

MOUNTAIN SHADOWS HOA ANNUAL MEETING MINUTES

Date/Time: May 29, 2021 / 10:00AM – 12:00 PM

Location: Weilmunster Park Pavilion

Board Members Present:

Alan Seeger, President

Bob Hammond, Vice President

Ellen Bush, Secretary/Treasurer

Bill Klevenberg, Director

Thor Oden, Director

Meeting opened by Alan Seegar at 10:04am. Alan welcomed everyone.

1. Alan Seeger – Welcome & Introduction of Board Members.

Alan thanked everyone for attending and introduced the Board members. Alan noted that his position as well as Ellen Bush and Bill Klevenberg's terms are ending. Bob Hammond and Thor Oden have one year remaining. Alan made a special thanks to Don Thompson who was originally on the Board, but fell ill causing him to resign from the Board. Alan noted that Bill had graciously accepted the request to complete the term.

New Business:

2. Ellen Bush – Approval of 2020 Annual Meeting Minutes:

Ellen asked for a motion from the floor to approve the 2020 Annual Meeting Minutes. Billie Davolt motioned to approve the minutes. Linda Ruppel second. Motion passed.

3. George Simpson, Water Master – Update on Consumer Confidence Report:

George explained that the Consumer Confidence report is a summary of all tests' that were taken over the year. All testing results came back good. George also noted that most of the water quantity problems have been resolved and that God has blessed us with good water.

4. Alan Seeger – Introductions of New Members of HOA:

- Richard & Renee Pileggi
- Michael & Terri Hilligas
- Keith & Kathy Jones
- Kevin & Zoey Coldani
- Darryl & Linda Denny
- Duran & Debra Bowersox
- Onik Derminjan & Flora Dermin

Ellen asked if this is anyone's first meeting. Scott Anglim raised his hand.

5. Alan Seeger – Members running for Board & ACC Introductions:

Alan announced election of three new members to the board and 4 new members to the Architectural Committee.

Alan announced the candidates for the Board: Bill Klevenberg, Scott Anglim, Tony Rangus and Belinda Pond. Belinda was unable to make the meeting due to a previous engagement, but her husband Ralph is here to stand in.

Alan then announced the candidates for the ACC Committee: Dale Bentley, Linda Ruppel, Les Casey, Ralph Van Paepeghem and Bob Seal.

Alan thanked the candidates for their willingness to serve. He urged everyone, if they have the time and care about the place they live, to think about volunteering or running for the board next year; as it is getting “really valuable” to live in Mountain Shadows.

6. Ellen Bush – Financial Report 2020-2021 and Budget 2021-2022:

Ellen noted the reports to be considered: Financial Report, Balance Sheet Allocation, MSHOA Job Status Report, Budget Review (tiny print).

Ellen noted Income, (top section) the green stripe is the Operations income and the orange stripe is the total of Operations. Going down the sheet there is a green stripe for Road Maintenance and Water System. This shows how we allocate the funds. Total income for the past year included HOA dues, offsite water users and transfer fees. The second half shows expenses with the same three categories: Operations, Road Maintenance and Water System. Ellen noted that the expenses is a larger number than the income, and referenced back to the Road expenses. We had carry-over Road expenses from last year.

- Bob Seal asked about a line item on the report titled Workers Comp Expense. Why does the association have employees? Cherry explained it is insurance we are required to have. Bill added that it is insurance for the HOA to hire contractors.
- Bob Seal asked about the Well Swabbing job; why does it show closed and why has it not been paid? Ellen responded that we have not received an invoice and the next sheet will cover the first part of the question.

The Balance/Allocation report shows another way that we track income and expenses. The top section shows all assets. The bottom section shows the allocation of these assets between Operations, Road Maintenance and the Water System. Does anyone have any questions? There were no questions.

The Job Status report shows how we track ongoing maintenance or emergency jobs and the progress of each project. We have provided a sheet on the sign in table if you want to look at the specific detailed expense of each job.

- On this sheet we go back to Bob Seal’s question on Swabbing about why this shows complete. The issue has not been resolved the pump is still vibrating. Bob Hammond explains the findings are that vibrating is caused by a spring that is hitting and this is a very common and normal issue, no further action is needed.
- A question was asked, “what is swabbing”. Bob Hammond explained it is basically like a giant bottle brush that goes down and cleans the well.

- Bob Seal continues that the issue is that this is the lowest capacity well. Bob Hammond responded that the output is well within the limits and the EPA is something that will need to be continually monitored.

7. **Bill Klevenberg – Financing Options for Special Assessments & Road Repair Options and Bids:**

Ellen turned over the remaining financial portion to Bill. Bill began with the Budget Review Sheet, bringing attention that the Association has been running at a deficit for the last several years and we need to have a plan to remedy that. The Board formed a Financial Health Advisory Committee. Participants: Ellen Bush, Cherry VanCour, Billie Davolt, Bob Hammond, Alan Seeger, Scott Anglim, Toni MacGregor, Chris Clark, Bob Baker and Bill Klevenberg.

The Committee analyzed 4 years of finances from 2017 to current. Based on the forecasting the dues are adequate for day-to-day operations. The committee discussed how to handle expenses for major projects such as road repair. Bill contacted several lending institutions, including his Banker. This lending institution has a dedicated division for HOA lending.

Information was obtained about what a lender considers a healthy HOA, in-order to fund larger projects. They require 50% to 100% of annual dues in reserve and the Association is currently running at about 150-175%. In addition, a vote from the community in favor of the project as well as an executed contract, from the contractor, completing the work. The Board needs the community to review the findings for road work and vote on this matter in-order for the Board to act on repairs in a timely manner.

- Keith Jones asked why are dues expected to decline?
 - Cherry addressed previous years shows many transfer fees due to much turnover in property. Each time there's a sale/purchase, the Association receives \$250 in a Transfer Fee. It's hard to forecast the number of sale/purchases and so the forecast is lower than previous years.
- Keith Fletcher asked what is the Collateral? Will the bank apply a 2nd lien on individual homeowners?
 - Bill addressed the collateral is the HOA's dues and assets. There are no 2nd liens. If a homeowner becomes delinquent it is the responsibility of the HOA to place a lien on that specific member to recover any money owed to the HOA. The lending institution will not place a lien on individuals. The lending agreement is between the HOA and the Bank.
- Ralph Pond asked is this just for unanticipated problems?
 - Bill stated is for special projects only, like the road project. Again, we have very specific steps that are required to be followed to meet the banks requirements.
- Ralph Pond asked why not just do this as a special assessment and pay up front one time vs. financing?
 - Bill explained that he, Thor Oden and Ralph VanPaeppeghem have talked to various asphalt contractors looking for recommendations on the best solution to repair/fix the roads in Mountain Shadows. All contractors had the same sentiment that chip sealing is a band-aid fix and is costly for something that would not last. The recurring recommendation is to do necessary repairs then do 2 inches of asphalt and seal. The financing option provides the \$700,003 needed to repair the roads.

- Tony Rangus asked, “you want to spend a million dollars on the road? Why wouldn’t we spend that on the water system – that is what we need to worry about.”
 - Bill addressed not a million, \$703,000, the finance committee needed to figure out how to pay for a road that is deteriorating. If the Association does nothing, in a few years the road will crumble into dirt; thus, losing one of the major added value benefits of living in Mountain Shadows.
- Cindy Thompson asked we just fixed the road last year for about \$25k worth, when are you thinking we would have this done and why is it needed already?
 - Bill addressed the repairs were done in last year. Going forward we need to decide if we are going to deal with a never-ending patchwork or get the road back to a new condition.
 - Thor Oden addressed the patching that was done last year for \$25k was necessary and had we waited it would have increased to \$50k to do the same work this year.
 - Cherry VanCour stated, “something I have noticed while walking, is there are large spider cracks in the road especially around the road repair patches. These sections continue to break out, causing more repairs to be needed. If we continue to patch, it is going to be the same every year. This is something we all need to think about as the board moves forward.”
 - Ralph VanPaegehem stated we have an asphalt person here that lives in our neighborhood. Why don’t we get his opinion? (Ralph introduces Dave Butzier)
 - Dave Butzier, a Civil Engineer with Ada County Highway Department, expressed his agreement with the other contractors that we need to do 2 inches of Asphalt and seal the road or we are going to end up with a gravel road. We chip sealed the road about 6 years ago and that is all the longer that should last.
- Stacy Perryman asked how much more would it cost to do the cul-de-sacs? I assume they were taken out due to cost.
 - Bill stated ultimately yes, that is the reason the cul-de-sacs were taken out. The price is \$1.60 per square foot to add the cul-de-sacs.
- Tony Rangus asked how are you going to repair the base?
 - Bill addressed the bids the contractors provided have outlined a scope of work including repairs.

Alan stated that we could have an all-day meeting on this issue because it is that important. We do not have time for that today, we have until noon. Bill came here today to tell you there are two things that can cause a special assessment in this neighborhood, the water and the road. These are the two most important things to protect, we talked about raising the HOA dues but can only do that to a certain extent. The next best thing is to take advantage of what is going on, cheap money. We are 5 people representing all of you; this is not a decision meeting. We are telling you our findings regarding the roads and water system. Rather than go on and on, hold those thoughts and we can have a dedicated meeting specifically pertaining to the roads. I ask for your patience.

- Billie Davolt stated if you live in phase 3 you know that it has not been a major issue. But with more moving in and more construction and heavy equipment, the road is starting to crumble.
- Cindy Thompson asked when will the road be done?
 - Bill – The money is cheap right now, this is a month-long project 15 to 20 business days. What we have to decide is do we do this, this year or wait until next year. The cost is going to go up. It will be more expensive next year and interest rates will have increased.
- Keith Fletcher asked when will the meeting be?
 - Bill – “June is my preference.”

8. Alan Seeger – Election of Officers and Architectural Committee – 11:01

Alan called for elections, noting the help of “counters” Bev Hammond, Jamie Seegar and Cindy Thompson.

- Cherry VanCour stated I know, based on what I do, there is one member not in good standing with the association. My understanding is that the board is allowing this member to vote. Is this true and if so, why?
 - Alan repeated the question and reminds everyone “the board, by the by laws, is designed to speak for the community for things that come up. The board is aware of this member’s standing and have talked about it at length and studied all the things that have caused this situation. The Board met and voted in favor of allowing this vote to count because of ongoing negotiations that we feel will yield a far greater benefit to the community vs. stirring the pot with this member.
- Stacy Perryman asked does the board have a right to vote to not follow the guidelines?
 - Alan stated we do not believe we are going against the guidelines.
- Cherry VanCour read Article 4.2(a) of the CC&Rs.
 - Alan stated we believe this member can make just as good of a case that he is in good standing. It was a call, the board has voted and the decision stands.

Ellen certified quorum is met with 38 ballots as of last count. Voting took place. Ballots were collected.

9. Bob Hammond – Report on Water System Advisory Committee & Thank You volunteers:

Essentially what this committee is responsible for doing is managing a small water company that serves 91 people. This includes how and manage maintenance and parts and labor. Thank you to those on the Water System Advisory Committee: Ralph VanPaepeghem, Ray VanCour, Bob Seal, Joe Hofstra, Darryl Denny, Bob Baker, Thor Oden, and Don Thompson.

There are a number of folks that get dirty aiding in fixing the pumps and maintain the wells. A week and a half ago, several homes had varying levels of pressure. Ralph V. checked the issue out and discovered there was a bladder problem. He made some phone calls and found a replacement in Emmet. The labor for the company to install was \$950. Instead of paying that, Ralph drove to Emmett picked up the part and along with Ray Vancour installed the new part.

10. Bob Hammond – Update on Phase 4:

The Catholic Diocese owns 176 acres that was going to be phase 4 and the 5-acre lot that our wells are located on. We met with Peter Christiansen and laid out our concerns to the Bishop. The Bishop in turn asked us and Larry Hellhake to sit down and resolve the differences so we can go forward. Thor and I sat with Larry going over the community concerns. Larry then presented this to the Bishop and all that was received back was an email from the Bishops office stating that they have many projects in the works right now and don't know when or where this project falls in priority for them.

- Bob Seal said you mentioned we have an easement, can we drill a new well if needed?
 - Bob H. stated no, the easement is specific to the wells.
- Ralph Pond asked with the Diocese owning the property, can they drill a new well and somehow get water to their property?
 - Bob H. stated yes, but they have no way of getting the water to Phase 4. No official steps have been taken.
- Keith Fletcher asked if this develops, have we considered getting the land that our wells are on?
 - Bob H. stated it is a possibility.

Stacy Perryman stated that a previous board had the option to buy the land that the wells are on and decided against it, the Board felt it was too much and didn't want to pay the \$438 in annual property tax.

- Linda Ruppel asked are we obligated by what we have negotiated thus far to work with new owners of phase 4 should they decide to sell the land?
 - Bob H. stated it is a good idea to work with neighbors and be friendly and we are only obligated by what is in writing.

11. Bob Hammond – Potential CCR revision:

Bob gave an update regarding lot 1 of Mountain Shadows. Bob noted currently there is no residential only zoning in Boise County. Our CCR's do state that we are only a residential community there is an exception in that Dr. Mike is in our neighborhood. He is willing to allow us to change the CCR's to remove lot 1 from Mountain Shadows and amend the CCR's to reflect that lot 2 through 87 is residential only. We will be asking for a vote on this and will make Dr. Mike/Lot 1 just a water customer. This is a preemptive strike to avoid any future issues.

12. Alan Seeger – Report on Architectural Control Committee:

Alan noted that in addition to the water system and the roads, the other important issue is the ability to control what Mountain Shadows looks like now and in the future. Alan thanked the ACC members of the past year: Ralph VanPaepeghem, Linda Ruppel, Les Casey and Belinda Pond for volunteering and being a part of the ACC Committee.

- Ralph Pond asked Stacy if he heard her right, that we had the option to buy the 5-acre well house property and elected not too?
 - Stacy stated he did hear her correctly, the previous board elected not to spend the money.

- Ralph Pond asked why this was not presented to the group? It seems like a critical issue and should have been brought to the community.
 - Alan stated this decision was not part of the board here today, on behalf of this board we have tried to be as verbal and interactive as we can be. We are archiving everything we can so this doesn't happen. We can't allow external forces to control our destiny.
- Bob Seal stated he understood the developers were supposed to deed the land to MSHOA but didn't, he instead offered it for \$50k and we thought it was too much.
 - Alan reiterated it is important to be a member of the community not only by mailbox but by getting involved.
- Bob Hammond reminded Ralph Pond that he was on the Phase 4 committee when the discussion was had surrounding the purchase of the land.
 - Ralph Pond stated that he was only an advisory member of that steering committee and did not have a vote on the matter.
- Ralph Van Paepeghem interjected that by his memory this all took place in just a couple of days.
- Thor noted the developers were talking about giving us the land and did not mention they were considering selling it to the diocese therefore we did not have the urgency to act.
- Ralph Pond stated, so what you are saying is we need Board members that are willing to act.
 - Alan said we need board members that are willing to act on the wishes of the base of the community. Not dictators. Most of the time what we lack is the understanding of your will. Most people want to have communication, but they block people from having their contact information. With Zoom meetings more people are joining the meetings and it is more fruitful. If you want to help this board, log into the meetings and give your opinion. You saw when Bill started talking about various vehicles to pay for large expenses. You have opinions and they need to be shared with the board.
- A request was made that the Zoom invite be sent out early enough as it is difficult for those that work to join last minute.
- Ralph Van Paepeghem stated maybe we could set up a date that is the same day/time each month.
 - Bob H. stated we have been using the first Wednesday of the month.
 - Bill committed, that if he is still involved, he will send out the link. It will be the same link for a recurring meeting on MST.

13. Alan Seeger – Announces election results:

Board election results as follows in no particular order: Scott Anglim, Bill Klevenberg, Belinda Pond.

Architectural Control Committee results are as follows in no particular order: Dale Bentley, Les Casey, Bob Seal, Ralph Van Paepeghem.

Meeting adjourned at 11:47am.