

Pinons of Turkey Canon Ranch Winter HOA meeting minutes

4 DEC 2022

See attached for sign in roster of those present. 15 lots represented in person and 3 by proxy. A quorum was achieved.

Cindy Ragan called the meeting to order at 5:31 pm.

Cindy introduced Casey Hemsley and Gail Connors from DORA – the State agency for propane systems and Rob Butner of M&M Cathodics.

Casey started by stating they were there to answer the community's questions about state compliance with our propane system.

2015 inspections found several issues. In 2020, these issues had not been corrected. The intent is to make the system safe.

Cindy stated that the board at the time had assumed our propane supplier (Glaser Energy) would handle compliance issues with our system.

Steve Firks asked why does the state not take a more liberal view of small systems like ours.

Casey responded that they would rather see money go into making the system safe rather than fines.

Rob Butner (M&M Cathodics) is currently completing all the records and checks which should make it easier going forward.

Rob stated the biggest cost is the annual leak test. It takes about a week to complete even with the tubes already in place. Rob asked Casey if there is any way to reduce the frequency of testing at this point. Casey responded an annual test is currently being required because of the Notice of Probable Violations (NPV.) She stated they will look at extending inspection frequency after a time of compliance.

Question: Are there other communities like ours?

Casey: yes, at least one. Casey stated she would need time to talk to the attorney general before extending our inspection times.

Rob explained that because propane is heavier than air, holes must be bored. In a natural gas system, the gas rises so bore holes are not necessary.

Q: Is handing the system over to a utility company and option for us?

Rob: it might be cost prohibitive. The utility would require "re-plumbing" of the entire system because there are no records of maintenance since installation.

Q: Would individual tanks be an option?



Casey: The systems would still be regulated by DORA but no annual inspections would be required..

Jim Potts: The Water District owns the system. His research indicates \$975.00 would be an average cost for individual above ground tanks.

Cindy: By the end of this year, all issues will have been addresses and we will be in compliance.

Rob: As there was no further contact from the state between 2015 and 2020 – it was assumed all was okay. M&M cleared all findings from last year – but we are near the conclusion. Currently the inspection costs \$23,000.00.

Randy: Sustainability is significant moving forward.

Casey: the current process (a legal proceeding), once closed we have more leeway. The closeout inspection in 1st quarter of 2023 will decide if the current proceeding is to be closed. Final inspection is scheduled for the 3rd week in February. You are still under a PDMP, constantly ensuring requirements are met.

Randy: if we have a leak in the main line, how much would it cost to fix?

Rob: It depends on the leak, you are obligated to repair immediately. Glaser Energy has the capability to repair a main line leak.

Randy: What is our system's life expectancy?

Rob: Typically 60 years plus, this is the reason we do these inspections.

Cindy: Ferrell Gas (the previous supplier) has no records of past leak tests.

Q: Will gas concerns be a problem for selling homes?

Cindy: it is like any other utility except that we don't have and income source like property taxes.

Casey and Gale were thanked for coming and departed.

Rob: Larger systems can have people to do these types of inspections. The history of the system from 2015 to now: last year, 11 leaks were detected and repaired. This year 1 small above ground leak was detected. The system's pipes are plastic except two homes with steel piping.

Q: What do you expect the state to do regarding the timeliness of inspections?

Rob: The state will see that we are an "A" system. He fully expects to see a drop in the inspection frequency over the next two years. Annual training costs will likely be reduced and he will consider the possibility of doing the training on-line. Regarding the option to go to individual tanks - We would still need to maintain the current system until 100% of homes were on individual tanks.

Fred: Our low HOA fees and special assessments are worth it to keep the system running.

Q: Is Glaser doing everything right?



Rob: I don't see much changing. Glaser's role is reduced and he's not concerned about his ability to take necessary actions. Glaser is qualified to do the things that he does.

Rob was thanked and departed.

Cindy introduced Jerry Morro from the neighboring Highland HOA. The Pinons, Highlands and Turkey Canon Ranch HOA presidents are going to start attending each other's meetings.

Motion to waive the reading of the last HOA meeting made and seconded.

Budget:

Dan presented his proposed budget for 2023.

Q: Why was a special assessment not included?

Dan: We have no current plan for a special assessment.

Cindy: We have a separate bank account set up for propane issues.

Dan: It appears we have a deficit; the costs of the propane inspections and training will take all the surplus.

Cindy: We also need to hire an attorney to assess the legality of 8 lots with insufficient propane lines. And we also hired a lawyer to settle county permitting issues for leak test and mowing. We will also need legal representation to put liens against lots who have not paid HOA fees.

Q: Can we project a 5-year budget?

Dan: we now have better information on what future propane system costs will be although we do not know exact amounts.

Steve: Suggest that we increase HOA dues to approximately \$800.00 to cover costs.

Dan stated he will try to project several years out and get better estimates of future costs.

Proposal was made that the board re-visit dues outside this meeting and send out a proposed budget via email.

Steve proposed decreasing the \$1,000.00 landscaping line item.

The option of individual propane tanks was again discussed. A change to the covenants would be required and that would require 67% of the community to vote to do so.

A motion was made to refine the proposed budget to project 3-years out was seconded and unanimously approved.

Payment by credit card: Payees will have to pay the 3% fees when paying by card.



Issue was raised about things like trash bins being in roadways and trash cans being left out for long periods of time.

Cindy will remind residents via email of the requirements to bring trash cans in.

Q: Can we add street lights to the entrances?

No, the roads are county roads so it is not an option for the HOA to do so.

Meeting was adjourned at 8:28 pm with plans for the board and any interested community members to re-visit the 2023 budget proposal in another meeting.

William (Bill) Lana PTCR HOA Secretary