

Minutes
Lake Creek Farms Homeowners Association
2017 Annual Member Meeting

November 14, 2017
Wasatch Senior Center Auditorium

Attendance:

Board Members: Laura Kent-Jensen, president and treasurer; Michael Cole, vice-president; Kimberly Gilboy, secretary.

Association Members: For purposes of voting, there was a quorum of more than twenty percent of HOA members present. There were approximately 60 people in attendance representing 36 lots within plats A through C of the subdivision. Proxies were presented representing another 18 lots for a total of 54 of 94 lots (57 percent) represented. (A sign-in sheet was provided, but not all in attendance signed in.)

Approximately ten property owners with lots in Plats D and E were also present. Several of these individuals voluntarily pay dues. They were given the right to vote but were not included in the quorum count.

Voting Oversight: Association members Duke Mossman and Ed Rhoades oversaw the process of voting and checking proxies.

Call to Order:

The meeting was called to order by Laura Kent-Jensen at 7:10 pm. She then offered some pointers on how to keep the meeting courteous and respectful. Laura declared that the needed quorum for regular actions (over 20% of HOA members, or 19 lots) was present.

Minutes of 2016 Meeting:

Mike Cole presented minutes for the 2016 meeting of the association held on June 28, 2016, in the Lake Creek Farms park pavilion. Melanie Funk formally objected to the minutes, stating she did not feel there was proper notice of the meeting. Laura Kent-Jensen pointed out that notice had been sent by email on June 3 and a reminder was sent on June 23, reaching 90% of homeowners. A flyer was also hand delivered, although not ten days in advance.

There was a motion and a second to approve the minutes. By a show of hands, there was one vote against approval and the remaining votes in favor.

Financial Report:

Laura Kent-Jensen presented the financial report and 2017 budget. She pointed out that the board's goals are to: 1) pay down the park loan while assuring financial security, 2) undertake other projects if feasible without incurring significant risk.

Once again, HOA fees will remain at \$300 per year. Although the CC&Rs permit increases of up to 7 percent per year without a special assessment, the annual dues have remained at \$300 since 2014.

Laura discussed the HOA's reserves. Reserves are intended to be set aside to cover major maintenance and repair of association assets. Our reserves currently exceed recommended levels, with over \$30,000 in reserves and operating accounts. The board's goal is to pay down the 15-year park loan in 10 years or less. With annual revenue of just under \$30,000, the board has authorized two additional principal payments totaling \$35,000 due to building the park under budget and conservative spending. Three years into our 15-year loan of \$150,000, the principal balance was \$97,447 as of October 31.

Mike Cole pointed out that volunteer bookkeeping over the last five years by Erik Felsted and Laura Kent-Jensen has saved the HOA over \$10,000. They were thanked with a warm round of applause.

Melanie Funk pointed out that unexpected expenses often arise with play structures when parts are no longer available for repairs. Sometimes major components need to be replaced and sometimes entire structures. Laura noted that the HOA also has insurance to cover damage and replacement of common area structures and that maintenance and repair should be performed regularly.

In reviewing the budget, Dick Mantlo pointed out a significant increase in the association's water bill. Doug Hronek noted that this amount (\$566) is comparable to what he was billed for his lot, so this does not seem out of line. Laura Kent-Jensen noted that the bill had just been received and that she plans to check with the water board for clarification.

Park Update:

Mike Cole presented an update on the park. The water system has a very limited flow rate which requires smaller zone that waters different areas every night. There are 28 zones on five separate battery-operated controllers which can be a challenge to keep synchronized so please do not adjust them independently. A larger water filter was installed this year that has made it easier to maintain the water flow and keep the lawn green. El Green Diamond Team has been providing maintenance services. The pavilion lighting system will be operational next year.

Water Update & Metering:

Installing meters in each lot is the final requirement in our water agreement with Twin Creeks. When the HOA negotiated the agreement, Twin Creeks didn't know which system they wanted to use. At this point, they have figured it out and are requiring all new subdivisions to add meters, but they have not yet required it of us. The HOA initially delayed recommending meters, because the installed cost was still quite high. At this point, it is somewhat more reasonable at about \$700 per lot installed. There will be cost savings for those who participate in a group installation.

After some discussion about partnering with other subdivisions to save with installation costs and whether to begin installing now, J.W. Davies moved to defer installation. The motion was seconded and approved by consensus. Ed Rhoades recommended looking for a grant to help with installation costs.

Thoughts on Being Good Neighbors:

Ryan Holmes led a discussion about how we can be better neighbors. After 18 years in the neighborhood, Ryan pointed out that his orientation and that of many in the neighborhood has shifted

substantially. Lake Creek Farms is a much more eclectic neighborhood than others like Red Ledges. In the past, the HOA was relied upon to be the big stick. Ryan's opinion is that a better paradigm is to try to talk things over with our neighbors in a respectful and neighborly manner.

Ryan's comments set the tone for subsequent discussion about how we as individuals and as an association can be more productive and happier by taking a positive, neighborly approach to solving problems and working together for our greater good.

Homeowners' Priorities:

Mike Cole then initiated a discussion about homeowners' priorities for the neighborhood. As starting points for discussion, Mike mentioned that the board has considered the following priorities:

- **Neighborhood Unification.** We hope this is the final major challenge left by previous developers for homeowners to resolve. Because all common areas in Plats A-E are all jointly owned and managed by the Lake Creek Farms Homeowners Association, not having a way to involve owners from Plats D & E in these decisions is problematic. Most everyone—including many owners in plats D and E—agree that having some, but not all homeowners sharing in the costs of maintenance and resolving challenges, such as our irrigation water ownership, is unfair. Over the years, some plat D and E owners have voluntarily contributed to the HOA. Attempting to facilitate a peaceful resolution to this challenge is the board's top priority for 2018.
- **Entrance Monument.** The entrance monument is in need of repair or replacement; however, we would like to focus first on involving all the Lake Creek Farms plats in the cost of the upgrade.
- **Social Events.** It has been suggested that the HOA organize more opportunities for neighbors to get to know one another informally.
- **Trails.** Promised by the original developer, trails have long been part of the plan for the subdivision. To make much progress on trails, the board feels like we need to involve property owners from plats D and E in decision making and financial support.

Dick Mantlo commented on Mike's hard work on the park and expressed thanks for a job well done.

Trails. Several homeowners expressed support for simple walking/horse riding trails in the neighborhood and pointed out that other neighborhoods, such as Big Pole, have created extensive trail systems at minimal cost. Recommendations were made that any trails be sensitive to being in proximity to neighbors' backyards and that in accordance with the HOA's CC&RS, no motorized vehicles be permitted.

Mike Richardson (second by Erik Felsted) moved that the board research options for trails and bring a recommendation back to homeowners. Dick Mantlo expressed concern about the fact that the HOA is already in debt.

The question was called and the proposal that the board initiate research and report back to homeowners was approved unanimously.

CC&Rs. Dick Mantlo stated his belief that the HOA needs to enforce its CC&Rs, that they are the laws of the association and that those who don't want to enforce the CC&Rs should not run for the board. J.W. Davies expressed concern about over-enforcement of the CC&Rs. His experience in the Cobblestone

neighborhood was that the association operated well for many years, but a board that imposed too many restrictions was elected. In J.W.'s opinion, this was actually counterproductive and harmful to property values as several people decided to move out of the subdivision as a result.

At this point, Bruce Zollinger (second by Erik Felsted) moved that we proceed directly to the election and cover the other agenda items afterward. This motion was approved, opening the floor to discussion of trustee election.

Dick Mantlo stated that the HOA has not had an election (with a quorum) for three years, so every position on the board should be up for election. Laura explained that the bylaws state that the terms of office are three years, but also that the intention is that only one-third of the board should be newly elected each year. The board has worked to maintain continuity and had selected Kim's position to be up for election this year, as she had recently been appointed rather than elected to the board.

Since electing a new board was not on the agenda for this meeting, Dick Mantlo suggested that the HOA schedule a later election for all three seats on the board. However, J.W. Davies (second by Erik Felsted) offered a friendly amendment to Bruce Zollinger's motion and moved that the members elect Laura Kent-Jensen as president, Mike Cole as vice president, and Kim Gilboy as secretary—the board as presently constituted.

Dick Manto spoke in favor of holding another HOA meeting for elections the 3rd Wednesday in January (second by Melanie Funk). Brenda Metzger pointed out that the members need to keep in mind the practical reality, not just the letter of the law. Based on her previous experience on the board, she highlighted the importance of overlapping terms so that a new board member can benefit from the experience and history of other board members, rather than having three 'newbies' at once.

Following on his prior motion, J.W. Davies (second by Erik Felsted) moved to ratify the previous years' elections that were conducted without a quorum present. In so doing, Mike Cole would serve a one-year term on the board and Laura Kent-Jensen would serve a two-year term on the board. The motion was approved by a hand vote with three in-person votes and four proxies against

Dick Mantlo restated his motion to hold an election for all three trustees in January. Including proxies, five votes were cast in favor and the remaining members opposed. The motion did not pass.

As had been previously announced to members, an election to approve a trustee for a three-year term was needed. Given the lateness of the hour, Ed Rhoades recommended that candidate speeches be forgone and called for a vote on the third seat on the board. This recommendation was approved by consensus.

Mike Cole asked if there were any additional nominations from the floor. Hearing none, the election by written ballot proceeded. The two candidates were: Melanie Funk and Kimberly Gilboy. Following a count, the election overseers (Duke Mossman and Ed Rhoades) that Kim Gilboy had been elected. (Any members interested in the final vote count should contact Laura Kent-Jensen.)

Other Items:

- **Neighborhood Unification Committee.** While the votes were being tabulated, there was a brief discussion about why neighborhood unification is a priority.

- In brief, the original HOA documents and development agreement state that all of Lake Creek Farms are part of the Lake Creek Farms HOA; however, the County gave the developer for Plats D & E the ability to form a new HOA within ten business days to would work with the existing HOA and share costs. Unfortunately, this option was never exercised, and the County has never enforced this requirement. The County has acknowledged this error in meeting with the HOA but has never taken any action to correct it. The Plat D &E dues would add \$9,600 per year in revenue.
- The HOA has retained an attorney who specializes in HOA law and is currently reviewing all of the relevant documents. He will provide recommendations on the best course of action, the strength and weaknesses of our options, and anticipated costs.
- The following individuals—several of whom live in plats D and E—agreed to help the board work on this issue: Erik Felsted, Brenda Metzger, Dina Merrill, Allison and Bill Lutes, and Joe Gormally.
- **High-Speed Internet.** Craig Knott asked whether others were interested in trying to get improved Internet service. There was no specific action, but the concept appeared to be well-received.

Adjournment:

The meeting was adjourned at approximately 9:00 pm

Respectfully submitted: Kimberly Gilboy – 11/25/17