

SWARM 2014 Annual Meeting Minutes

Meeting date: August 16, 2014; Brown Pelfrey's property (28501 Skyview), 1:45pm following a potluck (that began at 1pm)

Board Members in Attendance: Linda Jarvis, Brian Corzilius, Brad Sears, Taran Fish (for Catrina Fish).

Members Present: See sign-in sheet record: 13+ individuals, 11+ properties.

Brian Corzilius opened the meeting by introducing the Board members and candidates present, then asked everyone to introduce themselves.

Linda Jarvis presented the mid-year financial report (see attached). Of special note was the new line item, Reserves. The State now requires a reserve be created and maintained to address emergency infrastructure failures, etc.

Louis Schultz raised a question concerning the line item for aggregate. We explained that aggregate was a technical term defined by CalTrans that included the durability of rock and its suitability for road building material. Louis wanted to know if we tested each load for such durability as well as for asbestos (naturally occurring). We said that we do not for reasons of cost, as well as that we use the aggregate our contractor (Garman) recommends. Louis felt that the dust being created was very high above his property and that he wanted to meet with the contractor to discuss the same. We stated that the problem is actually speed around that corner and that the Board members spend a lot of time to plan for maintenance and that one owner's interest doesn't necessarily reflect the needs of the road. Others asked if he would be willing to pay for the contractor's time since otherwise it would be coming out of the Community's pockets.

Brian Corzilius discussed road maintenance pointing out that the 3rd Gate maintenance schedule is posted on the website.

Louis Schultz questioned the new culvert placed above the 3rd Gate bridge (Sherwood Road side), stating that he felt it was a danger. The wear and bump in the road was discussed but he felt the danger was actually on the inside of the road where the water is taken up to be transported to the outside of the road, specifically the depth of the intake depression. Brian noted that the 'hole' was dug back into the bank as instructed and was barely deeper than the original ditch. More importantly, that the culvert was placed after 2 years of discussion with the contractor over the persistent drainage/moisture (and icing) problem in that area.

Brian Corzilius went on to discuss the road grants this Board has applied for through the Mendocino County Resource Conservation District (MCRCD). The grant would be in 2 parts; the first part to survey the roads, culverts, etc. to assess their condition and impact on the Outlet Creek watershed, and the second part of the grant to actually fund the replacement of failed culverts, their intakes/outtakes and road improvements. Due to the drought, the original grant pool was reallocated but we will be in the running for the same next year. Brian went on to point out that Greenfield went through a similar grant a few years back, having most of their culverts

and roads upgraded with a relatively small cost outlay. Members asked if Brian would be following through on this after leaving the Board and he said he would since this has been pursued for several years and is much needed.

At this stage, the ballot tallies were requested from the 2 members who had counted them earlier. Twenty ballots were received with the results following:

1st Gate: Craig Mountain 17, Dennis Kettler 16

2nd Gate: Catrina Fish 17, Paloma Hill 17

3rd Gate: Linda Jarvis 20, Brad Sears 19, John O'Claire 19

There were no write-in (candidates) on the submitted ballots.

At this point, the meeting was opened to general discussion.

No items were raised and the meeting was adjourned at approximately 3:15pm.

Minutes recorded by Brian Corzilius

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SWARM 2014 Interim Financial Report

| 2014 INCOME | 1st Gate | 2nd Gate | 3rd Gate | Combined |
|--|--------------------------|--------------------------|---------------------------|---------------------------|
| Beginning Balance | \$3,533.30 | \$3,821.71 | \$17,924.02 | \$25,279.03 |
| Deposits thru 8/14 | \$3,243.53 | \$4,425.74 | \$24,339.90 | \$32,009.17 |
| <i>Total Income 2014, to-date</i> | <i>\$6,776.83</i> | <i>\$8,247.45</i> | <i>\$42,263.92</i> | <i>\$57,288.20</i> |

| 2014 EXPENSES | 1st Gate | 2nd Gate | 3rd Gate | Combined | Percent |
|--|--------------------------|--------------------------|---------------------------|---------------------------|----------------|
| Road Materials (aggregate, culverts, etc.) | \$1,499.27 | \$646.04 | \$10,624.83 | \$12,770.14 | 33.9% |
| Labor (grading, potholes, brush, etc.) | \$2,008.00 | \$1,000.00 | \$8,795.08 | \$11,803.08 | 31.3% |
| Mailings, Postage, PO Box, Records storage | \$74.80 | \$74.80 | \$224.40 | \$374.00 | 1.0% |
| Accountant, Legal, Tax Prep Fees (1) | \$198.00 | \$198.00 | \$594.00 | \$990.00 | 2.6% |
| Insurance (D&O, General liab.) (3) | \$564.00 | \$564.00 | \$1,692.00 | \$2,820.00 | 7.5% |
| Misc. Fees (bank, website) | \$0.00 | \$0.00 | \$0.00 | \$0.00 | 0.0% |
| Corporation fees, State Taxes, Licenses | \$7.00 | \$7.00 | \$21.00 | \$35.00 | 0.1% |
| Bad checks, Insurance monies returned | \$0.00 | \$0.00 | \$4,870.17 | \$4,870.17 | 12.9% |
| Reserve Development (2) | \$500.00 | \$500.00 | \$3,000.00 | \$4,000.00 | 10.6% |
| <i>Total Expenses 2014, to-date</i> | <i>\$4,851.07</i> | <i>\$2,989.84</i> | <i>\$29,821.48</i> | <i>\$37,662.39</i> | |

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|---|--------------------------|--------------------------|---------------------------|---------------------------|
| <i>Ending (working) BALANCES</i> | <i>\$1,925.76</i> | <i>\$5,257.61</i> | <i>\$12,442.44</i> | <i>\$19,625.81</i> |
| Starting RESERVES | \$500.00 | \$500.00 | \$1,000.00 | \$2,000.00 |
| <i>Ending RESERVES</i> | <i>\$1,000.00</i> | <i>\$1,000.00</i> | <i>\$4,000.00</i> | <i>\$6,000.00</i> |

Notes:

1. Legal fees, where applicable, are billed back to responsible property.
2. Reserves are savings toward infrastructure replacement (culverts, etc.), to reduce future special assessment needs.