

Meeting Minutes

San Juan Ranch Board of Directors

March 14, 2017

A meeting of the San Juan Ranch HOA Board was held on Tuesday, March 14 2017 at 9AM at Bill Threlfall's house. In attendance were Bill, John Merz and Russ Szelag. Their attendance constituted a quorum.

The purpose of the meeting was to discuss the invoices recently received from Williams Construction for snow removal within the subdivision and county roads for the months of December, January and February. In addition, Bill had previously distributed to the Board a draft letter that he had written to Williams questioning the magnitude and appropriateness of these charges, which was reviewed at the meeting.

The total amount invoiced for this period was \$177,840, which the Board members feel is excessive, even with the higher than average snowfall that has occurred. Bill's analysis (included in the draft letter to Williams) was reviewed at the meeting. It showed that the average cost per mile for clearing our roads was 4.5 to 5.1 times the cost in previous years, whereas the snowfall amounts were roughly double the normal amount. The factors that contributed to the excessive charges were then discussed. These include the inefficient, redundant use of both the snow blower and grader in tandem, frequent equipment breakdowns and lack of maintenance, and charges for backup equipment (D7, L19) due to Williams' equipment breakdowns, poor time recording, and operator incompetence/lack of experience.

Based on this information, the following plan of action was unanimously agreed upon:

1. Bill will finalize his letter to Williams and state that we will agree to pay \$89,600 of the \$177,840 invoiced. This figure is reasonable considering the redundant snowplow/grader tandem operations and the backup equipment charges.
2. There will be a special assessment of \$120K to cover this year's extraordinary snow removal costs. This amount will be adequate even if Williams does not agree to the charge reductions.
3. If Williams does agree to some level of cost reductions, the surplus funds will be utilized to reduce next year's member dues and/or applied to our contingency fund. This will be discussed at the next SJR annual meeting.

Susan Curtis called in at the end of the meeting and was briefed on the results.

The meeting adjourned at 10am.

Russ Szelag

THE FOREGOING MINUTES WERE APPROVED BY THE BOARD OF DIRECTORS
AT THEIR MEETING HELD ON OCTOBER 12 , 2017.