

LAKE ROCKPORT ESTATES PROPERTY OWNERS ASSOCIATION, INC.

100 ROCKPORT BOULEVARD, COALVILLE, UTAH 84017

MINUTES FOR THE ANNUAL MEMBERSHIP MEETING

SATURDAY, JUNE 24, 2023

PARK CITY COMMUNITY CHURCH, PARK CITY, UTAH

The annual meeting of the Lake Rockport Estates Property Owners Association Board of Trustees was called to order Wednesday, June 24th 2023 at 10:00 A.M.

In Attendance: Nachi Fairbanks (President), Gregory Warner (Vice President), Steve Sady (Treasurer), Alan Lindsley and Craig Day. Ted from Jones & DeMille Engineering and Maryn from Property Management Systems were also present.

Well Updates from Ted at Jones & DeMille

Ted explained that HOA dues were increased to pay for the well project. The well location was determined one year ago. The HOA will be getting long term funding from USDA funds for rural development, but a short-term source of funding must be found first. Ted explained that it can be a lengthy process to secure this loan. Ted stated that once funding is secured, they have a driller ready to go on the project.

What is the timeline?

Ted stated that a well driller takes 90 days to drill well, and it will take about 4-6 months for remaining buildings/piping/infrastructure.

Why does it take 90 days?

Ted stated that it is not actually 90 days of drilling, this just determines the schedule.

When will they know when they can release water meters?

The board stated this depends on demand. Greg stated that until we have water flowing through the system, the HOA is looking at between 12-18 months at this point. Alan explained that meters were restricted in 2020 when the well ran out, and the county agreed that new water meters would be released when the new well is drilled.

Is the financing enough to pay for a pump house or just for well?

Ted explained the financing would be for the entire project, but not to repair existing distribution lines.

Was there a vote on assessment for the water project?

Alan answered no, but it (water supply) was required by the county.

What would it raise dues to get year-round water for the HOA?

An owner suggested releasing meters for those who have owned lots the longest.

Nachi stated that the well and year-round water projects are different items. It has been estimated that the entire project for round year water would be about 5 million, which would be repairing existing distribution lines.

Concern regarding dues raise in HOA – Could we consider doing a transfer fee on purchased lots?

Nachi stated that the board has looked into that, there is a fine line as far as putting the brunt of infrastructure changes on new owners, it is supposed to be shouldered by the whole HOA. Alan stated that water rates are going to be going up, the state says they are very under price, this will be a cause of increased dues in the future.

What collateral do we have to cover the amount of the federal loan?

Ted stated that the association owns some property, but not enough to cover the loan. The collateral is part of a different way of funding, not part of the federal program that they are going with.

Why do people with water meters get higher property values for only \$100 for water dues?

Nachi stated that HOA dues are not correlated to property values, the \$100 only covers the cost of the water lease. Nachi emphasized that the lack of water meters is due to the lack of water supply on the mountain.

Does funding only affect new well or the entire water system?

Ted stated the funding is mainly for the new well. It does include replacing a small portion of distribution lines, fire hydrants and meters.

How many people have requested and are waiting for water meters?

Nachi stated they usually average about 7 homes a year, most likely under a dozen. Alan confirmed it is a little under a dozen, he has talked to 8 owners that he knows of.

What will they charge when there are new water meters?

Alan stated the price is currently the same, but long term they will most likely go up due to supplies cost. Nachi stated that there will be a 3rd party who will be consulted for water meter price.

Will there be a delay getting water meters once there is water?

Alan stated no, the delay is only getting the water.

Will owners need to replace water meters on old lots?

Alan stated that the line from the meter to the house for old lots may need to be replaced based on condition, this will be owner responsibility. Replacing the water meter itself will be the association's responsibility.

What if we can't get funding for the water project?

Ted stated that if the HOA is rejected by 3 financial institutions, they can get full funding from feds.

Will the HOA get updated when the project is funded?

Nachi stated that updates will be provided online to the membership.

Can owners with water meters and no infrastructure sell to owners with no meters?

Alan stated no, because the water still needs to be provided by the new well.

Could meters be released before water is provided due to the long process of building?

Nachi stated that the HOA doesn't want to make any promises of new water meters until it is confirmed that they have water from the new well. Nachi stated that they could revisit this when they get further along in the process of drilling the well and it is confirmed that they have water.

What happens if the well is drilled and there isn't water?

Alan stated that the process of finding a new water location would need to start over again. Ted stated that first a pilot hole is drilled to test, so the infrastructure wouldn't be built on a site that doesn't bear water.

How long could this be a water supply?

Ted stated that is always tough to gauge, this could be heavily affected by natural factors outside of our control (Like drought).

Is there a contingency plan if the new well doesn't work?

Ted stated that if this one location doesn't work, the option is to find a new location. This could be more difficult if the well location is not on Rockport property.

Would there be another way of getting water if the well doesn't work?

Ted stated that the state has a lot of regulation around drinking water for communities, so alternatives would be time consuming as well. Nachi stated that people have approached the county to see if they could install water tanks if they provide their own water, the county said No. Nachi encouraged owners to read the Spring Newsletter for more information on the water system and history of the water system. Nachi stated that when the lots were sold in the 70s, they were classified as summer homes, so infrastructure wasn't included in the price of lots. Now that the use of the lots has changed, the HOA is trying to make up for the lack of original infrastructure.

A motion was made to table water discussion and move on to vote.

Nachi stated that a special meeting could be held to further discuss water items, suggested members provide questions beforehand so the board would have a chance to look into them. Maryn stated that currently all questions should be forwarded through email, although we are working on dialing in communications through our transition.

Do we have an update on the road grading company?

Nachi stated that the company we were using dropped us as we are too small. Alan stated that we are talking to another company that we have used before for road grading. Nachi emphasized the need to follow speed limits on roads to limit degrading the road.

Voting

Craig Day stated that the main priority for voting is for the number of trustees. The HOA attorney has stated that the governing documents of Lake Rockport Estates are outdated. The HOA attorney also stated that articles aren't clear regarding how many board members are required. The number of board members can be determined by either the members of the current board or the membership.

The membership discussed the option of voting to add 2 or 4 more members.

Nachi stated they are currently increasing the board by 2 members to have 7 members in total, ~~the community wanted to~~ A member made a motion to increase the board by 2 more members for a total of 9 members. Nachi stated there is not a quorum present in the meeting in order to place a vote nor did it meet the voting requirement of a majority of the membership to increase the number of board members . Nachi recommended that committees could be formed to handle smaller projects.

Nachi stated that the first annual meeting for Rockport was in 1977, this is when board term lengths were decided. This was amended by sending letters to the membership at the time, and it has not been readdressed until this last year.

Who is our HOA attorney?

Nachi stated the HOA's attorney is Curtis Kimble w/ Kimble Law.

How can we hold a meeting without a proper quorum if we don't have a quorum to vote?

The board stated that they haven't had a proper quorum present for years, but has decided to continue with the meetings instead of dismissing the owners who do show up.

The membership discussed a need to update the CC&Rs for the community.

Why was Rosemary removed from the ballot?

Nachi stated that it was brought to the board's attention that she was not an owner, which is needed to be a board member. The board needed to seek outside counsel on whether she was able to run for the board, which is why the communication was delayed.

Are write-ins allowed?

Nachi stated yes, please include name and lot number.

There was an objection to the meeting and voting from an owner, Nachi stated that they would carry on with the voting as scheduled.

Nachi stated that a follow up special meeting would be held regarding water concerns

Adjourned at 12:30 P.M.