

**Virginia City Highlands Property Owners Association
Minutes – Annual Meeting, Saturday July 12, 2008
Virginia City Highlands Fire Station Training Room – 10:00 a.m.**

Present: Mary Tallent-Stewart, Bill Lewis, Rita Lumos, Mike Lupo
Absent: Steve Morrow (On Business)

- I. Call to order, declaration of a quorum and approval of meeting agenda**
President Lumos called the meeting to order at 10:05 p.m. and declared that a quorum was present. Meeting agenda approved
- II. Introduction of Board and Architectural Committee Members**
President Lumos introduced the Board members, Architectural Committee Members and road manager Bob Moore.
- III. Appoint Teller Committee to Count Ballots**
- IV. Presentation of Invited Guests and Reports**
 - A. Storey County Commissioners**
There were no Commissioners available at the meeting although a message was relayed from Commissioner Hess that there were no present emergencies to report.
 - B. Sheriff, Fire and Public Works**
Two representatives from the Sheriff's Department were present to give an overview of the current department and statistics on crime, reports and calls for service. Crime reports for 2006 were 142, 2007 were 183 and 2008 to date were only 27. This report includes Geiger Grade to the Washoe County line. Citations for 2006 were 72, 2007 were 358 and 2008 to date were 106. There is a 30% decrease in the number of automobile and motorcycle crashes. Arrests for 2006 were 12, 2007 were 37 and 2008 to date is 5. Two thirds of these are NOT Storey county residents. The response time for calls is now averaging about 14 minutes. A questions was asked about people coming into the Highlands to camp and off road and if they could be stopped. Lousetown Road is a county road and is open to the public. Cartwright is private from Saddleback on down. The Sheriff's Department will service citations for trespassing but it is the property owner's responsibility to sign the citation and request it. It was also noted that if someone is injured on private property that the property owner could be liable. It is a concern that Cottonwood Springs is vunerable because people camp there with open fires and it is private property. The Sheriff's Department also provides a community service called a "property watch" where if citizens call to let them know they will be away, a deputy can patrol daily to check the property while they are gone.

Sharon Dixon is now the coordinator for the large animal evacuation team and her e-mail is sharondixon@storeycounty.org. She need volunteers

and pens have been erected close to the fire house to hold horses and other large animals in case of fire. A resident that lives near the intersection of Lousetown and Cartwright was concerned about fire and logistics of people transporting horses or other animals to the pens and blocking traffic. It was explained that traffic would be directed so as not to let blockages occur.

Fire Chief Gary Hames addressed the group and explained that the ISO (Insurance Services Office) fire rating for homeowner's insurance was lowered 15 months ago from an 8 to a 3. This is good news for Highlands property owners as it has lowered insurance premiums. The slash pile has been cleaned up and there is a lease/purchase agreement with the school district for this area. There is a fuel reductions project on Highland Road funded with grant funds scheduled for the fall for the shaded fuel break. Bill Moline with the NDF is now full time captain stationed at the firehouse. Gary Hames spoke briefly about the Chalk Hills fire and explained that we were very lucky it didn't affect the Highlands due to the wind shifts. He also talked about when calling into dispatch to report fires, be sure to tell where you are calling from and where the location of the fire is so as not to confuse emergency personnel. Dispatch number is 847-0950. Gary also told the group that a 12-lead telemetry set-up is being used by the emergency units from Storey, Douglas County and Carson-Tahoe Hospital. Use of this method bi-passes the emergency room and has the patient go straight to the cath lab. This is a test phase with Carson-Tahoe. Rita Lumos commended the fine job the Sheriff's Department and Fire Department have done and the improvements the Fire Department has made to the fire station property in taking it over. A tax rebate has been received by the Association also.

Rita also stated that Mike Nevin informed her that paving a small portion of the access to roads off of Cartwright will be taking place very shortly. This should help with the washboard effect as well as drainage and snow removal.

The FireSafe Highlands needs people to sign up and become members. The more members we get the more grant funds are made available. Information is at the mailboxes and the meetings are the second Wednesday of the month at 6:30 at the firehouse. Grant funds are lost if there is no involvement. It was also noted that the Nevada Division of Forestry is burning the slash at the slash pile.

Jean Gribben, President of the Virginia Range Wildlife Protection Association addressed the group and explained that the wild horses are the buffer for this environment as they eat the grasses and help keep the fire danger down. A horse count will be done by helicopter with \$10k in funds from Horse Power. Jean is also the "Weed Lady" and discussed

with the group several types of noxious weeds that are in the area. There will be an educational meeting this Saturday at Lousetown and Long Valley to further explore the types of noxious weeds that are in this area. She also explained that limbing the pinyon pines is not a good idea at this time of year and should be done in the dormant late fall or winter months due to the infestation of the IPA beetle although it is alright to take down the already dead trees. VRWPA meets the last Monday of each month at the firehouse at 6:30.

V. Financial Report

Dave Thomas of Turner, Loy gave the financial reports for the year. \$58,422 spent on road improvement and there is about \$25k more to be spent. The Magnesium Chloride solvent that was put on the roads was expensive. There is about \$12k in accounts receivable for dues and assessments not paid yet. The Association can put a lien on the lot if not paid and it will go to collection. Payroll tax liability was \$2,574 due to road crew being hired as employees of the Association. Paid in Capital is \$204,475 special assessments for the fiscal year. Legal fees were \$1,000 to research the duplicate name issue for Virginia Highlands LLC, \$500 to research the CC & R change vote regarding the telephone voting and \$500 for research regarding appointment of Board of Directors members. Dave explained the total budget sheet. It is apparent that fuel costs of diesel has increased. There is about \$81k in the Reserve. A motion was made by Gerri Olson to approve the financial report with a second by Rich Bent. Motion carries

Rita went over the reserve study and explained that there is just now one licensed individual in the state of Nevada. She will try to have this individual commissioned within the next month to perform this task that is past due. The law requires that the reserve be front loaded and Dave Thomas explained that the amount is usually about 80% of the next 20 years expenditures. Wow!

Rita went over the proposed budget for the coming year. Obviously expenses are Up somewhat due to fuel and other increased costs. Ray McPartlin argued that The budget should be rejected because it was too high and that there is an Overage of about \$80k that is unexplained. Dave Thomas went over the budget again and explained in detail the items that Ray was concerned with. Much discussion ensued. Rita attempted to explain that this budget was basically the same as last year's budget. It appears that no one realizes that if the budget is not adopted then it reverts to last years budget until a new one is done by the Board. The \$80k is not an overage. If additional funds are needed to fund the Reserve Fund after the study there will potentially be the need for another Assessment even with these funds available. A vote was taken for and against Proposed 08-09 budget. The first count was 25 for defeating the budget and 30 for the proposed budget. Each lot counted a vote. It was demanded that a second count be done even though people left after the first vote. The second vote was 22 for defeating the budget and 26 for accepting the budget. Ray

Robbins made a motion to accept the proposed budget as stated with a second from Margot Moore. Motion carries.

VI. Committee Reports

A. Architectural Committee

Andy Biederman stated that there had been seven new residences constructed, three additions, seven garages/outbuildings, several fences and decks and two repaints. It was also reminded that there are to be no white fences and new paint colors need to be approved by the Committee.

B. Road Report

Road Manager Bob Moore told the group about the year's road work. The Magnesium Chloride was a success and the group agreed. He toured those roads yesterday and was impressed with the way its holding up. This was a test and if these roads hold up through the winter more could be used next year on a variety of roads. More scarifying, grading and compacting is planned as well as placement of new road signs for 15 mph and 25 mph.

VII. Other Business

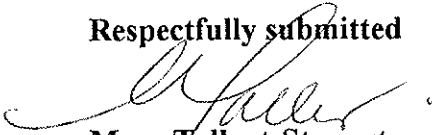
A resident objected to the orange newspaper tubes as signage in the Highlands. It was addressed that in 2001 it was also an issue and was read the minutes of the situation then. The Reno Gazette Journal has no control over installation and it is the owners responsibility to install them or take them out. A vote was put to the group as to whether the tubes were offensive or not and it was decided that it is a non-issue.

VIII. Comments by Association Members (NRS 116.3108(3))

None to report.

Adjourn 12:45 p.m.

Respectfully submitted



Mary Tallent-Stewart
Secretary