

RIVIERA HEIGHTS HOMEOWNERS' ASSOCIATION
3040 RIVIERA HEIGHTS DRIVE
KELSEYVILLE, CA., 95451

MONTHLY HOMEOWNERS' MEETING NOVEMBER 2, 2016

CALL TO ORDER:

President Kathy Andre called the meeting to order at 2:10 PM November 1, 2016.

ROLL CALL:

BOARD MEMBERS PRESENT:

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

APPROVAL OF MINUTES:

The minutes of October 5, 2016 were approved as presented.

ACCOUNT BALANCES – read by Kathy Andre as follows:

- Operating Checking \$161,717.27
 - Money Market 19,037.30
 - Fire Abatement 2,288.56
 - ARC 25.00
- \$183,068.13

OPERATING CHECKING/RESERVE CHECKING:

Kathy Andre announced that the Board of Directors have voted to separate Reserve Account Expenditures from the Operating Account expenditures and set up two different checking accounts accordingly. By separating these accounts, bookkeeping will be more transparent, helping us track reserve expenses separately from operational expenses. This has been approved by our CPA. To set up the reserve checking account, we will transfer \$20,000 from the Operating Checking Account into the newly established Reserve Checking account.

SEPTEMBER 2016 FINANCIAL STATEMENT:

Kathy explained how our Profit & Loss Budget and Balance Sheets are reported on an accrual basis in order to maintain consistency with our annual review reports. She explained how cash receipts and disbursements are taken from the reconciled bank account registers and recorded on their corresponding income and expense accounts.

Through September 2016 cash basis income is \$194,134 of which \$181,791 is from assessment payments for the current year and previous years. Cash operating expenses for this period were \$47,848. Of the \$208,008 in assessments charged for 2016-2017 and \$4,050 in late fees, a total of \$179,546 has been collected. This leaves an outstanding balance due of \$32,512.

There was one ownership transfer recorded during the month. YTD there have been eight property transfers.

Workers compensation insurance was paid in September. The billed amount was \$6,177 vs the budget of \$5,500. The annual audit was completed in September and resulted in an increased premium.

YTD expenses, total payroll expense was \$10,051 under budget; office supplies \$576.00 over budget, postage \$388.00 over budget. Clubhouse building repairs over by \$3,800 and pool outside services was \$1,300 over budget (Reserve Expenses). CPA/Accounting expenses was \$2,300 over budget; however, the budget did not include the contract part-time bookkeeper. The total cost for 2015-2016 tax returns and annual review was \$2,536. Legal expenses to date are over budget by about \$7,543; however, we have negotiated a 15% discount on this bill with our law firm that will be reflected in the December profit and loss statement, reducing this expenditure line item. Marina expenses are \$1,763 under budget; total operating expenses are \$7,658 under budget; total expenses \$10,333 over budget (due to reserve expenses and legal fees); Net ordinary income is up \$30,308 over budget.

COLLECTIONS:

The following properties are uncollectible, bad debts which date back as far as 1995 but have never been written off RHHA books. These bad debts must be taken off the books because they give an inflated picture of our assets. The property description, write-off amount and reason for the write-off were read aloud at the Homeowners' Monthly meeting: SEE ATTACHED LIST

ARC ISSUES:

An application was submitted by new property owner at APN #045-232-070 to remove two pine trees to make room for new home construction. The application has been denied until the property owner presents building plans.

APN #045-143-220 Property owner has submitted application to remove pine tree because of continuous plumbing/root problems and beetle infestation. Application has been approved. Tree has been removed by Adam Nichols Tree Company.

CODE ENFORCEMENT:

Car reported parking on someone else's property on Fairway Drive. Car has been removed and complaint resolved.

VIPS'S UPDATE:

The VIPS'S have choose December 10th for their Annual Xmas Party. Flyers are ready to be distributed in boxes.

YOGA:

Kathy announced the Yoga Classes are now being held at the Clubhouse on Tuesday's at 9:30 AM and Thursday evenings at 6:00 PM. Instructor is Riviera Heights homeowner, Iona Rigley.

FIREWISE:

After the Valley Fire, the County of Lake planned to clear the lots that were considered the "worst of the worst" and had not been cleared by the property owners for years. The County was paying for the labor, however would collect the cost of lot clearing from the property owner by assessing them through their property taxes. There have been many delays because of legalities. The County is now

ready to proceed but will not be able to clear as many lots as first thought because the bids prices they received from contractors were excessive, and the County has only limited funds for this project. As such, RHHA has had to revise our "worst of the worst" lots to approximately 13 vs the original 28 turned into the County. Project is still pending County action.

We have had the dead tree by the Clubhouse removed by Francisco's Tree and Garden Service. The cost for cutting the tree, and removing the wood was \$700.

After many delays to due environmental and cultural preservation delays, work on the Mt. Konocti Interface Fuel Break Project has now begun, starting first on property bordering the Riviera Heights and Mt. Konocti, moving toward Riviera West, etc. cutting firebreaks. This is a huge undertaking by the Kelseyville Fire Protection District in partnership with the Lake County Fire Safe Council, working with CAL FIRE to create fuel breaks around many local neighborhoods. The goal of the fuel breaks is to remove flammable brush along the edges of densely populated areas to protect residents and their homes from potential wildfire.

Kathy Andre called Public Works to remove a dead tree that had fallen on Soda Bay Road near the top of the RHHA Marina.

Tom Nixon, President of the Clearlake Riviera Community Association and Kathy Andre met to share information and ideas on how to address fire risk properties when property owners are not cooperative, financially able to do so, or are deceased.

At the urging of The Lake County Fire Safe Council, Riviera Heights, Clear Lake Riviera and Riviera West are discussing the formation of the Mt. Konocti Fire Safe Council, which may bring us grant money opportunities for fire abatement projects.

SWIMMING POOL UPDATE:

The swimming pool heater has gone out and after attempts to repair failed, will be replaced by a high efficiency commercial heater. The cost to replace the heater, venting and installation is \$9,500. The current, non-functional heater posed heating challenges with the pool all summer long. It is 3 years old and is a hybrid residential heater with some commercial parts, inefficient for the needs of a commercial pool our size. Also, as previously discussed, the pump is out and will be replaced with a variable speed pump for \$1,800 plus labor. Both the purchase and installation of the heater and pump will be handled by Tim Summers Pool Equipment Specialists out of Petaluma, who have a commercial license for swimming pool equipment/installation. The Board has voted to approve this purchase. Equipment will be ordered this week and installation is anticipated within the next month, pending weather. We will also evaluate the cost of replacing our current pool cover with a solar pool cover prior to summer season. These are Reserve Expenses.

SECURITY CAMERAS FOR CLUBHOUSE AND MARINA:

The installation of the security cameras for the Clubhouse is completed. The Marina camera installation has begun and is pending electrical work to finish project.

MARINA PIER UPDATE:

Kathy has met with Mark Tanti of Clearlake Marine Construction in Lakeport who will be giving a bid on repairing the vandalism damage that was done to the pier. This is a licensed, insured contractor.

SURVEY RESULTS:

The survey results that were sent out along with our disclosures are being complied. As of this date, we have received 45 responses, with the following results:

Question 1 (times of monthly board meeting): 24 ok as is; 12 Evenings; 6 mornings; 1 afternoon; 2 weekends

Question 2 (replacing green belt area at Club House): 23 in favor; 17 Opposed; 5 no opinion

Question 3 (Pool use/dedicated times for lap pool and water aerobics): 33 in favor; 7 Opposed; 5 no opinion

Question 4 (Allowing short-term rentals; ie. Airbnb): 10 in favor; 31 Opposed; 4 no opinion

Question 5 (Club House rental open to public) 28 in favor; 14 Opposed; 3 no opinion

Question 6 (allowing poultry to be raised): 12 in favor; 31 Opposed; 2 no opinion

RESERVE STUDY:

The Reserve Study, which is required by law, has been completed. This was done by a credentialed Reserve Specialist with Association Reserves, of San Francisco. The cost to do this study was \$1,800. The purpose of the Reserve Study is to give us an assessment as to the status of RHHA assets and the anticipated costs of replacement (and when to replace per the estimated life span of each asset) over the next 30 years. Most importantly, the study provides us with a calculated guideline as to how much the RHHA needs to be saving each year in reserve funds to replace assets. This is critical in developing RHHA budgets and determining reserve projects/funding each year.

HAND RAILINGS:

The hand railings for the Clubhouse front stairs have been ordered and are being fabricated by Davis Fabrication in Lakeport. The previous hand rails were torn down when the new deck was installed several years ago. Installing new hand rails reduces liability risk.

WATER UPDATE:

As announced at the Special Districts Water meeting on October 1, 2016, there were 10 water meters available to homeowners. All but one has been sold for future use. As only one homeowner bought with the intent to build right away, Special Districts has requested the release of additional water meter hookups from the State.

The meeting was adjourned at 3:45.

Next Homeowners' Monthly meeting will be held on December 7, 2016 at 2:00 PM.

Minutes Respectfully Submitted by, Barbara Meconi, Secretary

Approved by Kathy Andre, President _____