

Upper little Warm Springs Homeowners Association Emergency Board Meeting
7/22/06

Amidst a Warm Springs Water District (WSWD) annual meeting and a discussion of use of funds in control of the Home Owners Association (HOA) for the needs of the water district, the HOA Board held an emergency meeting. All five Board members were present. A motion, duly seconded and unanimously passed by the HOA, was presented as a proposal to the WSWD stating that funds provided the WSWD by the HOA should be considered a loan to be repaid; 75% of future tap fee revenue will be dedicated to repayment. Tap fees will be increased to \$2,500. The term of the loan would be 30 years with an interest rate of 2% annually. No action on the HOA proposal was taken by the Water District during the annual meeting.

UPPER LITTLE WARM SPRINGS HOMEOWNERS ASSOCIATION EMERGENCY
BOARD MEETING
7/27/06

Call to order, 7:01 PM at Kondorf house.

In attendance: John and Virginia Matson, Dave and Jane Woodward, Clay Fulcher, Margo Clark (late), Bob Hitchcock, Pete Tattersall, Gerry Kondorf, Don Lind

The object of the meeting was the easement "negotiations" with High Plains Power (HPP). A summation of the situation was given. Warm River Ranch (WRR) can save about \$100,000 if they tap into the power grid in our subdivision and obtain power for their new subdivision to our west in Water Gulch. A HPP representative (David Howard) visited Peter Tattersall in an effort to get him to sign an easement agreement. Peter looked it over, found no benefit within the agreement except to WRR and declined to sign. The Homeowners Association (HOA) spoke with HPP who claimed to have a right to use easement already in place between lots. The HOA interprets these easements for use within Upper Little Warm Springs (ULWS) subdivision(s), not for connection to systems outside of our subdivision(s). HPP obtained written permission from Mr. Unger who is currently building on Hart Trail.

This permission has been revoked. HPP had told Mr. Unger that Mr. Tattersall had already signed and that his signature was simply an afterthought, a formality. Mr. Unger received no copy of the agreement.

Mr. Hooper, a lawyer acting at the request of the Board President, sent HPP a letter on our behalf stating our concerns. This letter lacked reference to the questionable legality of HPP claim or the misrepresentation of the Tattersall signature. HPP said they were going ahead anyway. The legal grounds for this action have never been presented.

There were discussions concerning (1) whether construction should be allowed before the issue is resolved; (2) whether an attorney could attempt to obtain an injunctive order; (3) the need to see legal precedent on utility easements; (4) contacting the regulatory agency that oversees cooperatives; (5) why HPP is working so hard to benefit WRR; (6) poor historical interaction with HPP; (7) what precedent granting a utility easement would

set; (8) what is the actual plan, in detail, for extending the grid in the future and what does that involve, what can we expect in terms of impacts to homeowners; (9) the fact that no financial compensation has been offered.

A fact finding effort is required. John Matsen will probe HPP, Clay Fultcher will confer with Mr. Hooper, our lawyer, and Gerry Kondorf will get back with the State power agency. We need to determine; "how deep the problem is", what could we loose and how much we are willing to spend fighting this effort. We can offer Mr. Hooper a payment to research this problem if Clay feels he is the man to do it.

The next issue was presented with a letter from the WSWD (the Water District) stating it does not have authority to incur debt without approval of a majority of the District members via a vote.

Gerry thinks that the HOA was "stuck" for the \$16,000 needed for the filters and no more funds should go to the Water District from HOA accounts. Clay reviewed records of examples of several "grants" given to the Water District by the HOA. Don said that the \$16,000 "award" was not given as a loan and that the HOA needs to stick with that agreement. Pete noted that there is \$20,000 in a Water District account for use in emergencies. Questions about how that account is repaid, arose. Margo expressed concern about raising taxes. Some residents can not afford increased taxes. The mechanism for increasing the assessment was discussed.

The Water District still needs about \$1000 for installation of filters. We need documentation of costs such as invoices. Gerry called for a vote on whether to provide payment to the Water District for this purpose. Gerry voted no. Bob, Don, Clay and Pete voted yes.

The motion to give the Water District funds to cover filter installation is amended to cover not more than \$100 per unit. The filters were discussed in detail. Bob, Don, Clay and Pete voted yes.

The annual fee of \$25 for reporting on nonprofit organizations was submitted to the State.

A release of mortgage for lot 61, purchased by Joseph Oswald III, from the HOA is needed so that he can sell the lot. Our documents show completion of the final payment but no release was filed with the County. We will provide the release.

Discrepancies exist between the lists of members for the HOA and the WWD. The Woodwards agree to work on a master list.

The HOA investments are being reexamined. The shares in the Lord Abbott Fund are losing value resulting in a net loss to the HOA. A motion was made and passed

unanimously concerning reinvestment. The Lord Abbott Fund will be liquidated and placed either in a money market account and/or CD's.

Ballots for HOA offices have to go out by August 7th. We will contact all those who wish to run for inclusion on the ballot. The Board unanimously agreed to amend the bylaws to reflect that officers would be elected by the Board members following each election. Notice of the change will be published with notice of the Annual Meeting and discussed at that time. If possible, proposed changes in the covenants will be included with the ballots in order for the members to vote on them.

Notice of the annual meeting must be published in the paper. It is scheduled for September 16th.

Construction of a new home is planned for the lot on the east side of the road, adjoining the Houck's. Nothing new is known about plans for building on the pad beneath the "cliff" yet.

Meeting adjourned 9:33pm.

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