

Oakridge Village II HOA Board of Directors Meeting
Tuesday, November 7, 2018
7:05PM

Board Members Present – Jim Cook, Linda McGlothlin, Chad Whisenant, Jan Harvey
Absent: Bill Bohlen

Weeping Willow Tree

- One of the weeping willow trees in the open area adjacent to Keenland Drive was damaged by a recent wind storm. Jim got estimates, and hired a company to trim the tree this week for \$1,750.
- Jim noted that we need to plan for future tree removal in the reserve account.

Landscape

- The irrigation system was turned off during the recent snow storm and then was turned back on so the system mapping and analysis could be completed.
- Jim replaced six broken sprinkler heads, two valve boxes, and a valve. Four broken sprinkler heads were replaced, the water has now been turned off for the winter and the lines have been blown out by Hurr Vasa, the current landscape contractor.
- It was noted that some of the zones were set at 150% of normal watering and were getting too much water. Jim has adjusted the settings taking into account sun, shade etc. He will monitor those areas in the spring.
- The landscape contractor should have monitored the settings. The HOA will get new bids from landscaping companies for next year and the irrigation management will be a separate line item. That work could be done by the same company that does the mowing and landscaping, or by a different company.
- Fall cleanup, by the landscape company, will take place this Thursday and Friday.
- Jim is currently serving as the HOA President and as the Landscape Vice-President. A homeowner is needed to take over the Landscape position.

Finances

Balances:

Operating Funds Checking - \$15,495.41

Reserve Savings \$16,747.25

- \$5,000 will be moved from the checking account to the interest bearing savings account.
- Linda and Jim will get together by early December to go over the categories that should be represented in the financial spreadsheet and prepare a proposed budget for 2019.
- All dues for the year have been paid. Starting with the next dues payment, balances can be paid electronically or by check. The electronic system will be set up through First Bank. The treasurer will receive notice of payment at the treasurer.oakridgevill2hoa@gmail.com email address. Information about electronic payment will be included in the next dues notice and in the December newsletter.
- Two more homes in Oakridge II have sold – 5307 Elderberry for \$420,000 and 1407 Barberry for \$510,000 – for a total of 5 this year. These 5 sales generated \$1,875 in transfer and reserve fees for 2018.
- Part of the water our HOA uses is billed to Oakridge I HOA. Jim has been unable to get in touch with their Board to see how much we owe. He will try and contact them again in December.
- The HOA is below budget for water usage this year.

Paint Policy

- The Board approved the updated paint policy. It will be posted on the website.
- The policy states that if the exterior colors remain the same that no ACC approval is need. If any colors are changed, prior approval is needed.

Snow removal

- At the September 18th Board meeting the board discussed their intention to hire homeowners to clear the HOA sidewalks this winter in an effort to save money and have

more control over when the sidewalks are cleared. For 2018 \$750 was budgeted for snow removal and \$1,665 has been spent to date.

- Jim will contact Hurr Vasa, the company currently doing snow removal, to discuss having them come on an "as needed" basis. Jim would contact them when we need snow removal done.
- Linda will contact our insurance company about liability if a homeowner is hurt while doing snow removal the HOA is paying them to do.
- Jim and Chad will communicate the next time it snows and determine how the snow removal will be handled.

Fence Policy

- Discussion on an updated fence policy was postponed.

Architectural Control

- A home on McMurry put in solar panels without ACC approval.
- A home on Wheaton replaced a driveway without ACC approval.
- Chad, ACC VP, has talked with both homeowners. It was stressed that any changes to the outside of a home must have prior HOA approval.

Water Surcharge

- Jim, Kristi and Chad met with our City Councilmember, Ken Summers, and City staff to discuss the new policy. Ken said he was following staff's recommendation when he voted for the changes and did not realize the new policy on commercial water taps would affect HOAs.
- The City claims it mailed our HOA a letter in November of 2017 about the new excess water use policy. The letter they provided to the HOA showed it was sent on November 16, 2017 to Oakridge Village II HOA at 5285 Wheaton Drive. That address is where one of the water taps is located on HOA open space. Mail sent to that address would not be deliverable. The City says it also mailed a copy of the letter to the HOA post office box, but no letter was ever received.
- We responded promptly to the letter we did receive from the City dated July 27, 2018 regarding the excess water surcharge changes.
- Businesses and HOAs who received the November 2017 letter were able to purchase additional water rights at approximately ½ of the current price. The City turned down the HOA's request to purchase additional water rights at the November 2017 cost.
- The HOA's copy of one of the water permits is marked "NO" to a surcharge. The City says that was an error and should have been marked "YES". The HOA will make a request to review all permits issued to HOAs around that time that are marked "NO".
- The HOA asked the City if they would allow additional water rights to be purchased on a payment plan. That request was denied.
- There are no grants available to help cover the cost of additional water rights.
- At the November 7, 2018 City Council meeting the Council is scheduled to consider a request to delay when the surcharges will take effect for the HOAs who did not receive the original letters.
- Jim pointed out that it did not seem fair for properties who did not receive the November 2017 notification to pay more for water rights than those who got the notification. The City has no documentation showing we received anything from them. It still is not clear how our permit dated August 29, 1988 that was marked "NO" to a surcharge is now being considered a "YES".
- The Board will reach out to homeowners in Oakridge II HOA and see if there are any attorneys who will volunteer to review the current documents and advise the board. Jan will contact some law firms and see if a free consultation is available to discuss our concerns.
- There are two issues that our HOA is still contesting: one of our water tap permits states "NO" surcharge but the City is saying the "NO" should have been a "YES" and will not honor the permit as written. The other is not getting to purchase additional water rights last year, because we did not receive notification from the City, when the increased water allotments were significantly less expensive. The permit issue could cost us about \$6,000 per year. The water rights pricing increase issue will cost us about \$55,000 more for the increased water allotment that the Board is recommending the HOA purchase.

What the HOA is doing

- Homeowner Roger Sherman, an Oakridge homeowner and landscape architect, has offered to draw up plans to xeriscape a small plot in one of our open areas to give homeowners the opportunity to see what's possible with very low water usage.
- It appears it would be possible to borrow \$90,000 from First bank at 6.75% interest and a term of up to 10 years. This money would be used to purchase additional water rights. The bank would require rights to assessments and dues as collateral. If any homeowners would make funds available as collateral it might be possible to get a longer term loan with a lower interest rate.

Jim provided copies of a proposed plan with four options for homeowners to consider.

- Option 1 – Membership vote required - Purchase approximately \$90,000 in additional water rights using a bank loan. Keep common areas adequately watered. Annual dues would increase by \$165
- Option 2 – Membership vote required - Purchase approximately \$90,000 in additional water rights with a special assessment of \$945 plus an increase of \$35 in annual dues. Common areas would stay adequately watered.
- Option 3 – Membership vote required - Do not purchase additional water rights. Increase annual dues by \$180. Keep common areas adequately watered. This option holds the risk of significant dues increases in the future when the City increases the water surcharge fee.
- Option 4 – No membership vote required – Do not purchase additional water rights. Increase annual dues by \$20 (5% maximum increase allowed with no membership vote.) Spend reserve funds to cover any budget deficit, and/or fail to add funds to reserve. Let common area greenscapes possibly go brown by inadequate watering to stay within the current allotment (a 51% reduction in water usage). This would pose a risk of trees dying after a few years of inadequate irrigation.

To increase annual dues more than 5% or to levy a special assessment, a quorum of 60% of the association membership would be required to vote in in-person or by proxy, and a 2/3 affirmative vote of that quorum is needed at the duly called meeting. Jim will put together a proxy form to be used at the annual meeting.

Jan will contact Council Tree Covenant Church and reserve the Blue Spruce room for Tuesday, January 15, 2019 for the annual meeting.

Respectfully submitted,

Jan Harvey
Secretary