

* DRAFT * **Sun Mountain Ranch Club Annual Membership Meeting** * DRAFT *
September 25, 2010
9:00 a.m, Church on the Rise

There being a quorum in attendance, President Paul Tillman called the meeting to order at 9:05 a.m. Board members and officers present were Joan Bassen, Stan Hillier, Dave Sandoz, Doug Smith, Julia Smith, Steve Smith, Paul Tillman, Jeanne Walton. Paul introduced the current board members, outlined meeting guidelines, and thanked everyone for attending. The Board prepared a PowerPoint presentation so all could follow an overview of the Board's accomplishments for the year:

Summary of Accomplishments

Park facilities remodeled, new professional signage installed at pool, developed strategy for interpretations of CCRs (begins the groundwork to revise by-laws and CCRs), road repairs, began discussions on foreclosure procedures, began exit/evacuation signage installation, continued development of a SMRC Standard Operating Procedures, started trail system identification, and development of draft audit process.

SECRETARY'S REPORT

Minutes from 2009 were distributed via mail, web, and hardcopy. Secretary Julia Smith asked if there were any additions or corrections to the 2009 Annual Meeting Minutes as distributed. There being none a motion was made and 2nd to approve the minutes as distributed; motion carried.

ELECTIONS

Vice President Stan Hillier facilitated the election process and provided a description of the duties each position is responsible for carrying out. Before elections began, two volunteers were requested to assist with ballot counting and verification. Mary Ann Larsen and Fred Noyes volunteered. The open positions for a 2010-2011 included 3 board positions, vice president, treasurer, and secretary. Nominations were received from the floor with the reminder that each open position is voted on separately – one vote per lot owned per position.

The newly elected Directors and Officers:

- Board position 1: Dave Sandoz
(Nominees Dave Sandoz-incumbent, Diane Sims)
- Board position 2: Joan Bassen
(Nominees Joan Bassen-incumbent, Robert Gorski)
- Board position 3: Doug Smith
(Nominees David Sims, Doug Smith-incumbent)
- Vice President: Stan Hillier
(Nominees Stan Hillier-incumbent, David Sims)
- Treasurer: Jeanne Walton
- Secretary: Julia Smith

The ballots will be kept on file (with the Secretary) for 1 year. Votes are available for review and recount at any time and in the presence of board members.

TREASURER'S REPORT

Treasurer Jeanne Walton gave the following report:

INCOME		
YTD ACTUALS	YTD BUDGET	TOTAL ANNUAL BUDGET
Jan 2010 – Aug 2010	Jan 2010 – Aug 2010	Jan 2010 – Dec 2010
\$93,648.07	\$63,235	\$116,145
CURRENT BUDGET POSITION		
YTD ACTUALS	YTD BUDGET	TOTAL ANNUAL BUDGET
\$90,359.89	92,394.68	\$116,145
2010/2011 PROPOSED BUDGET		
INCOME	EXPENSES	<i>Detailed expenses were presented and available for review upon request.</i>
\$115,718.45	\$115,718.46	

After presenting the proposed budget, the floor was opened up for questions. A motion was made and 2nd to approve the 2010/2011 budget as distributed; motion carried.

ARCHITECTURAL COMMITTEE

Joan Bassen reported 13 submissions for structures this past year: 6 sheds, 3 houses, 2 garages, 1 sleeping cabin, and 1 RV cover. All property owners are reminded to submit applications/proposals in advance of construction so as to give architectural committee sufficient time to evaluate application and respond with questions, clarifications, and approvals. SMRC member Robert Gorski volunteered to join the architectural committee. He has extensive experience with building codes, permitting process, etc.

After presenting the report, the floor was opened up for questions.

ROAD COMMITTEE

Dust control: application of lignin kept dust down. Used approximately 100 tons this year and made one single application in June. It was reinforced to the members that the product is effective and environmentally friendly.

Snow removal: two years remaining on three-year contract with Lloyd Logging. Per procedure, snow removal process is initiated when 4 inches of snow has fallen or when a phone call is made.

Road repair / maintenance: Grading and local repairs are done as needed.

In the event of evacuation, directional signs (noting distances to entrance/exits) are to be ordered and one has already been installed (at Twin Lakes and Barnaby).

After presenting the report, the floor was opened up for questions.

TWIN LAKES AQUIFER COALITION

Steve Smith and Robert Walton provided overview of TLAC project status, which is to say that no new significant developments have taken place this year. There will be ongoing work, consultations and meetings with various county, government, and legal constituencies.

RECYCLING PROGRAM

A temporary recycling program was started and a temporary contract established with Methow Valley Recycle Round Up. Materials being recycled include cardboard, magazines, newspaper, aluminum cans, tin, and plastic bottles). Analyses of costs before and after recycling program started yield a reduction in overall costs for garbage (due to gross reduction in volume and weight). January -March 2010 had 2 less dumpster hauls compared to the same time period in 2009; January-April 2010 total bills were \$1,573 less than the same period in 2009. May-August 2010 had 3 fewer hauls which saved \$986.

FINANCIAL STRUCTURE AND PROPOSED AUDIT PROCEDURES

Dave Sandoz provided an overview of the SMRC financial structure, (quarterly) internal audit procedure, and proposed procedure for annual internal audit (and proposed composition of audit team). The members were asked to weigh in on whether to proceed with an annual internal audit versus external CPA audit. The last external audit conducted was in 2005.

After discussion and questions, a motion was made as follows: if external audit in 2010-2011 is waived then implement internal audit to keep association in compliance with current RCWs. As such, members were asked to vote on the following statement, "I move to waive external audit, propose implementation of internal audit procedure which will keep association in compliance with RCWs." Yes vote agrees with motion; no vote does not agree with statement. The vote results were 76 = yes and 21 = no. Procedurally, this motion/vote will be done every year during the annual membership meeting.

Volunteers for internal audit team were requested. Individuals with financial background and accounting experience are needed. The team will meet in February 2011. Volunteers include Linda Muzzy, Patsy Rowland, Jeannie Schneider, Dottie Noyes and Robert Walton.

FORECLOSURE

Paul Tillman and Jeanne Walton presented the status of a SMRC property owner who owes in excess of \$6,000 in dues and assessments. If the association is to pursue foreclosure on this property it could cost \$6,000-10,000 (if uncontested). The members were asked for their input on the matter. A motion was made to not pursue foreclosure process and let the lien process ensue, motion seconded. All members except one (opposed) were in favor. Motion carried.

THE BETTER SOLUTION: EVALUATE BYLAWS AND CC&Rs

In an effort to evaluate bylaws and CC&Rs, the board has begun the process of developing guidelines that would aid the Board and Architectural Committee in enforcing the rules consistently and fairly as well as determine the degree of interest of members for making slight revisions/clarification to bylaws and CC&Rs. The guidelines will cover structures/buildings, vehicles and equipment, approval basis for business and commercial activity, and common area and easements. A motion was made to give the board allowance to proceed with interpretation of bylaws and CC&Rs as written; motion seconded. All in favor. Motion carried.

TRAIL SYSTEM

Doug Smith provided an update on the development of trail system design and implementation plan. A trail committee was formed and includes Doug Smith (chair), Russ Dod, Steve Meleski, Dave Sandoz, and Steve Smith. Construction guidelines have been developed and implemented; first trail/path was identified; first path scouted and marked. Next steps include notifying property owners adjacent to trail (ask their input on the location of the path), ask for volunteers and create a trail work-party, and identify locations and install signage and barriers. Other benefits include identification of property lines and boundaries, allow access to the common area greenbelts for removal of wildfire fuels, and allow access and visibility for control of noxious weeds.

OPEN COMMENTS

The floor was opened for general comments and questions. A property owner asked if the Peoples Action Committee was an official sanctioned and recognized Ranch Club organization. The answer was no. Another property owner requested review of policy regarding the number of key card relative to number of lots owned. His thoughts were that he should be issued 2 cards because he owns 2 lots. Another commented that other HOA's have policies where the number of key cards corresponds number of lots owned. The board will revisit this policy.

ADJOURNMENT

A motion to adjourn was made; motion seconded. Meeting adjourned at 12:00p.m.

Respectfully submitted,


Julia W. Smith, Secretary

The September 2010 general membership meeting minutes have been provisionally approved and will be officially approved during the next annual general membership meeting in 2011.