

River Meadows Annual HOA Minutes
November 13, 2018
6:30 p.m.
Senior Center in Driggs, Idaho

Present Board members: Aaron Finley, Tom Westgard, Lina Marquis

Present Homeowners:

Tom & Mary Heller, lot #35
George & Mary Bleffert, lot #8
John Chessman, lot #17
Max & Elle Shaffer, lot #15
Mike Etchemendy & Cydney Cox, lot #56
Ray & Patty Magrath, lot #72

Welcome & Introduction

Tom Westgard formally introduced current board members and gave thanks to all homeowners that were in attendance.

Financial Update

The 2018 Profit & Loss statements for 2018 were handed out and Aaron Finley went over the following:

Income

Homeowners dues are collected to pay for all the expenses. The total is \$74,828.40

Pasture Rent: We have an income stream from our back pasture, which is a big asset to us. The grazing rental is \$1,500. If we need a loan, the pasture can be used as collateral. It is also a tax benefit.

Expenses

Accounting Fees \$1,980

Julie Wenger, bookkeeper and a fantastic resource for River Meadows, also sends out statements to homeowners every month.

Insurance: \$1,274

On par this year as in the past. Did step up our policy to make sure we are covering some of our assets. Example: the sewer vault box southwest of the properties.

Landscaping & groundskeeping: \$15,359.71

This year we made investments in repairs and maintenance on the roads.
The two big ticket items:

Road Repair

We came in under budget for pothole repair. The major potholes were addressed, however the board was disappointed because some prominent potholes were not filled. See below for a later discussion of this issue.

Landscaping & groundskeeping

We accomplished:

- 1) Removal of rotten posts at both entryways
- 2) Rotten fencing replaced w/stone boulders at both entryways. Will have a lasting power.
- 3) Pruning of the cottonwood trees that frame the eastern edge of the RMHOA neighborhood
- 4) Repaired irrigation circles that go around the open space trees.

Professional Fees

Legal & Architectural design & Engineer evaluation of our current sewer system: \$3,695.60

Snowplowing fee

This year cost of \$1,600 was much lower than previous years. Snow season was unusual.

The snowplowing contractor that had served RMHOA for many years retired before Winter 2017-2018. Previous board members hired someone in the neighborhood for snow removal w/mixed results.

The current board has hired MD Nursery as a professional snowplowing company.

River Meadows has priority status which means early morning snow removal, with all professional equipment (including very large snow removal machines) and insurance.

MD also offers snowplowing for individual homeowner driveways. Homeowners who are interested can contact MD for the cost: (208) 354-8816 x116

Utilities \$39,187.15

Electric: \$1,040.28 – we are spending less so far year to date

Water: \$22,333.50 – we are exactly where we were a year ago. We may go over this last year's water expense. It's somewhat disappointing as we set a goal to reduce water usage in 2018. The board cut back the watering in the open spaces and asked property owners to conserve water (particularly on irrigation).

2018 Recap

This time a year ago we made a net income of \$9,200. This year we are running at breakeven. That is to be expected due to the investments we had budgeted/planned for this year.

Back in March of this year we were able to transfer \$30,000 in funds from our checking account into our savings account. We are strong in our savings compared to a year ago.

Questions asked by the attendees

How much do we have in our savings?

Our bookkeeper, Julie Wenger, was not in attendance and the board did not have the updated account summary. A fairly recent balance of \$73,000 was quoted by the recently-departed Board Treasurer.

What are we saving for?

Coming into this year, we thought we would spend more for the roads. The board opted for a short-term road fix based on the input provided by RMHOA property owners over the past year. Also, the board is waiting to hear the final findings of the sewer system evaluation.

Why did the road repair contractor not repair all the areas that were circled with orange spray paint?

The board had expected a cost of ~\$15K for road repairs in 2018. We contacted several contractors for bids between Fall 2017 and Spring 2018. An earlier contractor had estimated \$23K in October 2017 to patch the potholes. Whereas, the selected contractor (Thompson Paving of Rexburg) originally quoted the board \$15,650 to sawcut and patch the existing potholes. This quote came after a guided tour of the priority problem spots in April 2018. The board approved Thompson Paving's estimate and the project was agreed to be completed in the Summer. However, right before the project was to be completed, a different surveyor from Thompson Paving came to our subdivision and marked up all the deteriorating areas with spray paint — including many areas the board did not ask for. We were then advised that the cost to patch all the marked up areas would be approximately double the amount we originally had approved. The board directed the contractor to keep the scope to the original bid amount, plus or minus 10%. Then, the patching was completed and the cost came in significantly under budget at less than \$10K— which was not desired. The board would have preferred the contractor to go over budget by 10% to address more of the mid-sized potholes and problem areas. We were disappointed with their estimate process and results, and would recommend a different vendor in the future.

How much did it cost to have the cottonwood trees trimmed at the front entryway?

It cost \$1,500. One homeowner suggested that those trees were maintained by the county and that it was not right to spend association money that was not on our property. The county stated that these were our trees and they were not going to take care of them. It was the board's intention to make the trees healthier so they could provide a lasting visual buffer between RMHOA and neighboring subdivisions. It was also included as part of the project to improve River Meadows' entryway and common areas of River Meadows.

Updated builder construction guidelines

Previous guidelines were making it difficult for contractors to come in and do jobs. The board took input and ultimately made guidelines more flexible to work in. We allow 10 hour shifts along w/weekend construction. The board's goal was to compress the timeline and get construction in and out more quickly.

Meet and Greet new homeowners

Developed welcome packet and new homeowners were greeted by the current board.

Unpaid HOA dues

The board worked with the RMHOA legal counsel to collect thousands of dollars in previously unpaid HOA dues.

Revived the formal complaint system

There was feedback provided at the last RMHOA annual meeting to revive the formal complaint system.

An existing CC&R enforcement policy and formal complaint system had been established in April 2010. The current board recirculated this policy to step up the enforcement of CC&R's in a memo sent to all property owners in February 2018. In that memo, the board stated our preference that all complaints regarding infractions of the CC&R's get resolved satisfactorily, neighbor to neighbor. But if a satisfactory resolution cannot be attained at that level, the issue may be escalated to the attention of the RMHOA Board of Directors as a formal complaint.

It was pointed out that the board does not currently have the capacity to regularly inspect each property for compliance against the CC&R's. However, the board explained the sense of duty to review any possible CC&R's violations that property owners complain to the board about. Whenever CC&R violation(s) are found to exist, the board takes actions to fairly address the issue(s).

The current board highly recommends hiring a property management company to help future boards enforce all CC&R's. A vendor option was shared during the meeting that would conduct bi-monthly inspections (drive through subdivision and confirm no CC&R's are being ignored or violated).

Conducted sewer system evaluation

Input from our water master, Alan Wilder, and previous presidents led to an investigation of our current sewer system. The board hired a local engineering company, Arrowleaf Engineering.

On October 11, 2018 the board received a preliminary 11-page report and the conclusion:

"The River Meadows subdivision sewer system is currently operating below ideal conditions. If current issues, which are listed in detail in the report continue, then major sewage problems are likely"

The board met with Sarah Johnson for two hours detailing what had to be done. The following upgrades are the engineers highest-priority recommendations to be done:

- 1) Clean the "Force Main" line which has never been done. The term is "jetted" and Alan Wilder was contacted to have this done. Due to the weather, this will not happen until spring. Guestimate cost is \$1.75 a foot and the Force Main is 3,000 long, \$5,250.
- 2) Install optimized pumps for the sewer lift station. The engineer is still gathering data and making calculations to make a recommendation for pumps that will support our sewage system needs both now and moving forward.

- 3) Increase sewer system monitoring. The board authorized a \$65/month retainer for the engineer to take measurements of our flow rates over a full year.

The current sewer system was not built according to the full specs that were approved by the local authorities. The developer left the subdivision w/a lesser system that will need to be upgraded to support a full build-out of homes.

Because growth is inevitable, this is now a **high priority** maintenance that the current and new board members will have deal with.

CC&R'S Review

Exterior Lights – resolved

Landscaping – New properties and new owners were given explicit HOA requirements. A local architect reviewed all submitted landscape designs.

Immobilized vehicles: resolved

Exterior painting – resolved

Outside trailer storage - not resolved

The current board and any future board for RMHOA will encounter challenges enforcing the current CC&Rs around outdoor trailer storage due to a pair of statements that some perceive as contradictory. The board did send letters to various trailer & RV owners at the beginning of summer asking what their intentions for storage were. We are grateful to the homeowners who did comply and move their RVs to offsite (or indoor) storage.

To resolve the matter, the board recommended amending the CC&Rs about outdoor trailer storage. In order to amend any part of the CC&R's, 60 out of the 80 lots (or 75%) must vote in favor of the amendment. As a next step: the board intends to organize a vote for all property owners.

Open discussion

Some criticism was received regarding the enforcement of some of the CC&R'S.

As discussed, the board encourages property owners to address and resolve any problems with neighbors directly. Regretfully, this is not always happening; therefore, the board is legally bound to enforce CC&R violations, when raised via formal complaint.

The current board highly recommends that a property management company be hired. This way all CC&R's can be regulated with the help of an independent party.

New Board Members Needed

- Stan Cominsky and George Bleffert resigned from the RMHOA board in August 2018.

- Aaron Finley and Lina Marquis shared that they will not be returning after the current 1-year board term concludes on 12/31/18.
- Tom Westgard is open to continuing to serve on the 2019 RMHOA board
- Tom Heller was nominated from the floor and voted to be on the 2019 RMHOA board. His nomination was confirmed by those present and the proxy votes received.

This means our neighborhood currently only has 2 board members prepared to serve in 2019. But per Article 4 of the RMHOA bylaws, the Board of Directors must have at least three (3) persons.

Therefore, a special meeting will be organized in December by the current board to appoint new board members, as per the bylaws. We encourage anyone interested in serving on the RMHOA board to please contact the current board ASAP by email sent to: rivermeadowsidaho@gmail.com << Please put "Attention RMHOA Board" somewhere in the subject line.

The term of the Directors is 1-year from 1/1/2019 to 12/31/2019.

[Meeting adjourned at 8:30 and refreshments were served.]