

POA Teleconference Meeting

5-16-15 (11 am CST)

Present: Charles Simon, Carol Simon, Kate Schneider, George Conner, Janna Conner, Genie Haynes and Eileen deCastro

President's Opening Remarks – Charles Simon

Charles welcomed Board members to the meeting and acknowledged that the purpose of this meeting was to discuss and prepare for the upcoming Annual POA Membership Meeting on Saturday, May 30 in Santa Rosa, NM.

Road Maintenance/ Repair and Improvements - George Conner

- George referenced letter from Rudy Frame, dated 5-24-14, where he said the roads were originally designed for the purpose of showing the lots.
- George has had his own tractor and box blade on the roads 7-10 times and he said that wherever the road was worked, you could see where Mother Nature supplied a base. Where there was white rock, we have 6-10 inches of base. When there is a sandy rock red stone, that is a good base when you don't have to roll on it much. However, if it gets a lot of rain, it has a tendency to become porous and light textured sand (that's what makes the rocks).
- The roads that cross the creek crossings are where we have really had the most damage to the roads since the repairs last year. The associations spent around \$50,000 last year, most of the road repairs were spent on creek, gully crossings and of course the most expensive was the Bull Canyon crossing, which is where we had to remove the damaged concrete before repairs to the crossing could be repaired. So far this year we have had over 4 inches of rain. This amount of rain would not normally do as much damage but since it has come interdentally and the crossing has not had time to dry the damage to the has and once you get finished working the surface, it is good to have time to dry out, to foraminate and get hard. According to Tim and the weather forecast, they are expecting heavy rain next Tuesday. Lots 77 and 78 are still impassable....those two are the only ones that are really washed out. There is a gully that is 55 to 75 foot wide and probably 10 feet deep. It is really going to be a challenge to get something to stable in that area. Tim and George have looked at it and estimate that it will take several projects to get access to those lots. They are at the dead end of Sunset Trail. Lot 14 is accessible with no problems. Where Mother Nature furnished good base, there are good roads, however on the big slopes we run into extreme amounts of erosion.
- **Road Signs and Lot Signs:** George has quotes in for pricing. He doesn't see any problem with road signs (maybe \$7-\$10/ sign). He really would be interested in Lot signs, however, the t-posts where he had planned on erecting the signs are not all real friendly. For instance, the t's are sometimes drove in where the t is facing one way and the lateral is facing another way, which makes the simplified attachment of the signs hard to do in some cases. But, no one pushed the lot signs.....the wheel that squeaks gets the grease..... George would like to put have this item tabled at the May 30 Membership Board Meeting.
- George is not sure about what the liability is regarding stop signs. Not sure if previous POA members discussed these liabilities, however, we should at least document that "yes" we did discuss putting up stop signs and we are not negligent. If we come to a decision that we do need to protect ourselves with stop sign or yield signs, the cost would be minimal and could be included in the sign project.
- Genie said that she and Walt bought their property in 2005 (when everything was pretty new and getting established) and the weather, etc. hadn't taken it's toll. At one time (she couldn't remember when), there were some stop signs that were put in. She hasn't seen any recently, but said there are brackets where they used to stand and laying in the dirt. George said he would walk around where those signs used to be, and it's possible that the bolts came loose and hard winds may have blown them over. Will reinstall signs when found.

- Maintenance cost is \$200 - \$250/year. We need to address this item because, we can't keep paying for maintenance and not getting
- Website and mailing out envelopes - George proposes the use of our Website rather than snail mail, since most folks travel around the country and don't receive their mail or just don't bother opening it up. Whereas, most folks have use of some type of computer or phone systems that can get them in to our webpage. George's suggestion is that after a certain date, all information will be posted on the website and no more mailings.
- Genie said that when she was doing the website, we were spending around \$400/year for our webpage services. When Genie checked with Brian the last time (right before our last meeting), we didn't even have 50% participation in web sign-ins. They did a survey (several years ago) asking for feedback and the few that responded said they preferred mail rather than computer. Personally, he has missed some bills and doctor statements because of mail delivery failure. He suggests that if we do decide on webpage communications, to simplify reading with the use of bullets to highlight rather than having to read embedded messages.
- Charles agreed and suggest updating the web with new information as we get it.
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Contract - Genie:

- Grazing contract - Walt and Genie expanded it with a lot more detail so that the POA as well as the lessee (Tim) will know exactly where they stand with no more arguments about what was in the past. Looks like we have a nice legal contract and we shouldn't have any problems defending it in court. The most important thing that was done was in the past, we dealt with a definitive number of animals that were going to be run on the ranch every 6 months. The definitive number that was written in was 200. In the past there was talk about letting Jack run more than 200 at a time. Two years ago, with the horrible draught, we weren't going to let any be run and would let the ranch go for a year without animals. Obviously that is not the case now, since we have plenty of grass from the rains. Bottom line, when discussion was to let the ranch lay fallow for a year, Eilene and Genie and the Board members at that time was having major heartache about "legally" saying no animals would be run, but fortunately we never got to that point. That contract is wide open for animals that can be run by the way it has been set up. Tim makes his payment the 1st of May and 1st of November. The way the contract is set up, the lease prior to the 1st of May and the 1st of November, Tim and the Board get together and decide how many animals are going to be run. Tim then fills out a stocking report. Once approved, and the president writes that he will be allowed to run "x" amount of units for the next six months, then Tim pays that amount of money. So the contract is much more organized, good tracking record and anyone that is a POA member who wants to complain about our records and how we've been doing it, we can completely back our thoughts and track the money. There is not a definitive number...it is decided every six months between the board and Tim.
- Charles commented that Tim had requested a 5-year lease, so we changed that. We set it up for a 3-year lease but Tim requested a 5-year lease. Genie said that the background on that was Tim sat down with Genie and Walt and discussed his financial situation and that the 5-year would help him with the bank. Genie called Charles and the Board agreed on the 5-year. Charles said that we deposited \$19,800
- Charles said that he forwarded the grass report to everybody. Bottom line is that we should easily be able to support a lot more than 200 animal units (up to 300) and possibly sub out to someone else (if he has someone else). Charles said he called Tim and discussed, and Tim will get back with him. \$15/head per month and we raised the lease rate to \$16.50/head. So that shows we got a significant increase in rate for last 5 years. Carol said that we should go the extra mile to help Tim since he has had significant loss (bull and mama cow died). George said that we recently bought tires for the maintainer...(tires that were on there were pretty bald), he goes back and forth and does things at the ranch and doesn't charge for a lot of that time and just does it because it needs to be done. Genie agreed and said that Tim has been struggling trying to get it back to a working ranch rather than just running yearlings like Jack was doing.

- George added that we have an action item to finish working on the road crossings, and Tim has approval. We don't need to rent any equipment, so as soon as we get into the dry months we do have a few dollars to make the roads a little bit more friendly for the summer months.
- Charles talked to Tim and after the annual meeting they are planning on driving around the ranch so survey the roads and problem areas (George included). Any other board members are also welcome.
- Carol said that we are paying Gino approx. \$227 for each time he comes do grass assessments.

Financial Report - Carol Simon :

- We have about \$38,800 free (not committed)
- Still have \$10,700 in reserve.
- Carol has contracted out approx. \$1,000 for taxes for next quarter.
- Charles said that he hopes if our income remains good that we can add an additional \$10,000 this year to it.
- Genie asked if we still have to pay for Tim's estimate that George emailed to the board about 3-4 weeks ago to fix the roads again. Charles said NO, that we already mailed to Tim, so Carol already deducted. Genie asked are we paying Tim in advance. George said in December of last year, Tim bought diesel, worked the equipment that we rented and hired a worker to assist him and used his money for about a week or two before we could get him money. George said the maintainer broke down on him about five months ago and he walked from one end of ranch to the other to get to his truck and didn't charge a dime for his time. So, George is the one that suggested to pay the \$4,500. Genie agreed that we are incredibly lucky to have Tim taking care of the ranch and that he goes so much beyond what is expected. Charles said that we get an estimate of what he thinks it will cost, and if there is a balance after work is done we take that off from next work needed. Carol said that we have invoices to support his work.
- Carol is going to email the Financial Report to the Board before the annual meeting.

Board of Directors Election:

- Charles said we have two seats coming up (one is the seat that he holds...the other one is vacant – Lou's).
- We haven't received any nominations.
- We will use the procedure described in his letter.

Collection of Dues:

- Eileen and Carol discussed doing a "hard hit" on those people who are past-due
- Basically there are a couple of people who traditionally pay at the meeting and will send out email to see if that what they are intending to do.
- Eileen will put together a little report that Carol can give....to let folks know
- Only one "serial" non-payer

Annual Meeting Agenda:

- Charles sent a rough draft to Board.
- Call meeting to order.
- Introduce everyone.
- Charles will make comments. (Members proposals and Board of Directors)
- Call for self-nominations.

- Talk about new locks on gate. Genie unsure if she and Walt will be able to be at meeting. Last year after the annual meeting, she had the adjustment keys with her and she asked if she should give to George. Charles told her he would let her know what to do with them later, however, she never heard anything back. If they aren't at the meeting, the keys are in their pump house, however no one has key to pump house. George will purchase new combination lock if Genie unable to attend. (Action: George will purchase)
- Comments on Safety while at the ranch.
- George – Secretary's report and road report
- Grass assessment
- Grazing Contract, number of animal units
- Treasurer's report
- Talk about Board composition for next year.
- Member's comments
- Open discussion - questions/proposals from the floor (decided by Board that if we receive any proposals that we are unable to give resolution, we will assign Action Item, Assign Responsibility, and assign expected completion date for follow-up.

Night before meeting:

- Director's Meeting 6:00 pm at Hampton Inn
- Director's Dinner (7:00 pm) – Joseph's (Action: Kate to make reservations)
- Action: Janna (Place cards, sign in list, copy Agenda, President's letter – May 1, Financial Report, maps)
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Actions:

1. George – buy new combination lock for entrance gate.
2. Kate - make reservations at Joseph's for Friday night dinner
3. Janna – make copies for meeting (agenda, president's letter from 5/1/15, financial report and maps....also bring place cards/ marker)