought it was done the same time they did the highway. So it was done within the last two weeks.

Report on Building Permits/Issues – Jim Roberts:

Roberts reported we have received seven home permits and two garage permits this year. There are four people on the building permit committee – myself, Kent Parker, Craig Wright (architect) and Colton Roberts (consulting engineer). We are working on some ways to try to keep water from running over the roads. Any suggestions you have will be welcomed.

Roberts addressed speed bumps. We don't put them in to be annoying, but it a safety issue. Roberts felt that 99% of the people are great – it is the other 1%. Dirt bikes are the worst and ATVs also cause a problem. If everyone will just slow down, it would be so much better.

Report on Website – Jon Ord:

Ord reported that the website has been up for about 4-5 years. About three weeks ago, we got our first virus. It shut down our website totally. Fortunately it was only one format that was affected. We quickly put up another format (which is on there now), but it needs some refinement. The CC&Rs are not on there right now. We will get the information back on as soon as we can.

Question from Member:

What is the website address?

Ord responded: SGCHA.com

Report on the Water Company Issues – Mark Anderson:

Anderson started by apologizing to 80% of the members present because they had probably heard most of what he is about to say.

Anderson continued...Gene Merrick has been involved with the HOA for 30 years. This morning after our Board Meeting he and I were talking for a minute and he made the comment to me that 29-30 years ago, when there were about 29 houses within our HOA, they were getting as many people out to the HOA meeting as we have here today. We now have about 200 cabins. Why did everyone come out back then? Merrick responded – “I have no idea”. He felt that people were worried. Anderson explained that they were worried because the developer went belly up. The developer filed bankruptcy and the bank took over everything that was not free and clear.

The developer put in new roads, put in the power, put in the sewer lines, the water lines, put in the water system, but the developer went belly up before all those improvements had been completed. The bank ended up with the water company, which was both water and sewer back then. Basically, the three HOAs in the Sweetwater Development the Trailer Park, the Golf Course and Omega (which is us) and the Hillside (which is above us on the mountain). The three HOAs came together (basically nobody was going to bail us out) and went to the bank and acquired the Water Company from the bank. Ultimately, the sewer side of it was spun out to a special service district. This Special Service District has operated now for a number of years. The Special Service District is a Political Subdivision – it is a governmental entity.

The Water Compant is still owned by the HOAs. The shareholders of the Bear Lake Water Company are the Trailer

Park HOA, the Sweetwater Golf Course HOA, and the Hillside HOA. The seven member Board of Directors consists of the President of each of those three HOAs, who are automatically on the board, along with one other board member. I am presently that other member for us, and there is an at-large member who is selected by those six so we have an odd number of directors – the number being seven. We own the Water Company and we are responsible for it.

Our water lines should be 7-8 feet deep to be below the frost line to avoid freezing problems. Unfortunately, when the developer was putting in the water lines, there were areas where I am told they hit conglomerate at about 18 inches and that is where they stopped and that is how deep they went.

Basically we have a 40 year old water system that was not put in the way the water system should have been installed and we inherited insufficient water rights for the development. We have an approved water right for 200 acre feet of water. We are in the process of proofing it up with the State Water Engineer. What proofing it up means is – once you have developed your water right and you are using it, you then file proof with the State Water Engineer, the State Water Engineer then approves it and it is certificated. Although it is approved, our 200 acre foot water right has never been certificated which is a good thing. You don't want to certificate until you have fully developed it. Every year we are using every bit of that right.

We have been very aggressively trying to find other water. Those who have water for sale seem to think it is that is worth a whole lot more than we can afford to pay. We have estimated that we need an additional 700 acre feet of water for ultimate build out. Fortunately, ultimate build out is not going to occur tomorrow. We have got to have more water rights. We have a pending application right now before the State Water Engineer for 700 acre feet of water. We think we are going to get an approval, but there is a bit of a monkey wrench, and that is we are going (we believe) to be required to provide mitigation.

What we have been trying to do as a Water Company is tackle what appears to be the most critical problems as we are able to do it. We have roughly 300-400 thousand dollars per year available for capital projects. The capital project that we are just completing is putting in backup generators. This was the number one priority and will be finished this summer. We have one main well – we have some other smaller wells also – but if this one main well were to go out we would have a real problem. We have a couple of backup wells that we refer to as the Hansen wells. We thought they were a couple of hundred feet deep, but in the process in proofing up on our 200 foot acre right, our engineers found the original well logs for these wells and they are 72 feet deep. So now, we think our highest priority for the next project is to drill a new well – probably in the 250 – 300 thousand dollar range. We are going to need both the production capacity as well as redundancy. Until we get this, we do have a connection agreement with Garden City. This is an emergency connection agreement where if they have a problem we can flip a valve and send water to them and, if we have a problem the same thing only coming back the other way. This is only a stop gap measure. This is not a solution.

Of the water we pump out of the wells, 40% never gets to a water meter. This is considered a water loss in our system. This does not count the water loss in the Trailer Park. The Trailer Park is metered at the entrance – they are not individually metered like we are. We know there is leaking going on inside the

Trailer Park. 40% is equal to 80 acre feet of water out of our 200 acre water right. We have been replacing lines in the worst places. The next thing that needs to be done is replacing water lines. If you see an area that looks wetter than it should be, please let the Bear Lake Water Company know. If you can't get ahold of them, call Alan Edwards.

Question from Member:

Would we be better off bonding while waiting for the State to make a decision?

Anderson responded that was a perfect question. We are not in a position to bond. We are a private water company. A governmental entity is in a position to bond. We are talking about creating an Improvement District. Last year we took a vote and it was overwhelmingly in favor of creating an improvement district, which is an independent political subdivision of the State of Utah, Means we would still be in control (those of us that are registered locally to vote). It would continue to provide service for us, but it would have the ability, if someone does not pay their water assessment, to place a lien with the County Treasurer and would basically be on a par with property taxes. This is something that is not available to a private water company. The District would be able to bond. It would qualify, possibly, for grants. And, certainly for financing that a private entity simply could not get.

Right now, we are prioritizing, fixing what needs to be fixed the worst, but there is no question – at least in my mind- over the next twenty years everything has to be fixed and I really hope it waits long enough that we get to it before it gets to us. Based on last year's vote, we are moving ahead with the creation of an improvement district. Chris Coray, President of the Hillside HOA, has agreed to go around and get signatures on the petition to create the district from registered here within our boundaries.

We are in the process of setting up the District – hopefully by the end of the year – so that it can be operating next year. What happens then, is the Water Company will convey to the Improvement District all of the Water Company's assets. Everything the Water Company owns will be taken over by the District. The funds we have will go to the District. Instead of having a Board of Directors that is comprised of two representatives of each of the HOAs plus one at-large, we will have a seven member Board of Trustees, two members from the Trailer Park, two members from our area, two members from the Hillside and one who is overall. Because more than 50% of the homes in our HOAs are seasonally occupied, the law allows a person who is a property owner to serve on the Board of Trustees even though that person is not a registered voter. It has a similar structure as we have now, but it will have a lot of resources available to it to solve some of these problems.

Statement from Member:

I sit on the Utah County Water Metropolitan Board, and sit in on State meetings dealing with requests for additional wells and other water rights with development across the State. The State is limiting the number of wells and other things that will be available regardless of where your location is. If we don't have water, our cabins are worth nothing. That is besides the fire protection and other issues. Hats off to you and thank you for what you are doing. I would also encourage us to support and to do as much as we can now because you are talking about a

20 year permit or 20 year request that you have in the system. We have been working on 11 wells for over 30 years – 7 of them have been denied because of other people who were in line before us. There is nothing more valuable than water. We look at the Lake and we think we have all the water in the world, but we don't. Thank you for what you are doing. It has to be a priority for us.

Anderson stated the State standard for indoor water use is .45 acre feet per year per house. If you have outside water use, it is more than that. We have almost 200 homes and cabins in our HOA. The Hillside has approximately 400 and then the Trailer Park has close to 400, so we are close to 800. If you figure .45 acre feet per connection, and assume that 800 is right, we are not using ½ of the State Standard. Pumping and using more water than you have rights to is a crime.

Question from Member:

How many permanent residents do we have that live here year round?

Anderson responded with a guess of probably about 10%.

Question from Member:

The water lines that aren't deep enough is there a schedule for replacement?

Anderson stated that we have already replaced, mostly on the Hillside, a lot of line. I don't want you to walk out of here thinking – the Water Company is not doing anything. We are doing as much as we can and as quickly as we can, but there is no schedule.

Anderson continued.....we are in this together. I am not going to tell you what the Improvement District will do once it is formed. Once it is formed and it takes over the water system, that will be up to the Board of Trustees and up to whatever funding resources they can find, etc. But, I think that we will be in a position to accelerate what we are doing and, instead of trying to do it over the next 20, 30, or 40 years, and frankly at the rate we are going it's probably closer to 40 than 20 years, I think we will be able to get a lot more done a lot more quickly. Then, pay for it over time. Right now, bond rates are really attractive and I hope they stay that way long enough for the Improvement District to take advantage of it. But, in my opinion, it will make a lot of sense to bond and get some of these most critical things done quickly, but that is no going to happen until and unless there is an Improvement District involved.

Edwards stated that some of the positive things about the Improvement District is it will have a way of collecting money from the lot owners to make them comfortable bonding, plus we get governmental bond rates. If you are a registered voter, please sign up.

Discussion of Rules and Fines – Alan Edwards:

Edwards stated that a lot of the rules are about ATVs. There are fines associated with that – the question is how we catch these violators. They zip by and I have no idea who they are. If you see someone and you know who they are, where they live, and they are doing it a lot, I will

try to catch them. The Sheriff cannot enforce anything because it is a private road and private rule/fine. It is our responsibility.

Edwards stated there are several rules about ATVS. The use of the roads within the Association by ATVs is for access only. There are people who come up here and assume our roads are just ATV trails and they turn their kids loose. That is not the case. They are for access only.

We have rules for the dumpsters – the dumping of construction material– that is just not allowed. We do the cleanup. We will re-post the signs, along with the rules from the County about these dumpsters.

We have a rule about noise after 10:00 pm. The ones I hear complaints about are the rentals.

Exterior solid fuel fires are not allowed except within fire pits that are approved in writing by the Garden City Fire Marshall. Number you contact for approval: (435) 881-6313, Mike Wahlberg.

Fireworks are not allowed at any time. We just can't have fireworks on our hillside with all that sage brush and the slope.

No parking on roadways that interferes with normal traffic flow. For the most part, there is not a problem except for the kids that work at the Playhouse and rent the one house.

RV trailers are not to be set up on roads.

Keep pets under control.

No hunting or discharge of firearms. We did have one inquiry of someone wanting to shoot the coyotes on their lot.

Owners are responsible for the actions of their guests. If you have guests and they are violating the rules, the fine will come to you – you are responsible as an owner.

Short Term Rentals – we define them in our HOA as less than 30 consecutive days are prohibited. We have sent out letters on this, we have warned people. They have sent letters back with their attorneys. We are just waiting to see what happens with the lawsuit the Hillside Association is involved in right now. They are trying to enforce that it is a prohibited commercial activity – they are enforcing against someone who advertises on line, has 30 people in the house at one time, etc. We are hoping it will go the way we would like so we can begin enforcement. It seems to make sense to us that if it is less than a monthly rental, it is a short term rental in violation of our rules.

A list of fines is available on line.

Discussion of other Issues from Members:

Statement from Member:

We had a theft. Someone stole items out in front of our cabin. I am asking if anyone else has

had a problem. This occurred about 3 weeks ago during the week. Someone came up on the deck and stole some chairs.

Edwards was very sorry to hear this, as was the entire Board.

Statement from Member:

We have had a problem with the house next to us which they are using as a party house. Noise went way past the 10:00 pm rule. If I call the Sheriff, will they come up?

Edwards responded that these are our own rules.

So there is nothing we can do?

Edwards requested that they let him know. If we have a repeated problem with someone, we will at least send a letter, and if we can document it, we will assess a fine.

Statement from Member – if you call the Sheriff after midnight – they will come.

Statement from Member – can we just cooperate more with each other?

Edwards stated that he appreciated what is said, but knows people from the Association who have tried to talk to people about things and were told if they ever come back there will be a gun in their face. I would just soon not get into a confrontation with somebody at night. If you know your neighbors and think you can talk to them, I love that idea – that is the best idea.

Question from Member – When they come to empty the dumpsters and they find all the stuff around them do they fine us?

Edwards responded no – they leave it there. We end up having to haul it away ourselves. But, if I catch someone doing it, the HOA is more than happy to fine them. We think we have done everything we can by posting the notices.

Adjourn:

No further business was brought up and a motion was made by Parker to adjourn the meeting at 2:50 p.m. The motion was seconded by Roberts. Passed unanimously.

Next Meeting:

The next Annual Meeting of the Sweetwater Golf Course Homeowners Association will be on the second Saturday of June, 2017 unless otherwise set by the President. The place will be determined and the membership will be notified.

