

**RIVIERA HEIGHTS HOMEOWNERS' ASSOCIATION
3040 RIVIERA HEIGHTS DRIVE
KELSEYVILLE, CALIFORNIA, 95451**

OCTOBER 5, 2016 MONTHLY MEETING

CALL TO ORDER

President Kathy Andre called the meeting to order at 2:03 PM.

ROLL CALL:

Kathy Andre, President
Susan McGurgan, Vice-President
Victoria Robinson, Treasurer
Barbara Meconi, Secretary

APPROVAL OF MINUTES:

The minutes of the meeting of September 7, 2016 were approved as submitted.

OFFICE ISSUES:

President Kathy Andre gave the financial report as follows:

- Operating Checking \$161,776
- Money Market 19,037
- Fire Abatement 2,289
- ARC 40

- RESERVE FUND CDs \$190,351

FINANCIAL REPORT:

Profit & Loss Budget Performance and Balance sheet are reported on an accrual basis to maintain consistency with annual review reports. The spreadsheet is essentially a cash basis P&L taking the cash receipts and disbursements from the reconciled bank account registers and recording them in their corresponding income and expense accounts.

Through August 2016, accrual income is \$222,103 and expenses are \$31,857 resulting in a YTD net income of \$190,247.

Cash basis income through August is \$182,360 of which \$171,139 is from assessment payments. Cash operating expenses for this period were \$27,253, resulting in net income of \$155,107.

A total of \$4,050 in late fees were charged in August, representing 125 properties. There was one ownership transfer recorded during the month. YTD there have been 7 property transfers.

Suspense Account income was negative \$324 due to a prepayment recorded in 2015-2016 (on the accrual basis report).

HOA DUES FOR 2015/2016 RECEIVED TO DATE:

- Collected \$166,840.00 out of \$208,008.00 Assessed
- Outstanding \$40,844.00

HOA DUES FOR 2016/2017

- Dues collected for the year 2016/2017 - \$169,002.00
- Outstanding \$39,006.00

EXPENSES YTD thru August 2016/2017:

Highlights:

*under budget YTD in total payroll expenses by \$7,429 due to resignations of (1) Office Administrator and (2) Club House Manager/Maintenance Supervisor/Code Enforcement Officer/Fire Abatement Officer.

*over budget \$3,028 in property maintenance (plumbing/electric repair costs) – this will be a reserve expense.

*Under budget \$1,159 for marina

*Under budget \$584 for swimming pool

*over budget outside services for \$960 (50% deposit for reserve study – this will be a reserve expense.

*Total operating expenses YTD \$6,332 under budget

*Total Expenses YTD \$5,707 under budget

PHELING & PHELING CPA'S:

We met with Zach Pheling, our CPA, to discuss Reserve Funding procedures and collections of outstanding accounts receivables, methods of collections and writing off uncollectable debts. Regarding outstanding accounts receivables, he advised that HOA Boards have every right, as well as a fiduciary responsibility, to collect past due accounts whenever possible, especially given today's financial climate. Only accounts that are less than 4 years old are collectible by collection agencies. In its efforts to collect past membership dues, the Board has the right to negotiate past due accounts by whatever means is reasonable, including forgiving of fines, late fees, lien fees and interest, negotiating payment plans, etc. with homeowners to bring them into compliance and recover as much money in past membership dues as possible. By collecting past dues, we can minimize the financial burden for all property owners. We also discussed the parameters for writing off homeowner's accounts in the case of bankruptcy, foreclosure, death, an account over 4 years old, or those that were not invoiced according to Davis Stirling protocol.

Pheling also recommended reducing the lien fee to \$50 or \$60 instead of the current \$125.00 as this fee was excessive in comparison with other associations. The Board met in Executive Session and agreed to reduce the lien fee to \$60.00. He said that liens have a 10-year life span.

Regarding Reserve Funding, we discussed setting up a separate checking account for Reserve Fund expenditures (with money initially transferred from operating account to Reserve Fund); this will be more efficient and transparent in tracking operating expenditures vs reserve fund expenditures. We will upgrade quick books software and run two separate profit and loss statements, one for operating and the second for reserve fund/expenses.

Any and all expenses related to repair and maintenance of existing fixed assets owned by the RHHA come out of the reserve fund. Some minor repairs/maintenance expenses can be handled out of the operating budget.

MANAGER'S REPORT:

RESERVE STUDY:

Reserve Associations of San Francisco is completing our Reserve Study. The Reserve Study is a financial overview of the 30-year future of the Association and lays out a plan for the HOA over this 30-year period. This reserve study will give a picture of the overall maintenance/repair/replacement costs of HOA assets. This will go out in the fall disclosures. We have 60 days in which to review and make any necessary revisions to the Study.

ARC UPDATE:

No current ARC applications/updates

045-232-070 & 045-232-080 - Properties sold; worked with new owners to determine property lines and water meter box locations.

COLLECTIONS:

Kathy Andre, President, thanked homeowner Mara Eichelmann for volunteering to help with collections. However, due to the sensitive nature of information and concerns for homeowner's privacy regarding monies owed, as well as potential liability issues, our attorney, as well as Davis-Sterling, recommended that only an employee of the association, board member or outside professional collection company should be involved with association debt collections.

COLLECTIONS ACCOUNTS APPROVED TO BE WRITTEN OFF:

Following are accounts that the Board, in Executive Session, voted and approved to write off:

- 045-281-080 \$95.50 (2006 & 2007)
- 045-273-190 \$1,000 (fines)
- 045-281-070 \$500 (past fire abatement)
- 045-183-210 \$500 (past fire abatement)
- 045-273-170 \$32.00 (late fee/property sold)
- 045-252-260 \$1,000 (past fire abatement)
- 045-261-190 \$6,155.67 (from 2008-2011 & fire abatement - owner deceased)
- 045-264-100 \$2176.49 (from 2009-2011) owner deceased
- 045-241-040 \$2,875 (past fire abatement)
- 045-241-240 \$500 (past fire abatement)
- 045-273-140 \$7,287.18 – property in process of selling; upon escrow closing; we will collect \$3,000 in membership dues dating back to 2006 and have lot cleared by Feb 2017.
- 045-273-140 \$1,356.40 (property sold in past; write-off)
- 045-273-140 \$2,167.24 (property sold in past; write-off)

045-273-110 – board voted to lien this property for \$712.80

CODE ENFORCEMENT:

- 045-226-010 Bank foreclosed on property; tenant has 30 days to vacate and remove 11 cats and 3 dogs from premises.
- 045-226-010 Abandoned vehicle; no reg/license; In response to a homeowner complaint on 9/27/16. highway patrol called. Issue resolved.
- 045-233-190 Neighbor complaints regarding dog off leash; property owner recently deceased. Owner's daughter lives on property and will be contacted regarding the complaint
- 045-202-030 Tenants have been evicted. Property management company has taken over management of property at RHHA suggestion. Trash, debris, bathtub, etc. removed from outside of home, and illegal deck cover will be removed. Owner has decided to sell.
- 045-161-020 Homeowner attended hearing regarding their dog; owners cooperating and dog will be confined to fenced backyard; issue resolved.
- 045-181-020 Car parked on neighboring vacant lot belonging to tenant across the street. A note for tenant was left on the car, the car was removed. Issue resolved.
- 045-172-120 RHHA Office contacted by homeowner to report postman froze mail delivery to homeowners on Westridge Drive due to mail/housing case in disrepair causing potential hazard to postman. Worked with Kelseyville Post Master to resolve issue; housing/case was repaired to meet height requirements of 38' to 42' from ground too base of mail box. Issue resolved and mail delivered.

FIRE WISE/ABATEMENT:

The following lots have been cleared:

- 045-143-330 Low Fire Hazard
- 045-173-080 Medium Fire Hazard
- 045-201-170 Medium Fire Hazard
- 045-171-170 Low Fire Hazard
- 045-264-170 High Fire Hazard
- 045-252-260 High Fire Hazard – Property sold, met with new owner who will finish clearing property for fire Abatement and have completed by end of May 2016.

TREES:

- RHHA received letter from attorney regarding trees from adjacent properties overhanging home at 6695 Morningside Drive. APN 045-201-030 & APN 045-201-020. Issue has been resolved.
- APN 045-282-020 Large tree limb/brush removed.
- APN 045-252-230 Working with owner to remove 3 dead trees.
- APN 045-241-240 Getting bids on removal of 3 dead trees.

Obtaining bids for property owners on lot clearing & tree removal, as well as bids for Marina & parking lot dead/dying trees.

DISCLOSURES:

Disclosures are being mailed out this week, which include:

- 2015/2016 financials per CPA
- Reserve Study summary

- Water meeting recap
- Revised tenant rental information form
- Homeowner Survey

VIP UPDATES:

VIP'S are holding a meeting on Wednesday at 1:00 PM to discuss Holiday planning.

CLUBHOUSE:

- Door handle at main entrance of Clubhouse has been repaired.
- Ramp piece was installed at the front door threshold to prevent trip and fall hazards.
- Board voted and approved a bid from High Country Security to purchase and install Security surveillance/camera equipment at the Clubhouse and Marina. Also working with Otte Electric on installation of equipment (electrical needs) at Marina.
- Clubhouse plumbing was done by Benjamin Franklin Plumbing due to serious problem with sewer lines having root intrusions and crumbling pipes. A clean out was added, and lines unplugged; however, major line repair/replacement will be needed to resolve this on-going plumbing issue caused by old pipes, etc. Will get bids for additional work required.
- Davis Fabrication providing an estimate on installation of two hand rails at Clubhouse front entrance to replace original hand railings that were removed when the new deck was installed.
- Iona Ridley will have Yoga Classes on Tuesdays at 10:30 AM and Thursdays at 6:30 PM. There is no charge for the classes
- Cost for the Clubhouse rental for special events by homeowners and general public is still under discussion. The Board has compiled information from other area HOA's in which to do a comparison of their rental procedures and fees. Input from RHHA survey will also be considered.

SWIMMING POOL:

Pool is closed for the season due to rain and drop in temperature. We have had requests for a "Lap Pool Hour" and "Water Aerobics Hour" (adults only) beginning next season. This question was included in the survey sent out to our homeowners.

Had Summers Pool Equipment come out to evaluate on-going pool heater issues. Swimming pool heater and pump motor both need replacing. The cost for a single phase motor with multiple speed pump (more energy efficient) is approx. \$1,500, and \$250.00 in labor. Heater ballpark estimate was \$7,500. This is a high-energy efficient heater which will cut propane use, thus paying for itself over time. Cost for installation is \$900.00. Summers Pool Equipment will provide bids and final costs for both Pool heater and motor for the Board to approve. This is a reserve expense.

MARINA:

Aqua Marine Construction have been terminated from the Marina Pier project as they did not obtain the proper permits or provide RHHA proof of Workman's Compensation insurance prior to the start of work. No money was paid to Aqua Marine Construction. Clear Lake Marine Construction will be

providing us with a new bid for this project and the Board will likely move forward with this company doing the work.

PLUMBING UPDATE:

Benjamin Franklin Plumbing was called out due to pool bathrooms flooding again. This has been a serious, ongoing problem for the past years due to old pipes, etc. Company added clean out unit and unclogged the lines. We contacted ABC Plumbing to look at the situation, as bathrooms flooded again. At their recommendation, we will contact a back-hoe/septic operator to discuss options for resolving plumbing these problems, installing new lines, etc.

WATER UPDATE: Lynette Fishel-Dunbar, citizen's advisory representative for Special District 20 reported that Special Districts held a meeting at the RHHA Club House on October 1, 2016 to update residents of Special Districts 20 as to water hook ups, grant funding status for water treatment plant and steel tanks, etc. She stated that 10 water meters are available for purchase to Special District 20 property owners and that this was a good step forward. Fishel-Dunbar brought to the boards attention that she did not feel it was appropriate to include the water update report done by Kathy Andre in the fall disclosures. Fishel-Dunbar was advised that the Board had already decided to include the report in the fall disclosures, as this information is very important to all Riviera Heights property owners.

OPEN FORUM:

There was a short discussion on the possibility of providing RV parking for homeowners and guests at a designated location in the HOA, such as the old camp grounds or empty lot; this is likely not feasible as it creates potential liability issues for the HOA. There was also a question about the possibility of solar panels.

The plaque honoring former Board President, Nelson Powley, has been hung in the RHHA office. Also, all other plaques of past RHHA presidents & VIP's names have also been hung in the Club House.

An owner asked what had become of the Neon Reflective Address Sign she had ordered from Kelseyville Fire Department; RHHA will check on status.

The meeting was adjourned at 2:40 PM

The next monthly meeting will be held on Wednesday, November 2, 2016.

Minutes Respectfully Submitted by: Barbara Meconi, Secretary _____

Approved by Kathy Andre, President: _____