

Deer Springs Ranch Owners Association

The minutes of the Board of Directors meeting held February 11, 2017 (10:00 AM) at Clarkson and Associates, 162 North 400 E Suite A204, St. George, UT.

Name	Office	Responsibilities	Term	Present	Absent
Phil Hall	President	Legal, Crawford	2018	Y	
Joe Bosze	Vice President	Equipment, Facilities, Cabin Maintenance, Public Safety Team, Crawford	2017	Y	
Jeff Michelsen	Secretary	Reservations, Security, Web Development, Communications, Lower Slide	2017	Y	
Jodi Akers	Treasurer	Finance	2017	T	
John Harris		Legal Team, Ranch Manager, Roads, Public Safety Team	2017		Y
Barry Clarkson		Legal Team, Water, Public Safety Team	2018	Y	
Brad Hunt		Fire Protection, Agriculture, Wild life	2018	Y	

Key: Y = Yes. T = Telephone.

1. Phil Hall called the meeting to order at 10:10 AM. Linda Alderman offered the prayer. Members present were: Tami Hunt, Candy Bosze, Mariah Wheeler (ranch secretary), Linda Alderman, and JoAnn Michelsen. Attending via conference call were: Brent Fullmer, Vance Green, and Jodi Akers.
2. The minutes from the September 2016 DSROA annual meeting and the DSROA board meetings held in October and November of 2016 were discussed.

Phil Hall made a motion to approve the minutes of the 2016 annual meeting and post the minutes to the website as unapproved. Barry Clarkson seconded the motion. Those board members present voted in the affirmative.

Brad Hunt suggested some changes to the minutes of the October and November board meetings. The changes were discussed and Jeff Michelsen was instructed to revise the minutes accordingly and provide the revised minutes to the board via e-mail.

Vance Green stated that DSROA had not posted any meeting minutes since August of 2016. The procedure to approve the monthly board minutes via e-mail was discussed. As soon as possible after a monthly meeting board secretary will provide minutes to the board via e-mail. The board will respond to the board secretary with any changes. Those changes, if valid, will be incorporated in to the minutes. The board must all respond in the affirmative via e-mail to approve the minutes. When the board has approved the minutes the board secretary will provide the minutes to the DSROA webmaster so the minutes can be posted to the DSROA website.

Barry Clarkson made a motion to hold a conference call in the months when no board meeting was scheduled. Joe Bosze seconded the motion. Those board members present voted in the affirmative.

Phil Hall made a motion to accept the Water Right Application form presented by Barry Clarkson in the October meeting. Joe Bosze seconded the motion. Those board members present voted in the affirmative.

3. The board had approved the revised Rules and Regulations at the November board meeting with some minor changes. The electronic version of the Rules and Regulations provided to the board prior to the February meeting was not the most current version. Barry Clarkson suggested that the correct version be located, the minor changes be made, resent to the board, and approved at the next board meeting. Those board members present voted in the affirmative.

Phil Hall asked for a motion to accept the bylaw change to remove officers from the board. Brad Hunt voiced a concern about requiring 10 percent of membership versus 10 percent of the lot owners.

Barry Clarkson stated that he didn't think the board should adopt this change and if a vote were taken he would vote against it. Barry Clarkson then explained that the current bylaw language is referring to the annual membership meeting or a special meeting of the membership not the monthly board meetings. He further clarified that Utah state law stipulates that 50 percent of the membership must be represented to have a quorum and a quorum is required to have a meeting.

The issue of proxy votes was then discussed. The issue of limiting the proxy vote was discussed. The issue of when proxy votes can be requested was discussed. To modify the use of proxy votes requires a bylaw change. No motion was made or vote taken on the use of proxy votes.

Phil Hall then retracted his support for the bylaw change. Barry made a motion to vote on whether to present the bylaw change to the membership. The motion was not seconded or voted upon. The issue was continued until the next board meeting.

Special assessments for additional salary for ranch caretaker. The hiring committee is Barry Clarkson, Brad Hunt, John Harris, and Joe Bosze. The current salary range is between \$2,500.00 and \$3,300.00 per month. A special assessment would be required if an applicant was offered over the current salary range. Phil Hall stated that there was no need to discuss this further. No motion was made or vote taken.

Grand Staircase Escalante National Monument boundary reduction. Vance Green discussed the Kane County Resolution No. R 2017-1 to reduce the size of the national monument. Any land in the monument that is removed would revert to regular BLM land. Regular BLM land would be subject to oil and mineral right exploration. No map is available today.

Barry Clarkson made a motion to send a letter to Kane County regarding Resolution No. R 2017-1 stating that DSROA would like to be involved in the Grand Staircase Escalante National Monument Boundary Evaluation. Brad Hunt seconded the motion. Those board members present voted in the affirmative.

Barry Clarkson made a motion to create a link on the DRSOA.org website regarding Kane County Resolution No. R 2017-1. Phil Hall seconded the motion. Those board members present voted in the affirmative.

4. Equipment rental contract

Barry Clarkson made a motion to adopt the equipment lease as presented with credit card information, fuel level, and being serviced. Brad Hunt seconded the motion. Those board members present voted in the affirmative.

Paul Brayton has been retained to test the water for the ranch for \$100.00 a month as the water had to be tested in February.

Return of tools & truck, etc. from the Braytons. The truck, the trailer, the chainsaw and splitter should be returned to the ranch when Brent Fullmer is on the ranch.

Ongoing relationship with the Braytons. A line must be drawn to establish the member nonmember relationship. Any further requests or interaction from the Braytons must be approved by the board.

Barry Clarkson requested detailed information about cabin occupancy and reservations.

Hiring new ranch caretaker. Sixty to seventy applications have been received. Those have been narrowed down to 4 people. One applicant has been interviewed. Three phone interviews to take place this week. A recommendation to the board will be ready by the end of February.

5. Agriculture/Fire Protection.

Brad Hunt reported that a range management plan had been created. This plan was used to apply for grant money from the Natural Resources Conservation Service. The plan has not been approved by the DSROA board. No motion was made or vote taken on the plan.

The NRCS grant application had a November 20, 2016 deadline for a grant of \$40,000.00 for herbicides, replanting, fencing, piping, water troughs, and solar. Doug Hunt, the leasee, had to apply for the NRCS grant. DSROA has four years to use the funds but is not obligated to use the funds.

Barry Clarkson made motion to authorize Brad Hunt to continue working with the leasee to maximize the funding that is available to the ranch. Phil Hall seconded the motion. Those board members present voted in the affirmative.

The bee keepers will be provided with the bee contract. The bee keepers will be bringing the bees onto the ranch in March.

6. Financial Report.

Jodi Akers reported that we currently have approx. \$105,000 in the combined checking accounts and approximately \$2,500 in savings. The current 2016 P & L shows we had a \$9,100 loss, but this will be corrected once we move the \$23,500 used for the purchase of the backhoe from our savings account into the checking account. Once this is done and final year end corrections are made, the corrected P & L will show approximately \$17,450 left over from the 2016 to roll over into the 2017 budget, which will more adequately reflex the \$17,000 in our combined bank accounts. Mariah Wheeler mentioned that there were a few 2017 assessments posted in 2016 income. Jodi Akers made a motion to transfer \$16,500.00 from the checking account to the savings account. Barry Clarkson seconded the motion. Those board members present voted in the affirmative.

Barry Clarkson asked what backup procedures were in place to prevent loss of electronic data. Jodi Akers and Mariah Wheeler stated Quickbook backups, thumb drive, and Dropbox were being used. Jeff Michelsen suggested using Microsoft Onedrive for all other digital documents.

Jodi Akers reported that the Cabin Income for 2016 from Member Reservation fees was about \$8,817 which was an increase of 30% over last year. She also stated that Cabin Rental income (from non-members) was about \$2,000 and the Pay-for-Play Income brought in another \$6,121. Total cabin income for 2016 was \$16,907. Jodi also did a quick analysis for the operational costs of the cabins for the year, and estimated the cost to be approximately \$44,552, leaving the difference of \$27,645 of the cabin costs being fulfilled via other cost categories that support the cabins. (i.e. portions of the manager salaries, admin costs, propane costs, etc, etc). Discussion ensued as to how to better keep track of these (and actual costs) and Jodi said that the newly constructed 2017 Quickbook files would itemize out more of these costs to enable us to track costs better.

Phil Hall made a motion to delineate cabin usage. Barry Clarkson seconded the motion. Those board members present voted in the affirmative.

7. Cabins/Maintenance

Joe Bosze reported that painting the cabin interiors, specifically cabin three, should be done this year. The rain gutter for cabin three needs to be installed. Concrete board should be installed around each cabin to prevent mice and rattle snakes.

8. The meeting was adjourned at 1:10 PM.

The next Board Meeting will be held: March 4, 2017 at 10:00 AM at Phil Hall's home 1075 South 960 East St. George, UT 84790.

An executive session was held after the meeting.

Addendum to the 02/11/17 minutes

Jodi Akers requested that the following text be added to item 3.

Discussion ensued over the understanding our current Bylaw and the proposed changes. Concerns remain that as written, our current verbiage allows a majority of members present at any meeting, may vote off any members of the current Board. Questions also remain as to whether this action can happen at any meeting or only at the Annual Meeting (the meeting of the Membership).

Jodi stated that the interpretation of this Bylaw is important to resolve as a situation arose prior to the last Annual meeting in which she was instructed by a majority vote holding member to resign from both the Legal and the Water committee, or she and another two Members of the Board would be voted off that day. She said it was absolutely clear that this action was going to take place at the meeting based on the presence of that member along with enough family members in attendance to make it happen. More questions remain as to whether or not a proxy is an "open-ended" permission to use at any matter during the meeting, or is valid for one specific item for which it was intended.

Jodi stated she would like time to review her previous discussions with Bruce (Jenkins).