

Star Valley Ranch Association
Board of Directors Meeting
April 19th, 2014
9:00 a.m.
Town Hall

Mike Blackman: Chairman
Ron Denney: Vice Chairman, via phone
Ann Earl: Secretary/Treasurer, via phone
Bob Horton: Director
Derk Izatt: Director
George Toolson: Director, via phone
Robert Lujan: Director, via phone

Call to order:

Chairman Blackman called the meeting to order at 9:00 a.m., stated that there was a quorum and called for the Pledge of Allegiance.

Chairman Blackman recognized Mayor Boyd Siddoway and Council Members, Ed Koch and Kent Harker from the Town of Star Valley Ranch.

1. **Adopt Agenda:*** Chairman Blackman called for a motion to adopt the agenda as written.
 - Director Lujan made a motion to adopt the agenda as written.
Director Denney seconded the motion.
Motion passed unanimously.

2. **Approval of Minutes for March 2014 Board Meeting:*** Chairman Blackman called for a motion to approve the March 2014 Minutes.
 - Director Toolson made a motion to approve the March 2014 Board Meeting Minutes.
Director Lujan seconded the motion.
Motion passed unanimously.

3. Standing & Special Committee Reports:

A. Chairman's Report – Chairman Blackman gave the following report:

With the onset of spring, we should be seeing more of our friends who have escaped the snow for warmer climates. The Board has been working on a myriad of tasks to try to make this year as enjoyable as possible as you will see in the following reports and discussion items.

Hopefully, the recent e-mail from the Board has shed more light on our operating plans for this year, particularly in regards to the Barn and Silo. We are trying to make this period of transition and uncertainty less tenable on the membership while still moving forward. We are sorry for any misconceptions any of you may have had. With any good luck with the weather we should be starting to open the golf course in mid-May with the other facilities to follow.

As you will hear our plans for the new building continue to be on hold although there are some items that need to be completed with or without the new building.

Our major concern with the DCC&R judgment is moving forward with oral arguments before the Wyoming Supreme Court scheduled to be heard on May 13th. We do not have a good feel for when the court's decision will be rendered although after the arguments we should have a better idea.

Finally, people need to be thinking about running for the Board of Directors as we will have 3 seats come up for filling this year. To date 6 election packets have been picked up from the office, but none have been turned in. While this is encouraging we will still like to have more participation in this process.

B. Architectural Report – Director Horton gave the following report:

Permit Activity (3/15/2014 to 4/19/2014)

Approved:	2	
Roof and Screen on existing porch:		1
House addition:		1
Disapproved:	0	
Variances:	0	
Withdrawn:	0	
In Process:	1	
Addition:		1
Up-Coming:	0	

Architectural Committee monthly meeting schedule:

Town P&Z Board	Architectural Committee
1 st and 3 rd Wed of each month.	1 st and 3 rd Fri of each month.

Architectural Committee

Meeting will be held at 10:00 a.m. at the SVRA Office.

This meeting schedule has been setup to help reduce the permit approval process.

Policies in work:

The Architectural Committee is looking for new members. Please contact me if you are interested.

C. Election Report: -

Secretary Earl – Stated that she thought that the Board was going to report on the election.

Chairman Blackman – Stated that we got our Election Policy and Procedure approved last meeting and we are going forward to get the election set up. The calendar was also approved. Chairman Blackman stated that the election calendar was approved and asked for a motion to approve a chairperson.

- Secretary Earl made a motion to approve Ann Blakley as the Election Committee Chairperson.

Director Horton seconded the motion.

Motion passed unanimously.

D. Barn/Silo Redevelopment Report: - Director Lujan gave the following report:

The Barn/Silo project is currently on hold. However, I will address the Barn/Silo operations for the 2014 season.

In November of 2013, the Board of Directors suspended the Member Center Project until the DCC&R Appeal is finalized due to the legal implications resulting from the lower court judgment. We agreed that we should not proceed with the Member Center Project given the financial uncertainty present within the content of the several different DCC&R's. At the March 2014 Board Meeting, the Board approved the interim use of the Barn and Silo for the 2014 season and approved an adjustment to the operating budget reflecting the impact of operating Duffer's for another season. Use of the Duffer's area for the bar has been the area within the common areas that was the most feasible for a liquor license. The Barn/Silo area can be made operational with minimal expenditures to replace the removed lighting fixtures and to install closures where the windows were taken from the bar area. Heaters are still being evaluated since it was learned that any sort of propane heaters, including the permanent heaters that were being used in the barn are prohibited. Since we chose not to demolish these

buildings, their continued existence, even in their deteriorated condition is more economical for 2014 than implementation of the plans in place at the end of 2013.

It appears that the rumors and "Ranch Facts" have distorted these actions to indicate that the Member Center is off the table; not true! Oral arguments in the Supreme Court Appeal are set for May 13, 2014, but there is no way to await the result of the appeal prior to implementing a plan for operation of our businesses in the 2014 season.

The Star Valley Ranch Association has received many emails and phone calls regarding the Barn/Silo use in 2014. We truly appreciate your efforts to provide your input. We feel it is necessary to provide the facts relative to this issue, as rumors and "Ranch Facts" have elevated emotions among the members. First and foremost, the decision to operate the barn/silo for the 2014 season is a decision based solely upon the needs of the 2014 season. While some of the barn furnishings were auctioned off at the end of last season in anticipation of tearing down the buildings immediately, in no way were the facilities gutted and left non-operational. We still have tables and chairs that were not sold which we plan to use for the current needs. There are no plans to invest additional funds into these facilities to return them to 2013 levels or to improve upon them; they will continue to be viewed as replacement pending/under construction. No other expenditures will be required to fulfill interim need! To do otherwise would be financially irresponsible as the expense for interim replacement facilities far exceeds our plan costs to use the Barn/Silo for 2014 while the Barn and Silo are standing, in similar condition to last year, does not get the Association closer to a new Member Center nor does it get a new facility built any sooner.

Finally, there seems to be a misconception that there has been a vote by the members to approve the new building. There has been no such vote. A questionnaire was sent out in the early stages of designing a Community Center with the Town. In that questionnaire, we did receive many opinions favoring the replacement of the current Barn and Silo facility with the large Community Center. However, when State funding dried up that project was dropped. There has never been a vote requested by the Association for the construction of the proposed Member Center.

Chairman Blackman gave the following report:

In respect to the Barn/Silo redevelopment, we do have some current business involving the water connections to the Town water system. With the Town's new line being installed we have a decision to make regarding the Fire Suppression connection, currently a 4" connection, and proposed to be a 4" connection with the new building and a culinary water connection, currently a ¾" and potentially a 1 ½" connection for the proposed building. We will need to finalize what we plan to do with the Town before our next Board meeting in May since they have already awarded their construction bid for the steel line replacement. The Town has offered us an opportunity, in accordance with their current code, to avoid the extremely high connection cost for a 4" Fire Suppression connection fee of \$100,000 and offered to connect the 4" for approximately \$5800 dollars if we can tell them prior to May 12 and pay them before July 1, 2014. In addition they have also offered to credit the cost of the 1½" connection with the cost of the ¾" fee saving nearly \$11,800. I would like to entertain a motion to allow the Chairman to finalize the connection agreement with the Town to take advantage of this offer.

- Director Denney made a motion to authorize the Chairman to finalize the water connection agreement with the Town of Star Valley Ranch.

Director Horton seconded the motion.

Discussion: Chairman Blackman made the following statement: We already have a 4" going into the building, with the new line, and since it was existing the Town allows us to pay back meter fees and then we get a 50% discount on that plus 10% if we pay early, before July. That's what brought all of these costs down. We think even if we were to keep the old building and have it upgraded, we still need the Fire Suppression System so we are going to do that. Then we have more discussions on

how we connect the ¾” or the 1 ½” with the Town and that’s what I hope to finalize. The Board, with this vote, will give me the authority to do that.
Motion passed unanimously.

4. Motions from Members – Chairman Blackman gave the following reports:

A. Barn/Silo Capital Expenditure

With regard to the proposal to vote on the Barn/Silo Capital Expenditure, The Board has discussed this proposal with counsel, and due to the uncertainties emanating from the DCC&R judgment, the Board has decided to not present this to the membership at this time, although not ruling it out at a possible future date. The concern is how we tabulate the votes. Do we need a quorum of the total membership (60% of 2017=1211) or would we need a quorum for every set of DCC&R’s? Would we then need a 2/3rds approval of the total membership (1211 x 66.6%=807) or for every set of DCC&R’s? To conduct such a vote at this time could only conclude in an inconclusive result.

To allow for the Board to officially go on record for this member proposal, I would entertain a motion to disapprove placing the Capital Expenditure for the Barn/Silo Redevelopment to a vote at this time pending the results of the DCC&R litigation, at which time the Board would again consider the proposed vote.

- Director Denney made a motion not to present this motion to the membership. Director Izatt seconded this motion.
Motion passed unanimously.

Ron Mueller: Asked which lawyer the Board got advice from on this matter.

Chairman Blackman: Replied that it was Mr. Hess.

B. Continuation of the DCC&R Appeal

The Board has taken this proposal under advisement and has decided to not place this item up to a vote of the membership at the Annual Meeting. The oral arguments for the appeal have been set up for May 13, and as such the majority of the work has been completed. The vote would be meaningless. In addition the Board of Directors was elected to do what it believes is in the best interest of the 73% of the membership that voted to adopt the new DCC&Rs and the 100% of the members that may be affected by the lower court judgment. In this regard we believe a definitive decision on the DCC&R litigation is required to allow the Board to continue to operate and the Association to be a viable entity. The decision by the Board to take this case to a clear, concise conclusion does not require a vote as per the DCC&Rs, By-laws or Articles of Incorporation.

To allow the Board to officially go on record for this member proposal I would entertain a motion to disapprove placing the continuation of the DCC&R appeal on the ballot for the next Annual Meeting.

- Director Denney made a motion to disapprove placing the continuation of the appeal on the ballot. Director Lujan seconded the motion.
Motion passed unanimously.

5. GENERAL MANAGER’S REPORT – General Manager Kirk Sessions gave the following report:

Account Statements: All bank accounts are reconciled for the month of March with no variances.

Assessments

2009 Assessment Status: 10 Lots (.5%) have not paid in full (1 foreclosure).

2010 Assessment Status: 15 Lots (.7%) have not paid in full.

2011 Assessment Status: 22 Lots (1%) have not paid in full.

2012 Assessment Status: 49 Lots (2.4%) have not paid in full.

2013 Assessment Status: 72 Lots (3.6%) have not paid in full.

2014 Assessment Status: 1667 Lots (82.7%) have paid (This represents an improvement over 2012-2013 for the same date). There are currently 6 foreclosures that we are aware of on the Ranch.

Business Activities: For the month of March, the allocations of Annual Assessment for the Barn/Silo Redevelopment were transferred from the Operations Checking account into the Restricted Capital account for the Barn/Silo Redevelopment as follows:

2013 - \$80.00 (2 lots X \$40 for each assessment paid)

2014 - \$20,560.00 (514 lots X \$40 for each assessment paid)

These transfers bring the account balance to \$176,200.99 including accumulated interest.

An overview of SVRA Financials for 2014 finds the YTD March Gross Profit at slightly under budgeted level, Total Expense at slightly over budgeted level, resulting in year-to-date Net Ordinary Income prior to Depreciation at slightly under budgeted level. The current cash assets (YTD March Balance Sheet) Total \$1,604,253.53 of which \$770,206 is set aside for the SVRA Member Center.

The Annual Audit of SVRA Financials has been completed with no material discrepancies and David DeCoria will be reviewing the results at the Annual Membership Meeting, June 28th.

Golf Course Operations: At last check there was still a foot of snow on the fairways and the greens have shed the majority of the snow. Looking forward at the forecast, our best estimate of opening dates puts Cedar Creek at 5/7 with Aspen Hills 2 weeks behind that on +/- 5/21. The good news is that with over 150% of last year's snow/water equivalent still in the mountains, it should be a good irrigation year which means beautiful golf courses!

Ben has returned the Pro Shop into operational shape and is prepared for inventory deliveries which will continue in full swing next week. Ben is also putting the finishing touches on our summer Junior Program as well as several adult clinics which will occur throughout the summer. We are excited about 2 new tournaments which have been added to the schedule for 2014;

- The Rocky Mountain Elk Foundation Fundraiser Tournament 7/12
- Thayne Senior Center's "Wild About Seniors" Fundraiser Tournament 8/15

Facilities: Our weekly email advised all members of the closing of the Golf Courses to any further snow activities as of yesterday. Again, this year we have received many positive comments on our groomed cross country/snow shoe trails and the work of Kurt and Ernie in maintaining the grooming! Thanks to both of them for their efforts!!

At this time we anticipate having the Cook Shack open by 5/1, the water on in the barn/silo the week of 5/5, and golf course restrooms will be open for a 5/7 course opening as well. All water turn-ons are temperature dependent!!

Cedar Creek Grill: The grill is open with Haley Shervin as the independent operator. Haley is continuing to run daily specials so stop by and check them out. Lindsey, who has been making the delicious homemade bread and rolls, will be adding fresh cookies, donuts and pastries as well!! Continental breakfast is on the near horizon!

6. **Old Business** – None.

7. **New Business** – None.

8. **For the Good of the Order** –

- **Chairman Blackman stated** - Again, here we invite comments, but we would like to keep them concise, about 2-3 minutes at most if you could. Other than that, the floor is open. We really would like it to be towards Association operation, and improvement of the Association. So if you would keep that in mind, I would open the floor to For the Good of the Order.
- **Mayor Siddoway stated** – I would just like to ask a question. You talk about all of the golfers, and everything that is going on with golf, what are the other activities for the summer?
- **General Manager Kirk Sessions stated:** - It is basically all of the same things. In fact, I believe in addition we had a person come in the other day that wanted to start a new card group. But all of the activities that have always been around the ranch we will continue to do. They are on the website, on a calendar on the website, and then there is a flyer that H&E has on there.
- **Mayor Siddoway stated** – The reason that I ask is because any event other than the golf tournaments that are special that the Town needs to be involved in, we should be working on these things right now, like the 4th of July.
- **General Manager Kirk Sessions stated** – The 4th of July, of course, as soon as we get some more people back that are involved and volunteering for the 4th of July we will start having planning sessions.
- **Mayor Siddoway stated** – I just want to make sure we don't find out about it the day before.
- **Chairman Blackman stated** – No, they are on the website and we try to keep the public aware.
- **General Manager Kirk Sessions** – The only thing that will change is, of course, because we don't have pool tables in the bar the pool league won't be meeting in the barn. But other than that, it is going to be at least the same things that we did last summer and hopefully more. One of the things that I have been talking about and the Board has kind of given me a green light on is trying to put together a proposal that I kind of talked about a little bit with Cakebread Ranch to bring a Farmer's Market with their vegetables and fruit to the Star Valley Ranch Association. It is still in the very early stages, Cakebread Ranch is the only one that has committed, but I was thinking of doing a 3-way with Haderlie Farms and with Robinson Farms. That we could get all of them to bring their organic vegetables. All of them are organically grown. Maybe we could do it on a Saturday morning for a couple of hours and give the Ranch a couple of hours right in your own back yard. They are going to be a premium price from my experience but they are the organic variety. So typically in my experience brings a little bit of a premium price. But that is still in the planning process. At least Cakebread has committed, the other two I am waiting for a confirmation on whether they will do it or not. So it will be at least with Cakebread. Probably in the grassy field next to park area so that mom and dad can shop for veggies and the kids can go play in the park.

- **Chairman Blackman stated** – That would need special approval by the Town, I believe, wouldn't it for a commercial type event.
- **Major Siddoway stated** - We talked about that, and I couldn't find anything. You don't even need to ask I don't think.
- **Chairman Blackman stated** – I didn't know if we had to come down to the commercial area to do it or if we will be ok in our parking lot.
- **Clyde Cazier stated** - I noticed the other day that the pond, which is depicted behind you there, is still iced over. The water level is way, way down. I would think there is still fish in there. Can't that pond be refilled with water, promptly?
- **General Manager Kirk Sessions** – Short of a blow torch melting the snow on the bank, we are doing everything possible. About a month ago we purchased about \$1000 worth of water, which was more than \$1000 worth of water received, and we thank you for that Boyd (they turned off the tap late.) We put about a million and a half gallons of water in there, that's how low it has been. The problem is because of the Stewart pipeline that had a hole in it last year and did not get fixed. We did not have a methodology to bring the water out of the canyon. Of course, the irrigation system, we have to blow out every fall so it does not freeze and burst the pipes. We have been up to the spring, there is water up there, it is flowing down the river, and it is going into our irrigation system up there. But unfortunately, apparently the valve was leaking during the course of the winter so we have about 100 feet of solid ice in our irrigation system pipeline above the desanding house. We are working on that, it takes a while and some warm weather to try and break that ice free. Once we get the water to the desanding house then we can divert it. At least that is our plan, it is all under snow right now, but we are trying to divert it so we can get that water coming down through the irrigation system to the point of diversion that would get that to the pond. We are already working on a plan for next year to get that resolved. Typically, during the winter we have always had access to water through the Towns delivery system, but we cannot afford to buy water. We have to use the water that comes with no cost. But I completely understand, I have been fretting right along there with you. I am glad to see that there are no dead fish there frankly.
- **Chairman Blackman stated** – It is starting to break up a little bit, but we have been concerned. We authorized buying the water as an emergency effort. The Town cooperated with us real well. We did try to make an attempt. We think we have about \$3500 worth of fish and we put in about \$1000 worth of water. So we are trying to balance that with the fish and how much it will be to replace them. But as big as they are getting I think they are worth more than \$3000 and that's why we made that investment.
- **Clyde Cazier stated** – I think there are more people that take their kids down there. I know that I take my grandkids down there and they thoroughly enjoy it.
- **Chairman Blackman stated** – Well, I am anticipating turning 70 so I can do that too, but not real hard.
- **General Manager Kirk Session stated** – We are on that and right now we are getting a little bit of overflow from the Town from time to time, from what I understand talking to Ernie, when the water comes over from Prater into this tank it takes a couple minutes for the switches to kick-off and so there is some overflow. That is why the ice is broken up in that spot. So we are getting a few gallons here and there that is helping us out. Very quickly we are hoping to have a steady flow in there and get that pond back up to the appropriate level.
- **Ron Mueller stated** – Our Association is governed by a Board of Directors which is required to manage according to the Articles of Incorporation, the DCC&Rs, the Bylaws and the Wyoming Statutes for non-profit corporations. The Bylaws and DCC&Rs are necessary for our corporation to exist, and provide a framework for governance and a standard that can be followed by ever-changing Boards of Directors. Every year new Board members are elected, and every Board is required to work within the constraints of these laws, and are held responsible to uphold these laws. Without these laws, every

year a new Board of Directors can go helter-skelter voting their whims to anything they want, such as funding a large capital expenditure without membership approval and indebting the members for years.

The majority of the Board voted not to include the Capital Improvement motion on the ballot for the Annual Membership Meeting. Their reason for the denial was they need the Wyoming Supreme Court's DCC&R decision before they would know how to calculate the vote. There presently are many plats with different DCC&Rs and then there's the question of the quorum needed for a Membership Meeting.

My opinion: All the lot owners in the different plats are members of the Association and can vote. Counting the votes, and meeting the necessary quorum, for a Capital Improvement would be calculated in the same manner as voting for Directors.

The current Board plans to proceed with a capital expenditure and build a new facility without membership approval. In my opinion, the majority of the Board would be violating the laws that they are entrusted to uphold.

- **Gib Oswald stated** – This is my opinion: we've got one of the finest Boards we have had in a long time. I have been here for 20 years and you haven't approved of any of them. I don't know who you vote for, but I think they are doing one hell of a job. If we would keep our nose out of a few things they would get a lot more done than what we have been doing. So my opinion differs from yours greatly.
- **Chairman Blackman stated** – Just as a reminder, we would like to keep all of this as addressed towards the Association, I appreciate it. Just to keep the personal portion out of it. We are here for the best of all the community and if you can tell us we will try to take every comment under advisement. I appreciate that.
- **Marie Cazier stated** – I want to give my opinion. (Chairman Blackman reminds the members to address their statements to the Board). I want to let this gentlemen here know that I approve of the Board. I vote all the time, every time. I find out who is running, and ask questions. I think we need more members to speak up and get involved and not stay out of it.
- **Chairman Blackman stated** - I agree, we don't get a real good spectrum of input. Some are disapproving and quiet and some are approving and quiet. There is also the opposite end of the spectrum, as happens everywhere. But the more input we get, the better we will be able to react, and the better we will be able to comply with the wishes of our community.
- **Bob Meikle stated** – Just one comment with regard to the overview of what I have observed this past winter. I have been here 2 years now. I have been attending every Board meeting, both by the Town Council and the Board Members, and most of the workshops that the HOA has. If you contrast how our Town operates versus how our Homeowners Association operates there is a huge contrast. This is not a criticism of the Board this is just saying, our Town is primarily operating on a year-round basis representing the people who live here on a year-round basis. Many of the Board members, I feel lack the perspective of a year-round perspective. If you leave here for 5 or 6 months, as a Board member, you only have the perspective of what goes on here in the summertime, and having been here now for 2 years during the wintertime. I have really come to the conclusion that we really are a four season town that needs representation for all four seasons. So I just ask the Board to keep that in perspective. For those Board members who do most of the business on the telephone at the meetings for five months, I certainly appreciate the input, but I think you also need to make a real effort to be more involved. Have much more attendance at the Board meetings 12 months out of the year, and follow more closely the model set by the Town of Star Valley Ranch and we would have more effective communication and a more effective Board.
- **Chairman Blackman stated** – I agree, we need to communicate better. Is there any other Good of the Order?

(Comments added after motion to adjourn.)

- **Carolyn Koch stated** – For those of you that don't know already, we are going to have a fundraising auction on May the 17th. The purpose of the fundraiser is to raise money for trees for the Town and Fox Run Park. We are looking forward to having an auction. We are going to try to get some really great items donated to us for the auction. The great items are going to come from, the residents, which will be great. We are going to make it a fun evening. It will start at 6:00 p.m. on May 17th, if you have some items to donate you can contact myself or Terry Azevedo and we will try to coordinate that. We will be accepting items for auction Friday the 16th between 1 and 4-5 and you can also bring the items prior to the auction before 6:00 on the 17th. We will also have some refreshments there that you can buy. We will have some hot dogs and sodas and stuff in case you didn't have time for dinner. So we look forward to seeing everybody because we want to raise lots of money to get lots of trees. The location is upstairs in the Town Hall.

9. Adjournment:* Chairman Blackman stated – I would now entertain a motion for adjournment.

- Director Toolson made a motion to adjourn.
Director Izatt seconded the motion.
Carolyn Koch wanted to add something to For the Good of the Order. (See above)
Chairman Blackman called for a vote to adjourn.
Motion passed unanimously.

Meeting adjourned at 9:43 a.m.


Chairman Mike Blackman


Secretary/Treasurer Ann Earl

Vice Chairman Ron Denney

Director Bob Horton

Director George Toolson


Director Bob Lujan

Director Derk Izatt