

**POINT RICHMOND RIDGE HOMEOWNERS ASSOCIATION
ANNUAL MEETING OF HOA MEMBERS
November 2, 2019**

Minutes of the Annual Meeting of the Point Richmond Ridge Homeowners Association, Gig Harbor, Washington, held at the Gig Harbor Library, in Gig Harbor, Washington at 12:04 p.m. on the 2nd day of November, 2019.

1) CALL TO ORDER

- a) Board President R. Lee called the meeting to order at 12:04 pm.
 - i) New Board Members introduced
- b) Quorum identified by R. Lee at 12:04 pm.

2) Roll Call

- a) 27 total properties represented (present and proxy)
 - i) Present: 16
 - ii) Proxy: 11

3) ROLL CALL OF OFFICERS

- a. Present: Randall Lee, Steve Treese, Jennifer Shen Lee, Karen Streeby
- b. Absent: J. Watterson (ACC), N. Ecker represented the ACC

4) Introductions:

a) New Board Members and introductions

- i) J. Shen Lee – Treasurer
- ii) K. Streeby - Secretary
- iii) All Board members introduced themselves.

b) New PRR Members

- i) R Lee acknowledged the new members in the PRR community.

5) Meeting Conduct

- a) Rules and Procedures for the meeting were reviewed by R. Lee
- b) “Open Floor” Items/Discussion
 - i) 3 minutes allowed, an additional 2 minutes if requested
 - ii) Anything is open for discussion.

6) Reading/Review of Previous 2018 Annual HOA Meeting Minutes

- a) Minutes read by K. Streeby Secretary

- i) Motion by R. Lee seconded by S. Treese (lot 45) to approve the minutes of the Annual HOA Meeting of 2018, Motion Carried

7) Officers' Reports

a) President – Randall Lee

- i) R. Lee happy with the progress over the past year.
- ii) Governing Documents and getting them up to speed has been a major endeavor that S. Treese has taken on. Kudos to Steve for delving into the documents.
- iii) A lot of progress made regarding ongoing development of Strategic Reserve Plan and thanks to Bob Malady and previously Mark James for initiating the reserve studies in the past. S. Treese and J. Shen Lee also contributed to helping with the Reserve Study.

- (1) Laws of WA have changed so we need to make sure we are in compliance
- (2) Our Reserve Fund will be fully funded and no major special assessments are anticipated through 2050

iv) Thanks to K. Streeby (lot 44) for re-establishing the annual PRR Community Potluck

b) Vice President Steve Treese

- i) Went over what VP duties are
- ii) Has helped with working on the strategic reserve plan
- iii) Main thing he has worked on is the Governing Documents

- (1) Proposed some changes to the documents in April
- (2) Revising and amending the Governing Documents will be discussed in more detail in the Unfinished Business status items.

c) Secretary – Karen Streeby

- i) New to the board and the neighborhood, has enjoyed getting to know the other members of the BOD and other neighbors.

d) Treasurer – Proposed 2020 budget

- i) 82 homeowners have paid
- ii) 5 have late fees
- iii) 1 outstanding

iv) Treasurer's report

- (1) The budget for 2019 status:
 - (a) \$15,483 expenses so far in 2019. Year end projection for 2019 is \$18K expenses
 - (b) \$2,416 spent on snowplows in Feb 2019
 - (c) \$1,070 in added tree trimming
 - (d) Water bill was about \$1,000 higher than in the past due to water meter programming error
 - (e) Planning for a Reserve fund transfer of \$13,250 at a minimum at the end of the year.

- (2) The budget for 2020 was presented and clarified:
 - (a) HOACS has increased their cost by \$15 per month and that is reflected in the budget for 2020
 - (b) Added \$750 for legal fees
 - (c) Added \$1,000 to Tract G
 - (d) Added \$1,000 to playground
 - (e) Added \$275 for office expenses
 - (f) Non allocated events increased by \$2,325 to allow for unplanned things that come up. Leftovers there will be transferred to the reserves at the end of 2020
 - (g) There will be no dues increase for 2020
- v) R. Lee called for comments or observations to the 2020 budget that J. Shen Lee proposed. There were no substantive comments.

8) 2020 Budget Approved by the BOD

- a) N. Eckert (lot 62) made motion for acceptance. M. Franklin (lot number 77) seconded. Motion passed. Report accepted and the budget for 2020 was accepted.

9) ACC Liaison

- a) N. Ecker (lot 62) read J. Watterson's report
 - i) ACC Summary for HOA
 - (1) ACC Team has worked to be neighbor friendly. Team of 5 has monitored PRR regularly to ensure compliance.
 - (2) Approximately 20 reminder letters of violation issued in 2019 to date.
 - (a) Most were addressed and resolved in a timely manner.
 - (3) ACC has noticed that the PRR entrance areas have taken a downturn, vegetation has taken a beating. Entrance areas don't have water. Suggested looking at drought resistant plants.
 - (4) PRR signs are in OK shape but need to be cleaned.
 - (a) N. Ecker solicited ideas and asked for participation in keeping the entrances looking good.
 - (b) R. Lee solicited input from members on the PRR entrances.
 - (i) H. Herzberger (lot 52) – expressed appreciation for the fact that everyone contributes to the maintenance of our community.
 - (ii) T. Allen (lot 55) and M. Thwaites (lot 41) – noted a preference for native, drought resistance and deer resistant plants.
 - (iii) P. Frisino (lot 65) – noted that the native salal at the 134th entrance is overgrown and obstructs visibility. Feels that we need to trim or replace that vegetation.
 - (c) W. Redlin (Lot 80) would like homeowners that don't keep their pets on a leash to be addressed.

1. Discussion ensued. R. Lee stated that it's in our bylaws and WA state code that pets be on-leash when not on their own property. R. Lee instructs residents to call Animal Control if a loose dog is seen. R. Lee offered to intervene on W. Redlin's behalf.
 2. S. Treese noted that it is under the purview of the ACC to address owners that do not comply and fines can be implemented.
- (d) W. Redlin (lot 80) – noted that due to the construction in the nearby neighborhood down 140th. Purdy Topsoil and Aaron Rockery trucks go through our neighborhood frequently and are using PRR as a turnaround.
1. B. Malady (Lot 5) – concurs with W. Redlin and that this had gone on for years. S. Treese (lot 45) states that we don't have controlled roads in our neighborhood.
 2. **ACTION ITEM** – R. Lee to call Purdy Topsoil to talk to them about using our roads.

10) Unfinished Business

- a) Status - Examination of PRR HOA Governing Documents – Vice President S. Treese
 - i) R. Lee and S. Treese will meet with our PRR legal representatives next week to identify what our options are from a legal perspective.
 - (1) S. Treese referred to the printout provided in the agenda.
 - (a) Governing Docs are the Articles of Incorporation, the M & PCs and the Bylaws.
 - (i) They require periodic review. It's been 22 years since they've been created.
 1. The bylaws have had updates but not the other docs.
 - (b) S. Treese went over his schedule/plan for revising the docs
 - (i) First, summarize what we want to do
 - (ii) Verify wording with the lawyer and make sure we are interpreting things correctly.
 1. Articles require approval by 2/3rd of the homeowners
 - (iii) File the articles next year
 - (iv) Eliminate language of initial formation (it's irrelevant)
 - (v) Update the registered agent (the person that is listed is no longer accurate and needs to be corrected)
 - (c) Covenant and M&PCs will need thru end of 2020 and into 2021 to revise
 - (d) S. Treese will solicit community input regarding changes in covenants.
 - (e) The covenants are set up with 2 parts
 - (i) **Maintenance and Dues** – We need to upkeep the roads, drainage systems, landslide areas, open areas maintain playground, etc. These obligations are perpetual and require you pay dues to accomplish

- (ii) **Second part are the Covenants that have to do with how the houses are built, maintenance of landscaping , speed limits, etc.** These would expire the first of 2022 so we need to extend these or we lose all of the standards since that part of the Covenant would be gone.
- (iii) Update the covenants to be relevant to today's standards and intentions
 1. E.g. the covenants specify homes have brick facia, but most have rock facia
 2. Bring up to date to make sure we are in compliance with current law.
 3. Grammar and spelling errors
 4. The state regulations say we can't change the intent of the covenants (like we can't change and say we are going to be a commercial property)
- (iv) By-Laws
 1. These have to follow the Articles and Covenants.
 2. No plan to change the original intent of the by laws.
 3. We want to conform them to match the way we practice things
 4. Will have to be confirmed to match the M&PCs
 5. Expand provisions for digital participation (voting via email, etc)
 6. Clarify obligations of owners
- (f) S. Treese – if we don't amend the covenants
 - (i) Minimal impact on our association
 - (ii) If we don't extend the covenants,
 1. All things re: the appearance of the community would expire Jan of 2022
- (g) S. Treese plans to have meetings to get community input on what revisions and amendments we should have.
 - (i) Will need volunteers
 1. There are different approval levels for each doc.
 - (ii) S. Treese states there are a few people already committed to serve on the M&PC committee.
 1. Request was made for people to talk w/ S. Treese after today's meeting if they are willing to be involved. AJ Montgomery (lot 24) and Rex Cory (lot 64) (neither present at this meeting) so far committed
- b) M&PC Committee Formation
 - (a) Hal wants the slides of the Governing Documents to be posted to our web site.
 - i. R. Lee states that we will publish the slides to our site.
- c) IT Operations Management
 - i) R. Cory was leading this last year and working w/ AJ Montgomery
 - (1) AJ has done a great job as our webmaster

- (a) States that our web site is the formal means of communication w/in the community. We can't use social media as a formal means.
- (b) Social media isn't used for communication of official business.
- (c) Re: IT operations, AJ has agreed to stay on and do it at no charge,
 - (i) We need to make a provision for the transition.
 - (ii) We have been using Sharepoint
 - 1. We have been looking at other tools. Need less expensive tools available w/in the public domain
 - a. S. Treese and R. Lee have taken the lead at looking at alternatives
 - i. Hoping to have that resolved within the next year.

11) New Business:

a) Election of one Board Member for three-year Appointment

- i) J. Shen Lee will be stepping down at the end of the year.
- ii) This election is to be on the board, not for a specific position.
- iii) R. Lee opens the floor for nominations to anyone interested in serving on the board for a 3 year term.
 - (1) Nobody in attendance expressed interest.
- iv) R. Lee reviewed the roles that are required on our BOD
 - (1) President
 - (2) VP (this role technically does not need to be filled)
 - (3) People can fill dual roles, so technically we could have the VP, or the Secretary or the ACC Liaison also been the treasurer.
- v) S. Treese clarifies that we use an outside bookkeeping firm – HOACS, so the treasurer doesn't have to do the monthly payments/billing, etc. of service providers.
 - (1) The treasurer is responsible for 3-5 hours per month to communicate with the individual at HOACS that manages our account
 - (2) If anybody here at the meeting knows anybody in the community that would be interested in filling the role, please share.
- vi) The Treasurer position was not filled by the conclusion of this meeting.

b) Strategic Reserve Plan – Jennifer Shen Lee

- i) B. Malady, and M. Jane put together the initial reserve study that is the basis of our Strategic Reserve Plan
 - (a) The WA State Legislature recommends HOAs have reserve studies done.
 - (b) This study is based on an initial formal study that was done in 2017.
 - (c) These are things we are responsible for
 - (i) Roads
 - (ii) Tracts
 - (iii) Mailboxes

- (d) S. Treese developed the summary of assumptions and the written approach to the current Reserve Study.
- ii) This report will be published on the HOA web site
 - (1) At EOY 2018 there was \$28,296 in our reserve fund.
 - (a) This was in a CD and Money Market
 - (b) Contribution is \$180 dollar per year, per property owner – the goal being \$15,000 per year.
 - (2) No additional assessments planned for 2020
 - (3) Anticipated projected reserve total at the end of 2019 is \$43,849
 - (4) Over the 30 year period of 2020 – 2050, the reserve fund is projected to have approx. 100K in the reserve fund by 2050.
- iii) H. Herzberger (lot 52) – Asks for clarification on what the reserve fund is for.
 - (1) J. Shen Lee answers – The reserve fund is for things outside of the operating budget. Major thing is maintenance of the roads. Playground maintenance, mailbox maintenance, Catch basin, tree removal, Bench in tract D, Tables, Asphalt overlays
 - (2) P. Frisino (65) Asks if the numbers J. Shen Lee are “set in stone”
 - (a) S. Treese and R. Lee state that this is our best projection out to 2050 barring unforeseen circumstances. S. Treese states that this is reviewed every year.
 - (b) J. Shen Lee states that this is based on a 3% inflation rate and a 2% interest rate. This budget is based on assumptions.

c) “Open Floor” Items for Discussion

i) PRR Library

- (1) S. Treese proposes installing a little free library by the playground.
 - (a) He would build and maintain it himself
 - (b) We would register with the Little Free Library Association.
 - (c) Asks for consensus of support
 - (d) R. Lee wants to make sure the homeowners don’t incur cost.
 - (e) Generally positive feedback in support of this idea.
- ii) D. Jackson (lot 13) When the blacktop was being done, the material around the drain has not been draining. The blacktop is cracking and sinking in.
 - (a) R. Lee clarifies that she says the material that was put in was never removed.
 - (i) **ACTION ITEM** – ACC to look into it.
- iii) D. Jackson (lot 13) - Also the running water that comes in – did they ever find out where that is coming from? During the winter it freezes in front of the mailboxes.
 - (i) R. Lee - The cost of alleviating the problem was prohibitive. The water comes from a natural aquifer. R. Lee goes to that area every time there is a freeze and spreads the salt.
- iv) M. Franklin (Lot 77) Appreciates the board members for the work of the Strategic Reserve Study, etc.

- v) P. Frisino (lot 65) – Keeps track of trick or treaters and had 52 this year. Asked if anyone knows of any organizations that accept excess Halloween candy?
 - (i) Bl Malady – Churches appreciate candy donated to them
 - (ii) R. Lee – Stated that Karen Sullivan collects excess candy to donate.

Steve Treese made a motion to adjourn the meeting at 2:06 pm. Seconded by J. Shen Lee.
Motion Carried.