

**MINUTES OF THE ANNUAL MEETING OF THE SPRINGS HOMEOWNERS ASSOCIATION  
26 JANUARY 2019**

Meeting Start Time: 7:00 PM

Location: Southmont Fire Department

Current board members present: Tony Freeman, Ruth Howard, Linda Shoaf, Karl Svatek

Absent board member: Curtis Ish

**Overview of Committees and other activities**

The Board

Reporting: Tony Freeman

Director Freeman reported that a new well had been drilled at the clubhouse during the summer, and the board is very pleased. We had to go over 800' deep. Individuals that helped with this project included Bill Conrad, Jim Johnson and David Pflumm.

Director Freeman noted that the community not only benefits from the help provided by committee members, but also help from the community at large with projects like the Tranquility Lakes cleanup.

ARC

Committee Members: **Dan Field, Charlie Ryan**, Ken Vander Schaaf, Donna Freeman, Bob Dums, Barry Slobin

Board Liaison: Tony Freeman

Charlie Ryan provided committee updates since Dan Field was not in attendance. Charlie noted that the committee is always looking for new members. There are currently five houses under construction with no problems. The committee spends a lot of time evaluating trees that have been marked for removal by residents. The committee meets once a month for about 1.5 hours.

Infrastructure and Roads Committee

Members: **David Pflumm**, Jim Bachand, Tony Freeman, Jim Johnson, Jim Kelley, John Dean

Board Liaison: Karl Svatek

David Pflumm reported the committee had a productive year with a lot of help from the community installing the reflectors on most of the major roads in The Springs and the Tranquility Lakes cleanup project. Handicapped parking has been added to the clubhouse. Karl Svatek headed up this project. We had a project to add drainage at our front entrance, but progress has been delayed. NCDOT has agreed to widen Route 8. We are going to put in a drainage ditch. We have the materials... just waiting on drier weather.

For 2019 we are going to repair RPMs, more crack filling – road repair. We might bring a contractor in since the result has been the roads stabilizing. We have a new initiative. Jim Johnson and Jim Kelley want to build bluebird boxes and make them available to residents for a small fee. The neighborhood would attract more bluebirds which eat bugs and mosquitos.

We have a buzzard problem at the clubhouse leaving their signature markings. Over the A-frame truss David placed a thin wire to discourage them from landing. The board has approved getting some animated owls to also work as a deterrent.

Dam repair: The first hurricane caused damage to the first dam. There are two drain valves on the dam. Tony Freeman could not get valves open because water is 3 feet above where bridge is out. There's a hole in the ground where you have to drop down to open a valve. Once they were both open, it helped alleviate some of the flow. Fire ants were an issue – an experience Tony and David Pflumm don't want to relive. Curtis Ish has talked to Lee Truell about using a specific compacted clay to repair the dam. The valves will be redesigned so they can be opened and the operator can stay dry. Lee is waiting for at least 10 consecutive dry days to work on the dam.

#### Social Committee

Members: **Liz Roland**, Donna Freeman, Tracey Hutchins, Cindy Pflumm, May Scheppers, Linda Shoaf, Liz Tilley

Board liaison: Linda Shoaf

Liz started out announcing that gentlemen are always welcomed on the committee and listing the social events for 2019. They include:

Cinco de Mayo

Springs Community Charity Yard Sale

Fourth of July

Oktoberfest

Holiday Party

#### Security Committee

Members: **Debbie Dean**, **Ruth Howard**, Mike James, Donna Stephens, Jerry Tilley

Reporting: Debbie Dean

In May we installed a new gate system replacing the old that must have been 20 years old. The new system has a much larger capacity. The gate box pole was recently damaged by an outside vendor who took responsibility and covered the cost of repair. A new pole and base will be installed in the near future. The cameras at the front gate are working well and are serving as a good deterrent. Last fall we started looking into replacing our current gate clickers. An issue with the current remotes is that they are easily copied into other remotes, and we have no idea how to track them. We have started the process to switch to remotes that cannot be copied and have the ability to be tracked. The company we were working with became unresponsive to our needs, and we found other issues. After research, we have decided on another vendor. Keep an eye on the newsletter for updates.

As far as our front gate, security rests on each of us to avoid people tailgating and to keep our gate codes personal.

In 2018 there were additional responsibilities added to the Security Committee including the boat storage area, pool card access system, and administration of the calling post system. Regarding the boat storage area, the cameras work well. We want to purchase additional cameras. The lock combination was changed not too long ago, and an audit of that area is routinely done to ensure rule compliance. We have recouped several parking areas due to attrition or people moving.

Springs Beautification Group

Members: **Patsy Johnson**, Alice Bachand, Dan Field, Donna Freeman, Curtis Ish, Jim Johnson, Cindy Pflumm, Robin Thomas, Jerry Tilley

Reporting: Jim Johnson (in Patsy Johnson absence)

Board Liaison: Curt Ish

We feel really proud to be responsible for the face of the development. We planted 150 daffodils in beds around Tranquility Lakes last fall. We plant annual begonias in the spring and pansies in the fall/winter -- keeping those areas fertilized and weeded and we apply a lot of deer repellent. We replaced some shrubbery this year which had died and relocated others. We added a picnic table around the upper Tranquility Lake. There will be additional plantings in the spring in that area.

Our committee is responsible for the seasonal decorations – July 4<sup>th</sup>, fall decorations, Hanukah, and Christmas.

We'd love to have anyone that likes to play outside to come help us. There are lots of plans for the upcoming year including some additional plantings and maybe some low-voltage lighting around some trees in the front.

Recreational Facilities Committee

Members: **Liz Roland**, Al Hoppensteadt, Linda Shoaf, Karl Svatek, Jerry Tilley

Board Liaison: Karl Svatek

Reporting: Liz Roland

Liz recognized Bill Conrad in appreciation for keeping the committee informed when repairs need to be made. Jerry Tilley mans the docks. Karl lives beside the main dock, so he keeps watch. Liz reported that things seem to be going rather smoothly. Al did a lot of work last year, so the clubhouse is in good shape. There's a little bit more left to do. The clubhouse is located in a tough spot with a lot of wind exposure. Liz encouraged folks to come visit the clubhouse. Turkey buzzards are still an issue. We're hoping to rent the clubhouse more.

Communication Committee

Members: **Joyce Ish**, Judy Heffner

Board Liaison: Curtis Ish

Reporting: Judy Heffner

There are two primary vehicles that we use to provide our residents with information – our website and our newsletter. The website is where you're going to see minutes, committees, announcements, and events. It's our responsibility to keep that information up-to-date and apply any maintenance that's needed. We recently found out that our website hosting company was no longer going to provide that service, so we've been doing research to find a suitable website host.

The newsletter is distributed on Thursday mornings if we have material. The information in the newsletter comes from the Board. The newsletter process cycle starts with getting material from the Board/committees. The committee puts the information in the newsletter where drafts are distributed for review/approval before we schedule the newsletter for distribution. We currently have 383 people

on our contact list of lot owners, home owners and residents. We use Constant Contact which is an email marketing tool that provides us with stats that help us to improve the process.

If you enjoy working with communication tools and are interested in joining our team, please let us know.

#### The Springs Directory

Reporting: Ken Vander Schaaf

The directory is not sponsored by the Board, but it has been supported by the Board. The directory was initially created by Al Hoppensteadt. The constraint is, if you don't want to share your information, you don't get a copy of the directory. This is intended for residents only. It's a means to communicate with your neighbors. This year Ken plans to again distribute the directory, so he asked that folks review the information and let him know of any changes. Ken distributed some forms for folks that aren't currently on the directory. He will communicate via the blog to keep residents posted.

#### Firewise

Director Freeman reported that we need a new person on this committee. We have a lot of dead wood on our properties which creates a fire hazard. We are funded to remove that and put it out for collection. We complete sheets to get reimbursement for the activity. Curtis Ish will help anyone that wants to serve on this committee. Judy Heffner mentioned that the reimbursement was grant money. Tony said that Curtis would still help with that. Al mentioned that he wasn't sure if funds would be available in the future. It's getting more difficult to get the money, and this may be the last year that they do that, but it has been very successful over the past 10 years. Freeman mentioned that whether we get the money or not, it's still great to get the dead wood out of here.

Walt Kruger, a resident and Board member of the HSVFD, added that the 2018 Firewise program no longer funds major projects like our emergency fire evacuation road and 30,000 gallon water storage tanks but in 2018 still funded home mitigation cleanup programs which we took advantage of. The funds come from the US Department of Agriculture, thus future predictions are uncertain of continual support of this program at this time.

#### Questions from the floor

Mark Todd, 251 Pinnacle Trail

Regarding the dam, the plan is to extend the valve up so we don't have to crawl in? Tony Freeman and David Pflumm responded that they are going to extend and bury the valves, run them about 20 feet towards the second lake (underground), and put a box in with a lid, so that the valve will never be under water. Discussion continued regarding other possible solutions including an electric valve where you would have a panel. The problem is valves with larger diameter are very expensive.

Regarding ARC, Todd asked for clarification on when and where they meet. Charlie Ryan clarified it was the second Monday at 5:00 PM in the clubhouse. Todd has some trees marked that he tagged the first of December. After reading the guidelines and marking the trees that needed to come down, he contacted Dan Field. His trees are still tagged and no one has come by to inspect them. Charlie asked where he lived and said he would come the next day to check out the trees that Todd had marked. He continued to explain that the committee does get a lot of request for approval of tree removal.

Regarding Firewise clarification - it is a grant where we clean our yard up, pick up debris and put it by the road, fill out a form, and someone will come by and pick it up? Charlie responded that the project occurred once a year and that it's already done for this year – normally occurring late November, early December. Each year the announcement is in the newsletter. David Pflumm provided additional information including limitations on the size of wood and where it should be positioned on your property. Another audience member reported he had talked with Shawn who asked folks to stack the wood parallel to the road so he can pick up the stack with his loader.

Front Gate: Do we have a timeline for the project? Debbie Dean replied that it should happen within the next month. The new remotes are not currently available. Progress will be announced in the newsletter.

John Dean asked about the rumble strips repair. David Pflumm said they had discussed it. They want to get an expert to do an assessment. The original rumble strips are perfect. The newer ones crumbled after one season. We want to get a mason to determine what the problem is. We plan on contacting Dale Frank (resident mason) to do the assessment. Walt mentioned going back to the original mason. Walt will get David the name.

Walt suggested applying crack repairs to walkways similar to what we did to the roads. The sealer would also keep the grass from growing through the cracks. David Pflumm will look into it. David felt the company that did the job before did an excellent job.

Another question from the audience (Brenda James) was asking about the results of the long-term recreational facilities survey. Tony responded that it was not the Board, but rather the Long Range Planning Committee. Alex Roland responded that he had sent the results to the board for distribution. He wanted the board to decide if they wanted the results distributed. Tony responded that he thought everyone had seen it. The response to the survey was disappointingly low. Alex said there was a low response, but a general consensus on what should be done. Some decision should be made based on the response. Discussion followed. Karl said that the results would be taken into consideration – one factor in the decision. **Director Freeman asked that this topic be an action item for the new Board.**

Susan Frank had a question regarding the new gate remotes. Would we still be able to program our car panels to open the gate? The response from Ruth was “no.” The clickers that we’ve had in service for the last 12 years can be programmed into vehicles. Unfortunately, when a person uses those clickers to open the gates, a transaction is not registered in our system. When you use your 4-didget code, we know what time of day you use it because it registers as a transaction. We had a problem last year when the system maxed out on codes. We had to make a decision and found in our research – the clickers we were going to get put us back to square one. What we’re trying to do is to close the gap. The new clickers will have an identifier code on the clicker that cannot be duplicated and will be entered into our program. The new clicker will have a clip to attach to your car’s visor. There is a 5-year warranty on the battery. << **This statement in the minutes was corrected after the meeting. There is no warranty on the battery per se. There is a 2-year warranty on the remote according to the manufacturer, DoorKing Systems.** >>

#### Finances

Reporting: Al Hoppensteadt

Attendees were given a copy of Al’s financial statement “Springs High Rock HOA Financial Summary 2018” when they signed in.

1. Cash for Operations – Most of our cash is with Cedar Management who pays all our bills and collects our dues.
2. Cash Held by Board of Directors – this is in a local checking account that provides cash on hand for emergencies, take care of lot fees for people that are building on the lots, construction bonds, etc.
3. Expenses – this year we came in at 94.5% of the budget. It was too wet to do some of the planned projects.
4. Accounts Receivable – always a problem. We have 55 property owners (about 10%) that owe us money. We have very little control over this issue. We have people that have not paid their dues since they bought their lot. You can file a lien, but you're only helping the bank to get their money.
5. Firewise – has already been discussed.

The numbers are fairly good and fairly consistent with last year.

#### Reserve Money

This is all the reserves we have set aside to pay for the dam repairs, the new well, road repair, etc. We started the year with \$872,000 in five accounts and ended the year \$894,000 – we put in more money in reserves than what we spent. If you want to see the difference, we started with the \$872,000, we put \$92,000 from our current budget in, we earned \$8,000 in interest. Expenses included road, clubhouse repairs, new well, gate expenses, and Firewise expenses. Our reserves are substantial, but they need to be with 12 miles of road to maintain – with one mile costing \$100,000 to resurface. One thing we decided to do was to put our money all in one place. We're consolidating in a brokerage account with Morgan Stanley. It will be invested in CDs spread over 5 years, reinvested as they expire – all government secured. We have some money in the bank in Denton. We can electronically move money from Morgan Stanley, and it'll be there the next day.

Next year we're looking at making around \$25,000 in interest compared to \$8,000 last year. This is why we're there. For a long time we didn't have enough money to make money. Now is the time where CDs are paying 3-4%, so this is primarily the reason we're there in addition to consolidating and security. Cedar Management will hold none of our reserve money. It will all be at Morgan Stanley.

Liz Roland asked if he was concerned about all our money being at Morgan Stanley – all at one place. Al said they're just buying CDs. Morgan Stanley is well insured.

#### Election of Officers

Director Freeman: One of our officers is leaving, so we're looking for volunteers to join the Board. Is there anyone that would like to join us up here?

Fred Nadar mentioned he was in construction and could maybe help to save us some money.

Freeman... we meet once a month, but we try to make it so all are available. We have two open Board meetings yearly and then the annual meeting. We'll put your name in the hat.

We have candidate profile sheets. Nadar started to complete one.

David Stephens said we needed to vote tonight. Donna Stephens – Do we have a nominating committee? Aren't we supposed to have a nominating committee? Walt – we are in violation. We have to have a nominating committee, and we have to have five members.

David Stephens – on the annual meeting night we are supposed to have election of officers. When we don't have a quorum, we can't change anything in the bylaws or covenants, but we are supposed to have an election of officers. If someone wants to put their name up, we should do it now – that's what this meeting is for.

Tony – every year it changes. When I was here and wanted to get on the Board, I stood up and gave a presentation and that's what we're asking this gentleman to do. Tony repeated that we have a vacancy on the Board, and we're looking for volunteers from the floor to fill the vacancy on the board.

Fred Nadar said he was willing to run.

Dan Parsons said that if it would not be a conflict of interest with his being paid to plow the Springs roads, he would be interested in being on the board. Dan stated that he was a retired Army Command Sergeant Major with 25 years of service. Dan has also worked as a general contractor and has a background in finance. He would be honored to be a member of the Board.

With six candidates for five positions, the Cedar Management representative wrote the candidate names on the board and asked that they be in order as written (1-6). Cedar Management picked up and counted the ballots.

Resident Fred Nadar was encouraged to speak on behalf of himself. He reported that he was a complete home builder with all licenses needed and has been the recipient of several building awards in national construction magazines. He further reported that he prides himself on building some of the best mold free homes that he personally designed in the Charlotte area.

**Cedar Management announced the new officers: Tony Freeman, Curtis Ish, Linda Shoaf, Karl Svatek, and Dan Parsons**

There was no quorum and officers for 2019 were elected so the open discussion session was completed at 8:30 PM.