

**Virginia City Highlands Property Owners' Association
Minutes - Monthly Meeting - Tuesday, June 11, 2013
V.C. Highlands Fire Station Training Room**

Present: Dave Thomas, Patrick Flanagan, Karlyn McPartlin, Jack McGuffey, and Jim Watson

Absent: None

I. Call to Order, Declaration of a Quorum, and Approval of Meeting

Agenda

President Thomas called the meeting to order at 7:05 pm and declared a quorum present. A motion by Flanagan, seconded by McGuffey to approve the agenda as posted was approved unanimously.

II. Approve Minutes of May 14, 2013 Meeting

A motion by Flanagan, seconded by McGuffey to approve the minutes as submitted was approved unanimously.

III. Review of Financial Statements

IV. Thomas reviewed the financial statements for the month of May. Total expenses were \$17,196; income was \$3,678. The cash balance at the end of April was \$296,616.

The complete financial statements are available on the association web site at <http://www.vchpoa.org/Financials.shtml>

Thomas noted that the year to date expenses are on budget; there is approximately \$3,000 more cash on hand than projected due to more fees and assessments being collected; administrative expenses are within budget; and insurance costs are below budget.

The cost of sending out the annual newsletter and ballots is approximately \$3,000. Missing or damaged road name signs are being replaced. The plumbing under the water truck was completely replaced. The road crew cleaned culverts crossing roads. About \$17,500 more is to be spent on road maintenance and repair in this fiscal year.

Thomas met with District Attorney Maddox and was served the complaint necessary to complete the eminent domain proceedings for the County's acquisition of the fire station property. He expects the sale to be finalized within the next few weeks. Payments of \$50,000 per year will be received over a five-year period, so structured for tax purposes. The budget for the fiscal year 2013-14 has been revised to reflect the sale and tax burden.

McPartlin asked if there is a cap on the amount in the reserve fund. The amount is dictated by the reserve study and varies as expenditures are made. It is fully funded for this year at \$225,715.

Flanagan suggested that funds in the reserve account be separated into more than one bank account so that they are fully federally insured.

A motion by McPartlin, seconded by Flanagan to accept the financial report was approved unanimously.

V. Opening of Sealed Bids for Annual Audit

Thomas opened a sealed bid from Gene H. Clawson, CPA. The amount of the bid remained the same as the previous year at \$3,750. A motion by Flanagan, seconded by McGuffey to execute the proposed contract was approved unanimously.

VI. Comments by Association Members (NRS 116.31083.5)

An owner asked what the status is of the trapping in the Highlands issue. Commissioner Sjovangen reported that folks in the Highlands Ranches (Tens) are split 50/50 for and against designating their area a congested area. He has a meeting set up with the Department of Wildlife to determine what can and cannot be done. He expects nothing will be finalized within the next two or three months.

Jaye Fontana read a statement about the homeowners' rights to speak at meetings. The statement asserted that homeowners must be allowed to speak without time limits, etc. She does not like the idea that the association should be run as a business. A copy of her comments is attached to these minutes as Attachment A.

VII. Committee Reports

A. Architectural Committee

Rita Lumos reported that two applicants appeared at the June meeting. An owner on Clemens applied to change the color of his house and an owner on Palomino submitted a revised site plan with a relocated driveway. Both applications were approved and no fees were applicable.

B. Road Report

Road Manager Steve Morrow submitted a written report that is attached to these minutes as Attachment B.

Thomas read the scope of work to be completed this season and noted that the water truck is fixed. He also stated that a supply of culverts will be purchased to have on hand when needed.

A motion by McPartlin, seconded by Flanagan to approve the report was approved unanimously

C. Park Committee

There was \$175 contributed to the park fund by owners and collected with the annual dues. No other progress has been made in securing Park Impact Fees for improvements. McPartlin noted that Doug Fontana is keeping the park fence in repair.

McGuffey reported that he had looked into the garbage can at the park issue. The can is chained to the gazebo. He and McPartlin have been emptying it by hand. He spoke with the garbage men and they do have a key and do empty the can regularly. They said someone is filling it with their personal garbage, which explains why it is often full. He asked about getting a new can. Mike Nevin, Public Works Director will talk to Waste Management about a new can.

VIII. Unfinished Business

A. New Signage for Entrance-Legal Review

McPartlin reported that she had talked to DA Maddox. He says that we cannot have private property signs up at either entrance since the first mile of Cartwright and all of Lousetown are dedicated public roads. She talked to Nevin who also said that we cannot post private property signs at these entrances to the Highlands. She needs to petition to be on County Commission agenda to request permission to put up signs. Commissioner Sjovangen reported turning two groups of ATV owners away during the past year. Fire danger from off-road vehicles is an issue.

B. Adoption of Proposed Rules of Decorum

Flanagan presented a revised set of proposed rules of Decorum at the last meeting. He requested that the board adopt them. Dale Morgan stated that he feels having formal rules will chase people away. He prefers that meetings be kept informal. McGuffey agreed that since we generally follow Roberts Rules of Order in accordance with the governing documents of the association no further rules are

necessary. Watson also stated that he does not feel the rules are necessary.

A motion by Flanagan, seconded by McPartlin to approve the rules of decorum was defeated by a vote of 1 to 3.

C. Road Crew Policy and Scope of Work

Flanagan referred to a report he had prepared on road maintenance polices and which was distributed to the board members. He would like the board to adopt the Maine Manual for the Maintenance of Gravel Roads, the definition of private and association owned culverts, and set a policy that no road crew or association work be done on private culverts or drainage unless approved by the board. He suggests that the Architectural Committee be the arbiter in case of disagreement over culvert and drainage issues. He would like the board to study the issues and take action in the future. Private culverts which are non-working are impacting the drainage on the common roadways and are a liability. The issue was tabled for the next two months.

D. Annual Meeting Preparation

1. Items for Newsletter and Annual Mailing

Lydia Hammack, bookkeeper has prepared and delivered the ballots and envelopes. The newsletter has to be completed and placed in envelopes along with the ballots and return envelopes. These must be sent at least 30 days before annual meeting.

Dale Morgan volunteered to make fliers for picnic to be included in the mailing.

Flanagan has been working on a survey that he would like included with the mailing. Thomas expressed concern since the return envelopes have already been prepared and postage affixed.

2. Picnic Plans

Thomas has arranged for a check for the budgeted amount to be sent to McPartlin, who is arranging the picnic and supplies.

IX. New Business

A. Report on Waste Management Response to Title II and Title III of ADA Violations

Flanagan reported that WM has agreed to take disability into account when picking up garbage.

X. Any Other Matters which the Board Members Wish to Discuss

There is an ongoing dispute about who is eligible to be on the ballot. McPartlin questioned whether McGuffey turned his nomination ballot in on time. McGuffey did not have the form until the first week in May and he filled it out and faxed to the bookkeeper as soon as he received it. Owners present and the board agreed that he should remain on the ballot. A motion by Flanagan, seconded by Watson to affirm the board's handling of the ballots was approved. McGuffey and McPartlin recused themselves from voting on the motion.

XI. Comments by Association Members (NRS 116.3108.3(c))

Dale Morgan stated that he could possibly obtain the use of a sounder that homeowners could use to determine the static level of their wells. Updating of official well logs is not possible.

XII. Executive Session to Discuss Possible Violations of the CC&R's, if Necessary

No executive session was held.

XIII. Adjourn

There being no further business, the meeting was adjourned at 8:56 pm.

Respectfully submitted,
Rita Lumos, Recording Secretary

Attachment A

Comments by Jaye Fontana

I would like to make a statement. This is just my opinion, but I feel I have to speak about a few things. You can make of it what you wish, but I would hope that this board and those seeking election will take a minute to listen, and I will be under 15 minutes.

I feel this "us" versus "them", meaning the board versus homeowners, must stop. I believe that anyone whether they have lived here for 3 weeks or 30 years should have the right to come to these meetings, to stay informed, to ask questions, to share ideas, thoughts, concerns. Dave said at the last meeting that he as allowing 15

minutes for comments and then said: “Now does anyone dare to speak?” We should not be “dared” to speak at these meetings. We should not be told to “just move” if we have a different opinion, or be cut off mid-sentence if the president doesn’t like what is said. Especially if we take the time to do research as asked by the board, but then not be allowed time to present it. Something that worked 10 or 15 years ago might not be working now or vice versa. It should be a good thing for people to come to these meetings and the board should really listen to our comments and not just dismiss us.

There should be not harm in exploring other options and sharing ideas or even asking a question.

Now I must comment on our president’s recent post on the chat board. Again, just my opinion, but I hate to think of this as a business. We should think of ourselves as a community, a neighborhood, a family of sorts. We can agree, disagree, bicker, have bbq’s, enjoy the company of those we like and avoid those we don’t. Listen to each other’s opinions and give and take advice.

I don’t think you should have to be a lawyer, accountant or business owner to be on the board, this is a homeowners’ association, not Microsoft. The #1 primary responsibility of the association as listed on the nomination form is road maintenance not tax preparing. A little common sense goes a long way. I think everyone running knows about handling a budget, paying taxes, insurance, etc. What we need are people that will listen and are not power hungry. And, if you insist on calling this a business I would strongly disagree that we the homeowners are the board’s “customers” as you put it. We are in fact then the “owners” of this business and you work for us as “managers”.

So therefore to bring it full circle, we as the OWNERS of this business have every right to come into this “Boardroom” and ask where and why our money is being spent. What is the game plan for this business? Why weren’t the roads plowed? How are you managing our employees or any other question we might have.

I thank you for all this time.

Attachment B

The following is the road report for the previous month of May 2013. Please note that I am out of town and will be unable to attend tomorrow night's meeting.

The road crew performed continued work on the Association maintained culverts. The major culvert work is completed. Minor culvert cleaning is performed throughout the year as is customary.

The road crew had to postpone the beginning of the Spring 2013 LAAARI Road Work due to excessive leakage from the tank and water piping from the Association water truck. The water truck has always leaked a bit since the rollover accident and subsequent repairs, but was manageable for the work that we do. However, the water truck had not been used this year since the fire department installed new parts to make the Association truck compatible for fire fighting. When the crew went to ready the truck for service the water leakage, without pressure, was so bad that we were not able to deploy the truck. Repairs were made to the water conveyance system and tank and I have been informed that the truck no longer leaks and now has a properly working water application system and is capable of high pressure hose application as well.

Road work began on Monday June 10, 2013. The road crew started with blowing out an Association culvert at the corner of Dortort and Delta and then began grading work on Adobe. Work was put on hold until the weather clears which should be Tuesday June 11th.

After speaking with Dave Thomas, the modified LAAARI for the Spring 2013 is as follows:

Note: For purposes of this report "General Road Maintenance" includes ripping, moisture conditioning, grading and roller compacting

Phase 1) Perform General Road Maintenance on Adode, Adode Spur, Grizzly and Enterprise as needed. **No** Dust Suppressant/Road Stabilization materials will be applied to any of these roads.

Phase 2) Perform General Road Maintenance on Dortort, Sazarac, Agate, Empire, Panhandle and the section of Clemens connecting panhandle to Empire. Dust Suppressant/Road Stabilization materials will be applied to these road sections.

-note that General Road Maintenance will also be performed on peripheral roads feeding these main roads. This applies to all road work performed throughout

the Highlands. **No** Dust Suppressant/Road Stabilization materials will be applied to any of these roads.

Phase 3) Perform General Road Maintenance on Saddleback and Applegate. Dust Suppressant/Road Stabilization materials will be applied to these road sections.

-note that General Road Maintenance will also be performed on peripheral roads feeding these main roads. **No** Dust Suppressant/Road Stabilization materials will be applied to any of these roads.

Phase 4) Perform General Road Maintenance on higher elevation roads beginning with Bonanza, Crestview, Highland, Graves and peripheral roads. **No** Dust Suppressant/Road Stabilization materials will be applied to any of these roads.

Association culverts will be blown out as necessary as the crew works through the Highlands. Inlet ditches will also be tied into culvert inlets as necessary during ditch grading work.

Please note that General Road Maintenance only applies to sections of respective roads that require maintenance. For instance some roads are in mostly good shape with some isolated areas of potholing, rilling or washboarding. For these roads, General Road Maintenance will only be performed where need.

Please feel free to contact me with any questions.

Regards, Steve Morrow