

**Blumenau Homeowners' Association 1 and 2**  
**32<sup>nd</sup> Annual Meeting Minutes: Saturday, July 28<sup>th</sup>, 2012**

Meeting was called to order at 1:04

A quorum was determined with 23 Homeowners present and 57 proxies.

Note: Minutes were provided in mailing and at the meeting. Upon arrival, Homeowners were asked to read the minutes as they would not be read aloud unless questions were presented. No questions were presented, therefore the minutes were not read and thereby were approved.

1. Mike Hess welcomed Homeowners and gave update on water situation
  - a. Blumenau Filings 1 & 2 (BHA) were created by a Water Decree with requirements that went unenforced till 2010.
  - b. Hess reviewed the Map of the Antelope Valley Ranch Reservoir (AVRR), Antelope Creek and Schwab Ditch.
  - c. When Livingstons developed BHA 1&2, the Store and Release requirements were poorly constructed.
  - d. Hess reviewed the various previous negotiations/measures the BHA Board has gone through to try to comply with State requirements.
    - i. State DID agree to exchange water directly with BHA after negotiations with Vicky Livingston to pipe across her property failed.
    - ii. Livingston had denied permission to install water release device. Correspondence from her attorneys state that it would be illegal for BHA to proceed. However, BHA acted on it's right as expressed in the Water Decree and entered with Sherrif Jobe to install water release device.
    - iii. BHA has now received letter from the State declaring that the BHA is now in compliance.
  - e. Hess opened for questions
    - i. Question: Given Livingston's mood, how do we know if the situation is really solved?  
Answer: Anyone can sue over anything. There are no guarantees, just hope.
    - ii. Question: Define in-house use (regarding domestic water use)  
Answer: In essence, you can "wash the inside of the windows, but not outside." But please note, there are no "water police" – be reasonable. Also, it is now legal to capture roof water.
  - f. Hess reviewed handout "2011 Well Water Report" and noted that after measuring device was installed, there is indeed plenty of water, even after several drought years.
2. Mike Hess thanked Jim Vornberg for maintaining and painting all 5 BHA signs.
  - a. Although there is still some additional work to be done, BHA must save funds for potential Water Court battle and will review funds in 2013 after additional funds may be available from dues increase.
3. Mike Hess reviewed the BHA documents
  - a. Covenants are invalid because they were not signed and filed properly. Verified by Attorney Peter Michaelson. Covenants have "force of law" and therefore must be signed, certified and notarized before being filed with the county. The amended Covenants in 1986 were incomplete.
  - b. The 1972 Original Covenants are out of date for county and zoning ordinances, building codes and the Water Decree (the Water Decree mandates each well have a meter but the Covenants do not specify).
  - c. Water Decree, Articles of Incorporation, Bylaws and Covenants are not in compliance with each other. The BOD has updated these documents so they are cohesive.
  - d. Major Covenant changes to note:
    - i. Water Meter (#15): requirements have been added to the Covenants.
    - ii. Assessment (#3):
      1. the 1986 Covenants declared the \$15/year.
      2. Michaelason advises that the Covenants should read that the BOD has the ability to raise dues and to not assign an amount in the Covenants.
        - a. Covenants #3 wording was modeled after Blumenau Homeowners' Association Filing 3's Covenants.
        - b. Therefore, please choose your Board of Directors carefully and thoughtfully.
        - c. The BOD has recommended a 2013 assessment of \$30 although many other associations have higher dues. The BOD feels this is sufficient for now.
        - d. Question from Tom Frostman: If the Covenants are approved and the BOD raises dues through the Bylaws, do the homeowners get to vote for or against?  
Answer: No. Therefore elect a BOD that you trust!

- iii. Homeowners Association: (#1) Michaelson advised that Covenants declare that homeowners must comply with BHA governing documents, now stated in #1.
- iv. Animals (#16): Horses
  - 1. 1986 Covenants state "1 hores/2 acres" and it has been assumed that this was rigid.
    - a. There is a complicated formula for horses. The Water Decree states "on average", which would allow for 51 horses throughout Blumenau 1&2. Therefore the new Covenants shall read "1 or 2 horses for each 2 acres of land" may be kept.
  - e. The Vote shall be a simple majority of eligible members to approve the new covenants via those present to vote or by proxy
  - f. Hess opened for questions
    - i. Question: For building codes, are current buildings grandfathered in?  
Answer: yes
    - ii. Question: What about beetle kill on a neighbor's property  
Answer: The Covenants (#25) does have provision to allow the BOD to rectify the condition. Note: the BOD values freedom with responsibility. Lack of responsibility may require the BOD to step in -- examples burning, holes, beetle kill, etc.
    - iii. Question: What about junk cars or trailers?  
Answer: Covenants require "operating condition and licensed".
    - iv. Several complaints on specific properties were voiced. When Covenants are properly filed, the BOD will serve notices.
- 4) A BHA website is in the works and all documents will be posted.
- 5) Election of Board of Directors
  - a. All current members are willing to serve another year.
  - b. Tom Frostman moved that all BOD members be re-nominated as a whole. Kilburn seconded. There was no discussion. Approved unanimously.

Homeowners present were given a ballot to vote in agreement or disagreement for the proposed Covenants.

Meeting was adjourned 2:20pm