Sierra Highlands Ranch Property Owners Association
Minutes of the Meeting of the Board of Directors
March 17, 2026
6:00 pm – 7:18 pm

Board Members Present (via Google Meet):

Wesley Johnson, President
Piper Sowka, Vice President
Austin Eakin, Secretary
Jada Allen, Treasurer
Kathryn Reyes, Director at Large

The open meeting of the Board of Directors of the Sierra Highlands Ranch Property Owners Association was called to order at approximately 6:05 PM on March 17, 2026, via Google Meet.

I. Approval of the Agenda

The agenda for the meeting was presented and followed as structured, covering roll call, approval of prior meeting notes, reports, ongoing business, new business, and general comments.

II. Review of Previous Minutes

Minutes from the previous meeting were distributed via email prior to the meeting. A unanimous approval of the prior meeting minutes was recorded. Austin Eakin noted he would post the approved minutes to the website.

III. Reports

Treasurer's Report - Jada Allen

The financial report effective February 28, 2026, was presented as reported by RealManage:

- Operating Fund: $196,837.30
- Replacement Fund: $183,518.10
- Total Funds: $380,355.40

Concerns were raised regarding the financial report. It was noted that RealManage uses accrual-based accounting, which significantly inflates reported balances. According to an email received from Preferred Properties, the actual transferred funds were:

- Operating Account: $4,348.82
- Reserve Account: $181,924.10

Additional concerns raised:

- RealManage opened a management escrow fund for approximately $20,000 without board notification or authorization.
- RealManage opened a bad debts account for $9,300 and removed those funds the same month without board approval or explanation.
- RealManage had been charging variable invoice fees estimated at approximately $4,000 per month above and beyond agreed amounts, including fees for statements, postage, and property owner late fees.
- RealManage was deducting $25 per delinquent homeowner per month from the association's account under a recurring fee that was not authorized.
- The board had previously requested cash accounting but RealManage continued accrual accounting.
- Detailed ledger information on individual homeowner accounts will not be provided by RealManage during the transition, meaning late fees and other charges will carry over without itemized labels.

Well Report - Wes

Wes reported there is nothing to report on the well at this time. The well will be tested again in the spring, within the next few days to weeks. Piper noted that spring testing should occur between the beginning of March and the end of April, after any significant storms have passed. Wes confirmed he was already planning to follow that approach.

Complaint/Investigation Reports - Austin Eakin

Austin reported that one complaint was received: the damaged culvert caused during road grading by the Pierce contractors. Piper confirmed he spoke with Kent Pierce, who acknowledged the culvert had been broken during grading and that his father may have forgotten to fix it. Kent stated they would make their best effort to address it during the coming week.

Road Report - Piper

- Road work was completed at the bottom of the ranch by Rick and Kent Pierce.
- Mixed reviews were received regarding road width. Approximately five to six members expressed concern about the road being too narrow, while a similar number said it was acceptable.

- Rick stated the road is 19 feet wide, which he described as standard. However, multiple board members and community members disputed this, stating two vehicles cannot pass each other, particularly at curves, and that vehicles have nearly slid off the road in damp conditions.
- A concern was raised about whether the 19-foot measurement includes non-drivable slope areas.
- Austin Eakin volunteered to contact Rick Pierce directly to discuss the road width issue and to physically measure the road. Katherine agreed to accompany him. Sean offered to bring a trailer to assist with the measurement.
- Two invoices from the Pierce contractors remain unpaid: one for $18,000 for grading and one for approximately $20,000 for road improvements. Both are to be paid from reserves. It was noted that the transition to Preferred Properties should resolve future invoice payment delays, as Richard from Preferred has an existing relationship with the Pierces.

New Management Company Report - Wes

Wes reported the following from his contact with Robert at Preferred Properties:

- The transition is progressing smoothly but may take up to 60 days to finalize due to financial processes.
- February financials and homeowner account ledgers will be provided after RealManage completes their reconciliation.
- A notification banner has been added to the Preferred Properties portal informing homeowners that balance information will be imported by April 15th.
- Operating and reserve funds have been received via FedEx and deposited.
- Robert has been working with Robert Mills regarding properties not yet transferred to new owners' names.
- Preferred Properties is fully up and running on their end.

IV. On Going Business

Transition of Homeowner Account Ledger Information to Preferred Properties

- RealManage will not provide detailed ledger information, meaning existing late fees and charges will carry over without itemization.
- Jada Allen noted that detailed information exists in prior monthly financial reports sent to the board.
- The most recent financial report changed its format, reducing detail. The January financial report retains the older, more detailed format.
- A motion was made to table this issue, with Jada Allen and Piper working together to identify the appropriate financial report to send to Preferred Properties, followed by a board vote via email. The motion was seconded by Wes and approved unanimously.

RealManage - Old Management Company Issues

- RealManage was using accrual accounting despite the board's request for cash accounting, which obscured the true account balances.
- A recurring monthly fee was included in the original contract after negotiations; RealManage quietly charged this fee for over a year, amounting to tens of thousands of dollars.
- RealManage decided in November not to pay the $18,000 invoice to the Pierce contractors because doing so would have reduced the account to only a few thousand dollars. The board was never informed of this decision.
- When the transition team identified the unpaid invoice and notified the board, the board voted to approve payment within two days. RealManage then stated it was too late to process.
- RealManage opened a $20,000 management escrow account without board authorization, and those funds were not transferred to Preferred Properties.
- RealManage opened a $9,300 bad debts account and removed those funds the same month without board authorization or explanation.
- Upon departure, RealManage claimed the board owed approximately $19,000 for leaving at the wrong time.
- The board agreed that legal consultation should be pursued after RealManage is removed from the association's insurance policy.
- It was noted that RealManage was previously covered under the association's insurance, and the concern was raised that taking legal action while they remain on the policy could result in them filing a claim, raising premiums.
- The board agreed the first step is to remove RealManage from the insurance and add Preferred Properties. Wes volunteered to contact Robert at Preferred Properties for assistance with this process, and Jada Allen agreed to locate the insurance contact information and send it to Wes.
- Board members agreed to individually research lawyers specializing in HOA management disputes in preparation for a future vote on retaining legal counsel. Kevin Harper was mentioned as a prior contact, though his retainer was noted to be approximately $4,000.
- An audit was discussed as a likely necessary step, but it was agreed that a legal consultation should occur first to determine the appropriate course of action.

V. New Business

Transfer of Funds from Reserve to Operating Account

- The annual budget was confirmed at $106,425, unchanged from the November 17 meeting.
- The operating account balance as of the transfer from RealManage was $4,348.82.

- Austin calculated the prorated remaining budget for the year at $88,687.50, based on ten remaining months.
- A motion was made by Piper to transfer $80,000 from reserves to the operating account, rounded down to preserve reserves given approximately $40,000 in upcoming reserve expenditures for the Pierce invoices.
- The motion was seconded by Austin and approved unanimously.
- Wes agreed to send the transfer request to Robert at Preferred Properties, with all board members copied.

Road Signs

- Jada Allen had prepared emails to three road sign companies for quotes but placed them on hold after learning the operating fund contained only approximately $7,000–$8,000.
- Quotes are valid for 30 days, so new quotes will be requested once finances are stabilized.
- The lowest bid received will be selected.
- Katherine noted that when the time comes, the plan is to use the selected company to install the signs, including setting the posts.

Website and Google Account Upgrade

- The upgrade of the Google account to a business account under the Sierra Highlands Ranch name was discussed.
- The cost is approximately $180 per year, excluding tax.
- Katherine confirmed her vote in favor during the meeting, making the vote unanimous.
- Austin agreed to notify Ray in the morning and confirm the invoice approval.

Homeowner Statements and Communication

- Concern was raised that many homeowners have been receiving statements from RealManage showing inflated or erroneous fees.
- It was suggested that once fees are resolved, a statement be sent to all homeowners with accurate account balances.
- Piper noted that a single-page mailed statement would cost approximately $1.50–$2.00 per resident, totaling under $1,000 for all members. Email blasts are available at no cost.
- Austin agreed to follow up with Preferred Properties regarding statement costs after fees and account balances are resolved.

Insurance Update

- The board agreed to contact the insurance company to remove RealManage and add Preferred Properties as the management company on the policy.
- Wes volunteered to handle this with assistance from Preferred Properties and contact information to be provided by Jada Allen.

VI. Closing

General Comments and Action Items

Outstanding action items reviewed at the close of the meeting:

- Austin Eakin to contact Rick Pierce regarding road width concerns and measurement.
- Austin Eakin and Katherine to meet to physically measure the road; Sean offered to bring a trailer for the measurement.
- Jada Allen and Piper to review financial reports and determine appropriate ledger information to send to Preferred Properties, followed by an email vote.
- Austin Eakin to send an email to Preferred Properties covering: the $80,000 reserve-to-operating transfer, cash accounting versus accrual follow-up, onboarding meeting request, and notification that Jada and Piper are working on homeowner account statement information.
- Wes to contact Robert at Preferred Properties regarding insurance update and to coordinate removal of RealManage and addition of Preferred Properties on the policy.
- Jada Allen to locate insurance contact information and send to Wes.
- All board members to individually research HOA management dispute lawyers in preparation for a future vote.
- Austin Eakin to follow up with Preferred Properties on statement costs for homeowners after fees are resolved.
- Austin Eakin to notify Ray regarding the Google account upgrade approval and invoice.
- Wes to conduct spring well testing between March and April, after any significant storms.
- Austin Eakin to post approved meeting minutes to the website.

There being no further business, a motion to adjourn was made and unanimously approved.

The meeting was adjourned at approximately 7:18 PM on March 17, 2026.

Minutes prepared and submitted by:
Austin Eakin, Secretary