

Star Valley Ranch Association
Board of Directors Meeting
August 24, 2013
9:00 a.m.
SVRA Barn

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

Call to order:

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

Vice Chairman Denney recognized Mayor Siddoway and Councilmen Al Redlin, Kent Harker, and Ed Koch from the Town of Star Valley Ranch.

1. Adopt Agenda:*

- Director Toolson made a motion to adopt agenda as written.
Secretary/Treasurer Earl seconded the motion.
Motion passed unanimously.

2. Approval of Minutes for July 2013 Board Meeting:*

- Director Toolson made a motion to approve the July 2013 Board Meeting Minutes as written.
Director Lujan seconded the motion.
Motion passed unanimously.

3. Standing & Special Committee Reports:

A. Chairman's Report: Vice Chairman Denney gave the following report:

First, I would like to comment on the great summer we have had so far at Star Valley Ranch Association. There has been a great flurry of activities ranging from weekly golf activities for the Men and Women Golf Associations, to golf tournaments with huge turnouts, to weekly tennis, to great days at the Pool, events put on by the House and Entertainment Committee, such as 4th of July Celebration, Arts and Crafts Festival, Broadway at the Barn, etc. In addition, we all have had friends and family visit us in our homes.

The employees of Star Valley Ranch Association have worked tirelessly to host the SVRA activities, and have maintained our facilities in great condition. Even now, they are out cutting trees and brush on the golf course to improve playing conditions, ensuring all of our limited water supply is getting distributed on the golf courses, tending the flower beds, etc. They need to be complimented on their dedication to SVRA.

Exciting times are ahead of us as we work on the Barn and Silo Redevelopment. You surely have seen the physical work done to test the soils around the barn, and the leach tests performed near the practice green for the new leach fields. Within the next few weeks, you will see the area behind the Maintenance Building cleared for an additional storage facility, which will support our SVRA activities while the Member Center is being constructed and will also provide golf cart storage after the Member

Center is finished. The final design drawings for the new center are nearing completion, and we have already been advertising for contractors so that construction can begin early next spring.

But, the summer is not yet over. Watch the weekly emails from the SVRA staff to stay informed about upcoming H&E events, more golf activities, including playing in the dark and the Chokecherry tournament, and other events.

B. Utilities Report: Director Toolson gave the following report:

Marlow from Scherbel Surveyors is AGAIN working on paperwork for State Water Board approval for Green Canyon "Point of Diversion". The paperwork needs to be resubmitted after LVI pulled out last year's joint application with SVRA.

Other utility updates include the Cedar Creek Well problems. Two weeks ago the well pump ceased operation after about 2 weeks use. The pump and motor have been pulled to check on the problem. The problem is that the pump which is about 30 years old has died. The manufacturer is no longer in business, so the decision has been made to replace all the pump equipment with new components and warranties. We should have the new gear in the ground and operational again in about 1 to 2 weeks.

We are still working out the details on possibly moving Duffer's Lounge to the "Grill" location and the Pro-Shop to the southwest corner of the maintenance shop for the 2014 season.

C. Finance & Legal Report: Director Denney gave the following report:

The Finance and Legal Committee met for the first time on August 22, 2013. The new committee was brought up to speed on the current legal actions and the SVRA budget status. A list of activities for the committee was developed and include the following:

1. Review the budget for the next year
2. Update the current policy to write off uncollectible assessments
3. Review the existing investments and determine the strategy for using these investments for financing the new Member Center and then work with financing institutions in the valley and beyond to finalize the required loans
4. Study the existing operations manual and current Policies to update them as necessary or possible.

The status of the two legal actions involving the SVRA are as follows:

1. Jere Kovach was deposed about 3 weeks ago in the action involving the fence lawsuit
2. The judge has issued a preliminary ruling in the matter of the new DCC&Rs. The plaintiffs are drafting the order which will then be available to the SVRA for comment before the final ruling is signed.

D. Architectural Report: Director Horton gave the following report:

Permit Activity (7/20/2013 to 8/22/2013)

Approved:	4	
Gable over front porch		1
Change layout of windows		1
Footers for future back deck roof		1
Irrigation system		1

Disapproved:	1	
Rebuild Deck, Increase in size		1

(Variance required for approval)

Withdrawn: 0
None

In Process: 3
Roof cover for deck – Pergola 1
Re-do front deck, add back steps 1
add handrails
New SRF/attached garage 1

Architectural Committee monthly meeting schedule:

Town P&Z Board	Architectural Committee
1st Wed. of each month	1st Friday of each month (IF THERE ARE PERMITS)
3rd Wed. if each month	3rd Friday of each month

Meeting will be held at 10:00 AM at the SVRA office.

This meeting schedule has been setup to help reduce the permit approval process. If complete permit applications are turned into the Town and Association at the same time, the proper number of days before each meeting, this meeting schedule will reduce the permit approval process time frame.

Policies In Work:

Architectural Committee Document.
Clarification of Fence Policy – new drawings, explanation of terms
Green Houses

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

E. Golf & Greens Report: Director Toolson gave the following report:

Golf & Greens Committee had their regular monthly meeting on August 5th. Some ongoing projects that were discussed included:

Cedar Creek Course: Hole #1 Ladies' tee box to cart path, finish grading and seeding. Hole #2 grading on south side of men's tee, moving ladies' tee back towards the creek to make it a par 5 again, and continuing landscaping of the berm at the #2 green. Hole #5, west of the green has been thinned out considerable of trees, brush and deadfall and looks GREAT thanks to the dedication and hard work of Ron Denney.

Aspen Hills Course: Hole #2, tee box has been re-sodded; Hole #8 tee box over the pond is now complete and now really shows off the signature hole of Star Valley Ranch. Also at Aspen Hills, Hole #5's new cart path is now underway off the hill to the restrooms.

We continue to water both courses at night when water is available, and also during daylight hours when we have more available water.

Completed tournaments since the last Board Meeting include: The Member-Guest, Wyoming State Firefighters, The Simplot tournament, Ladies Rhinestone Invitational, Our biggest tournament of the year with 128 players, the Maverik tournament, and the SVRA Men's Championship.

Upcoming events include: SVRA Ladies' Championship and Night Golf on August 31st.
Fall aerification will begin in early September.

F. House & Entertainment Report: Secretary/Treasurer Earl gave the following report:

August 10th was our Arts & Crafts Festival here at the barn; we always get a great variety of vendors with homemade and unique items for sale. The weather towards the end of the day ran off a lot of lookers/shoppers, but the morning hours saw a great deal of folks.

Sept.7th we will have our final "Junk in the Trunk" for the year. This is a great opportunity to clean out your closets and have your own garage sale at home, or go up to the barn to shop out of other's trunks!! If interested in getting in on this event, call Tallia at the office to get signed up and get on the map.

Also, I would like to give a big Thank-You to Gillian Kabat for providing a fun night Wed. August, she brought "Broadway to the barn" a great musical show with members being the "stars" lots of fun, and lots of wonderful singing talent!!! Thanks again to Gillian.

G. DCC&R Compliance Report: General Manager Sessions gave the following report:

There is 1 noncompliance issue currently open. There were two member complaints referred to the Compliance Officer and one was resolved since the last report

H. SVRA Barn/Silo Redevelopment Report: Director Lujan gave the following report:

We continue to press forward in our quest for a new SVRA Member Center. We are currently in the construction document process. We anticipate having final drawings on our SVRA web site within the next few weeks. Several changes have been made from the drawings last presented, including changing from a hip to gable roof, which now allows for mechanical and storage space in the attic. A larger multipurpose room in the lower level (golf carts have been relocated to a new 40x60 metal which will shortly be erected behind the current golf course maintenance facility). Relocation of the Bar to allow for a separate dining area in the north west corner of the main level next to the kitchen facility and to allow for a separate seating area for bar patrons. The main floor area will still contain two partitions allowing separation of the dining, bar and meeting room areas when needed.

Revised projected time frames are as follows:

1. Completion of construction documents by 9-30-2013
2. Bid requests by 10-31-2013
3. Bid selection by 11-30-2013
4. Removal of the existing Barn/Silo structures fall/winter 2013
(subject to weather conditions and time constrains of the successful bidder)
5. Construction of the new building starting spring 2014 (12-14 month projected time frame)

The estimated, \$1.75 million dollar project cost remains unchanged. In addition to the capital we will have accumulated/invested in the project, we anticipate securing a loan of \$750,000 to be paid off over 15-20 years. Loan payments will be made from the current (and future) \$40.00 capital budget allocation which is being set aside from each lot owner's annual assessment.

The location of the temporary golf pro shop facilities for next year are still to be determined.

4. General Manager's Report: General Manager Sessions gave the following report:

Account Statements: All bank accounts are balanced for the month of July.

Assessments

2009 Assessment Status: 10 Lots (.5%) have not paid in full (2 foreclosures).

2010 Assessment Status: 16 Lots (.8%) have not paid in full.

2011 Assessment Status: 25 Lots (1.2%) have not paid in full.

2012 Assessment Status: 67 Lots (3%) have not paid in full.

2013 Assessment Status: 138 Lots (6.9%) have not paid in full. There are currently 9 foreclosures that we are aware of on the Ranch.

Business Activities: For the month of July, the allocation of \$1,560.00 (39 lots X \$40 for each assessment paid) was transferred from the Operations Checking account into the Restricted Capital account for the Barn/Silo Redevelopment. There was an additional transfer for the 2012 calendar year Assessments amounting to \$308.63 (7 lots X \$44.09). These transfers bring the account balance to \$153,472.98 including accumulated interest.

An overview of SVRA Financials finds the YTD July Gross Profit at slightly worse than budgeted levels, Total Expense at 6.7% better than budget, resulting in year-to-date Net Ordinary Income prior to Depreciation at 10.5% better than budget. Overall business results are tracking very close to last year with minor exceptions and we anticipate budget objectives will be met for all areas barring any unforeseen circumstances. Current cash assets (YTD July Balance Sheet) Total \$1,685,103. Of that amount, \$890,475 represents the current cash committed to the SVRA Member Center development project. The remaining cash assets represent various Reserve funds, a \$200,000 Emergency Fund and Operating Funds.

Golf Operations

Pro Shop: See Golf and Greens Report

Golf Course Maintenance: See Golf and Greens Report

Facilities: When business diminishes some concrete will be added at the pool entrance to improve safety during access and egress. The resurfacing and restriping of the basketball court has begun and will be finished over the next few weeks. The airstrip was sprayed last month and the edges, apron and entrance have now been mowed.

5. Old Business: None stated.

6. New Business: None stated.

7. For the Good of the Order:

Ed Smith asked if it was just a rumor or if the barn was really going to be burned down. Many members of the Board replied stating that burning the building down was very likely although the final decision has not been made.

Loretta Smith asked for the current value of the barn and silo, when was it built, and how did the Board determine to do away with the building?

Director Lujan answered stating that the exact year it was built was unknown to him. The determination to tear down this building and build new vs. remodel the existing building is based on a couple different reports. One report was the Sergeants report, the other report was done by Myers Anderson, both reports are

available on the SVRA website. The Board of Directors made the decision to go forward with the new building.

Clyde Cazier asked if we had looked into someone tearing the barn down and reclaiming the materials.

Director Toolson stated that the gentleman (Mr. Robie) that had talked to Mr. Cazier went to Mr. Toolson's home and they are now in discussions with that gentleman.

Gary Braun asked that the Architectural committee rethink their meeting times and meet before the Town meets so that once the Town meets they can pass off the final approval for the homeowner.

Director Horton feels that because the old document (that they are hoping to rewrite) states that the Association has a responsibility to make sure that all permits meet structural code. By waiting for the Town's approval we know that the Town will be inspecting that project to ensure it is up to code and then we have done our due diligence to ensure that we are making sure the application meets structural code. If we didn't have that document in place right now, then yes we would probably meet before the Town's P&Z Board.

Gary Braun encouraged the Board to save a few things from the barn/silo and try to incorporate them into the new building.

Helen Harker asked for the date that the Board voted on the new building.

Director Lujan stated that he was unsure of the date, but was sure that there was a vote.

Many members expressed that they felt the barn was fine as is or that minor repairs may be needed.

Director Toolson stated that the main problem with the Barn is the foundation.

Robert Meikle stated that he had walked through the basement and it appears that the foundation looks like it is really solid.

Director Lujan stated that the Sergeant's report stated that the A frame structure (the Office building) architectural needs total \$396,500. The Barn structure architectural needs total \$457,000 and the Silo architectural needs total \$581,000, for a total of \$1.434 million. The Meyers Anderson report indicated the cost to remodel the barn and silo would be about \$2.4 million. Remodel the barn and build a new silo was \$2.9 million, remodel the silo and build a new barn was \$3.3 million.

Director Lujan stated that he understood many of the comments made. However, the Board is trying to come up with a plan that fits the overall needs of all members.

Gerald Kittleson mentioned that in the legal case regarding the DCC&Rs after the August 6th hearing the judge ruled in favor of the plaintiffs. He stated that he knew the results for a fact as he is one of the plaintiffs.

Director Toolson told Mr. Kittleson that the judge did rule in his favor. However, we are not getting into a legal battle when we are missing our Chairman of the Board.

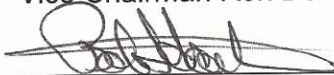
8. Adjournment:*

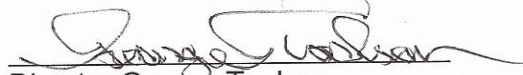
- Director Lujan made a motion to adjourn.
Director Toolson seconded the motion.
Motion passed unanimously.

Meeting adjourned at 9:54 a.m.

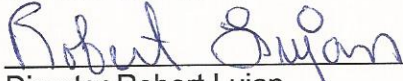
approved via phone
Chairman Mike Blackman

approved via phone
Vice Chairman Ron Denney


Director Bob Horton

Secretary/Treasurer Ann Earl

Director George Toolson

Director Derk Izatt


Director Robert Lujan