

**SADDLE RIDGE RANCH ESTATES WATER COMPANY
BOARD OF DIRECTORS MEETING
OCTOBER 31, 2022
VIA ZOOM**

Present: Tracy Currie
Fred Brazelton
Tommy Pittenger

Management Company: Kat Loughan, Toad Property Management

Kat called the meeting to order at 2:07 pm and confirmed a quorum.

Tracy explained the Association took care of snowplowing and the Water Company did not need to set up a new contract. Tracy said snow poles needed to be placed in all the crucial points at curb stops, electrical and service entrances. Kat confirmed Toad would take care of those and also confirmed that David had completed the Fall work on the valves. Tracy explained the engineers had located and mapped the infrastructure and Toad had a copy of that engineering report.

Tracy asked Kat to email owners and alert them to the placement of the snow poles and why it was necessary to do that. Kat confirmed the tops of the snow poles would be sprayed blue to indicate water.

Kat agreed to check with David Jelinek regarding any winterization on the Pump House.

Tracy explained shareholder meetings, according to the governing documents, should be held in the first two weeks of December but it had been necessary to push meetings to January due to the difficulty of getting a quorum or the need for more time to prepare financial reports and budgets. Kat explained changing the Bylaws would require approval of at least 67% of the owners and 100% of owners would need to attend a meeting. Kat said mailing ballots to a third party, such as a law firm, was an option but had not been successful with some associations in the past.

Kat said meeting documents were sent by regular mail and one email. If owners needed reminders to participate in the meeting Kat said she was willing to send frequent reminder emails. The Board agreed they could email or call owners as well to encourage owners to participate. Tracy agreed to reach out to Huck Huckstep, legal counsel, to find out what other changes needed to be made to the Bylaws to make it easier for the Water Company to operate.

Tracy said some owners were still not responding to requests for signatures on Water Company agreements needed for improvements to the water system. Tracy suggested writing to the owners who had not yet responded and then bringing the subject of the agreements up at the shareholder meeting.

Tracy said a water quality test result had been received and there were no water quality issues.

Kat agreed to prepare a draft Budget for the Water Company and contact the Board with questions or concerns.

It was agreed the shareholder meeting would be scheduled for December 6, 2022 at 10 am (MT). Kat agreed to notify Huck Huckstep of the proposed meeting date as Huck might be required to attend.

Kat agreed to prepare documents for the shareholder meeting.

Tracy expressed concern about vendors not being paid promptly for work performed. Kat said she had spoken with Joan West who paid the bills and Joan was in the process of hiring additional staff. Tracy asked for a specific action plan for vendor bills to always be paid in 30 days or less. Kat said she would be discussing the process with Rob Harper and would report back to the Board.

Kat agreed to draft a list of items Toad would perform during the year and the Board would review and update if necessary. Kat explained there had been delays in getting all the information from the prior management company loaded into the software but it was her understanding that had now been completed. Kat confirmed the Water Company was on the Toad website and governing documents for the Water Company could be easily seen and printed. Tracy said minutes of prior meetings had not been received from Peak and Kat agreed to follow up.

Tracy said it was essential that historic financial information regarding the Water Company be retained for future reference and Tracy expressed concern that the handover from Peak, the prior management company, did not include that. The AppFolio accounting software used by both Toad and Peak did not permit the importing of all of the data, just balances. Kat agreed to set up a meeting with Tracy and Toad, including Rob, Kat and Abby, to discuss options.

The financial report would be discussed at the next meeting.

Tracy explained Roscoe Development Company, the developer, needed to transfer assets to the Water Company. The developer was requesting an indemnity clause and due to issues involving Roscoe Tracy was uncomfortable with an indemnity clause and unsure how to proceed. Tracy said Huck Huckstep had reviewed documents and it was agreed to have a meeting with Huck so the Board could fully understand the options.

Tracy said an irrigation system had been connected to the water system without approval. A problem with the irrigation system in the Summer had resulted in the draining of the 30,000 gallon water tank in 4 hours. David Jelinek had located the problem and made repairs and it was agreed the owner needed to be invoiced for David's hours and expenses.

Tracy said the Water Company had worked with the County and in the future the Water Company would appear on title searches and new owners would be required to sign a Water Service Contract as part of the purchase documents. The Water Company would also be notified by the County when a building permit was obtained and the Water Company would have the ability to inspect plumbing within the new home and confirm compliance with the Water Company governing documents.

Tracy said signed Water Service Contracts had not been provided by Peak as part of the handover of documents. It appeared Peak did not have those documents, which might be with the Developer, and the Developer was not responding to requests. It was agreed shareholders could be asked to sign a Water Service Contract at the December meeting.

At 3:01 pm Tracy made a motion to adjourn the meeting. Fred seconded the motion and it was unanimously approved.

Prepared by Rob Harper, Toad Property Management

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