

Klamath Falls Forest Estates, Unit 1  
Homeowners Association, Inc.  
P.O. Box 56  
Bonanza, Oregon 97623

November 12, 2017

Minutes of Meeting  
11-4-17

Location: pump house

Time: 10:00 am

Date: 11-4-17

Reason for meeting: Special meeting with membership to nominate a new board member and inform the membership of the Association status since the nomination of the mostly new board on 9-3-17.

Immediately following the Special meeting there will be a key exchange for the pump house, since it was not done earlier this year. We need to know how many legal residences are actually in possession of keys.

Meeting called to order at 10:10 am

The following representatives were present at this meeting:

President Mr. James Vaughan (541) 880-8991

Vice President and acting Secretary Ms. Michelle Vaughan

Treasurer Mr. Eric Goritz

Board Member Alternate Mr. Sam Marquez

26 Members signed the Sign in Sheet for the Special Membership Meeting November 4<sup>th</sup> 2017

President Mr. James Vaughan welcomed the membership to the meeting and thanked them for coming. He then introduced the new board and their positions on the board to the membership.

President Mr. James Vaughan then asked acting Secretary Ms. Michelle Vaughan to inform the membership of the information received and the status of the Association since the Special meeting of 9-3-17 in which most of the new board was nominated and was the last time the membership met. Items discussed included:

**\*Old Business:**

**\*The fact that the new board had met with most of the previous board for the purpose of transition and organization of the Association to the new board and to provide information about conducting the affairs of the Association. To transfer all documentation and to answer any questions the new board had in regards to general guidance and instruction on current Association business.**

**\*Setting a date and time for changing signatures of check signers for the Association at the bank, which has now been taken care of and is changed over.**

**\*Keys for the Association post office box, how many and when is the box fee due, also changing signature on post office box. Signature is now changed but there are supposed to be three (3) keys to the post office box for the Association, the new board only received one (1) key from the previous board. The new board feels that this is an unacceptable situation and needs to be remedied by re-keying the post office box in order to protect the Association mail.**

**\*When the insurance is due on the pump house. The insurance on the pump house is current.**

**\*The Associations non- profit status. The Associations non-profit status is current.**

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\*Maintenance fees on the pump house. The maintenance fees on the pump house will not be raised this year.

\*Property taxes for the Association

\*Changing the pump house locks, what happens to the old keys/locks. Possibly setting limits on water usage for the pump house. Immediately following the Special meeting on 11-4-17 we will be changing the locks and keys as it was not done earlier this year. People will need to bring proof of legal residency in order to receive their new key. This information was posted on 10-20-17 on the pump house prior to the Special meeting.

\*How often to do water testing on the well, chlorination etc. Water testing was done on the well on 10-24-17 there were no coliforms present or E coli so we did a light chlorination on 10-28-17. Notice was posted on the pump house prior to chlorination.

\*Key holders list for the pump house/waiting list. We will be doing the key exchange for the pump house immediately following the Special meeting on 11-4-17 so we will be able to update our key holders list given to us by the previous board. That way it will be current and we will be able to start a waiting list if necessary.

\*People illegally obtaining water/pulling most recent video footage off of cameras/the surveillance system for the pump house.

\*Are we currently in any legal litigation in regards to the Association that the new board needs to be aware of.

\* We talked with the previous board about Mathew Pusateri posting a notice on the pump house board about a second demand to produce documents dated 9-11-17, was there a first demand and how did the board handle it/ why did he not get to see the books. The new board intended to make the information requested by Mr. Mathew Pusateri available to him as is required in the By-Laws for the Association and is to be made available to anyone who is a member of the Association, when properly requested according to the By-Laws for the Association. At the Regular board meeting on 10-15-17 the new board attempted to give Mr. Mathew Pusateri the documents he demanded we produce, he declined and asked that the documents be mailed to him certified mail with a bill for the reproduction costs. We were not willing to bill him for the requested information, but instead required him to pay for the reproduction costs up front and since the address he requested we mail the information to, was someone else's legal address, we would have to send the requested information to him in care of that person. He then agreed to pay for the requested documents up front and would not require us to mail them. He accepted the requested documents on 10-23-17.

\*Unit membership mailing addresses

\*Any Association information on computers or flash drives etc. that the new board should have or be aware of. Mr. David Pierson said he had information on several computers that he would try to retrieve for the new board, so we provided him a flash drive to download whatever information he may have in regards to Association business.

\*We asked Mr. David Pierson to get together with us to do some sort of a tutorial on the well so we will know how to operate it properly. Board Member Alternate Mr. Sam Marquez is currently working on an operating manual for the well and pump house so that more people will know how to operate and maintain the system.

\*We then asked the previous board members present if there was any other information they thought might be important for the new board to know, anything we may have forgotten to ask or might have been overlooked. Mr. David Pierson expressed concern over how many keys to the pump house might be out there or people obtaining them by duplicating extra keys from people already in possession of keys that have been paid for, also the By-Laws of the Association and how they are written.

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\*We then inquired about the minutes from the annual meeting of August 20, 2016 under the heading:  
New Business:

Real estate offices selling property with use of the well, the board noted the need to look into the problem.

\*We asked how the board addressed this issue with the real estate offices or agents. The new board is still addressing this issue as it is an ongoing problem. We need people to tell us which real estate offices and agents are doing this so we can directly contact them and make it clear that only Legal Residences are allowed to have access to the pump house and only after they pay the maintenance fee and sign the Key Holder Information Form And Agreement holding the Klamath Falls Forest Estates, Unit 1, Homeowners Association harmless from any liability or damage resulting from the acquisition of, and/or, use of, and/or consumption of water from the pump house, and will indemnify Klamath Falls Forest Estates, Unit 1, Homeowners Association for any loss.

David Pierson brought up a new key system that can't be duplicated and that the cost would be \$1250.00 approximately.

\*We asked Mr. David Pierson what he had found out about this new key system for the pump house. The new board is also looking into a new key system for the pump house.

\*We then thanked the previous board for their instruction and guidance in the transfer of the handling of the Association business to the new board. They stated that they would be glad to help with any questions or anything we might need assistance with in the future.

\*After Mr. Rendahl and Mr. Pierson left the meeting the new board discussed the need to get more documentation from Former Treasurer Mrs. Cindy Pickett who was absent from this meeting and talking to Newly selected Secretary Mr. Michael Koska Jr. who also was absent from this meeting, about any documentation that had been given to him for the new board.

\*President Mr. James Vaughan wanted to look into the code enforcement officer for the county checking on people who were not following the new county rules about time limits on camping and permits required. The new laws were adopted May 31, 2017 under Article 82 Camping. These new laws regarding camping have been posted on the pump house. County Code Enforcement needs to enforce County Code Enforcement laws. If you have a complaint about someone in violation of County laws there are forms you can fill out to address the problem. Call Mr. James Vaughan (541) 880-8991 and he will be able to help you with information on how to go about doing this.

\*Possibly setting up a neighborhood watch program with law enforcement.

\*Once the Newly selected Treasurer Mr. Eric Goritz had a chance to change over the check signers at the bank and a chance to look at all the financial records and transactions for the association, he discovered that there were many discrepancies. He started with the Annual Financial Report 2016-2017 given to everyone at the last annual meeting on August 19, 2017 now exhibit A. It stated that the Ending balance as of August 19, 2017 was \$26,200.52 However when he looked at the statement from the bank for August the total balance was \$20,716.23. He then started ordering the back documents so that he could put the actual records with them to compare, which took a very long time, 26 hours in total. He went back and did an assumption of the 46 keys handed out in 2014 and took all the deposits that were deposited in the bank, actual checks, got copies of the checks so he could verify it and put it on a spread sheet. In 2014 we are missing \$2,120. In 2015 we are missing \$1,264. In 2016 we are missing \$1,830. In 2017 we are missing \$1,906.15. The receipt book contains cash receipts, the amount of cash that was received and the amount of cash that got into the bank account had to be broken down by taking the deposits and breaking out the checks from that deposit so you get what was left as cash. So we are missing a great deal of money, \$7,120.85 over the course of four years. We are literally missing almost a

August 19, 2017

Klamath Falls Forest Estates, Unit 1

Homeowners Association, Inc.

P.O. Box 56

Bonanza Oregon 97623

Annual Financial Report 2016 - 2017

Pacific power	3300.00
Property Taxes	61.15
Oregon Dept. of Forestry	93.75
Coastal	19.58
Spring Street Analytical	118.00
State of Oregon	50.00
USPS	134.00
Philadelphia Insurance	417.00
Misc. office supplies	40.00
 Total expenses	 \$4233.48
Deposit pending	60.00
 Beginning balance	 22934.00
Net expenses	4233.48
Net income	7500.00
Ending balance	26200.52

Pending deposit 60.00

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year's worth of dues. We did send Former Treasurer Mrs. Cindy Pickett a letter asking her if she had any cash or checks that still needed to be deposited, we asked her to come and talk to us about it, a reason or explanation for the missing funds and then we gave her thirty days to respond. After thirty days we will see if the state will take on the case if not then we will have to pursue a civil case. President James Vaughan and Treasurer Eric Goritz will go to the county first to try to save money but we do find it necessary to get the treasury back to where it is supposed to be and then move forward from there. What needs to happen in the future is we need an audit committee to meet every three months, the treasurer shows them what we have, what was spent and they sign off that the books are good. Without that Mr. Eric Goritz, who is a C.P.A. with the State of Illinois, does not want to be responsible as it alleviates liability. He needs any three people who are not related to anyone on the board to sign up for the audit committee. We had three volunteers step forward to be on the audit committee at the Special meeting on 11-4-17. Thank you to those that chose to volunteer to help out your neighbors and community. In the future Treasurer Mr. Eric Goritz would like to post the bank statements on the board so anyone can look at the financial well-being of the Association for reasons of transparency and accountability.

\*Mr. Eric Goritz mentioned an organization that could possibly help people with payment of their water fees and would look into this and let us know about it so we can make the information available to be posted on the board.

\*Board Member Mr. Sam Marquez installed a suggestion box at the pump house for people to provide information or suggestions that they think might be helpful in some way or to volunteer for any projects they would like to help out with. You can put your name and phone number if you would like a response. Mr. Sam Marquez had a document from the Klamath County Public Works Department he will post on the pump house regarding Proper address and Building Permits with County Code Enforcement. If you have questions you can contact these agencies or departments to find out what you need to do to be in compliance with the State and County laws.

\*The fact that we needed to have a Special Meeting for the nomination of a new board member to the board following the resignation of Mr. Michael Koska Jr. We asked that you please not allow yourself to be nominated if you do not have the time, dedication or qualifications to serve. None of the board members get paid for their time or efforts we do it because we live here and want to look out for the well-being of the community. The Special Meeting was held on 11-4-17.

\*President Mr. James Vaughan then thanked the board for all their work and efforts. He also wished to thank Mr. James Marrs for helping remove the old insulation in the well house and replacing it with new insulation, Ms. Rae Ann Lee for cutting thistles around the pump house, thank you. And Mr. Josh Grenier for installing the cameras at the pump house, thank you very much also. We could always use more volunteers to help with various projects, if you have any skills, talents thoughts or ideas or are just willing to donate your time it would be greatly appreciated. Please leave your name and number in the suggestion box at the pump house so we can contact you. Thank You for your willingness to help out your community.

\*New Business:

\*We are still looking into a different location to conduct the meetings possibly indoors, maybe have law enforcement there to help with setting up a neighborhood watch program.

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\*After the meeting there will be a key exchange

\*Don Ricard wanted an "Atta Boy" for Mr. Mathew Pusateri for bringing the financial situation with the Association to light. The board acknowledged that there were definitely some discrepancies and that we are trying to straighten it out. The members then agreed that we should thank Mr. Mathew Pusateri and the new board.

\* The Special Meeting was held on 11-4-17. The purpose of the meeting was for nomination of a new board member to the board. Two people were nominated to be on the board: Mrs. Cindy Wilson and Mr. Rick Thomas. Mr. James Marrs and Mr. Dennis Gibbs helped to count the votes. One person was voted in for new board member. The vote was (9) for Mrs. Cindy Wilson and (4) for Mr. Rick Thomas. Thank you both for stepping up and being willing to volunteer for the betterment of your community. Congratulations to Mrs. Cindy Wilson and welcome to the board and to the community as well since she is new here.

\*President Mr. James Vaughan wanted to thank the board for all their hard work and Mr. James Marrs for cleaning up the trash left near the mail boxes, Thank You for caring about your community.

The next Regular Board Meeting will be on January 20, 2018 at the pump house at 10:00 am

All members are welcome to come and listen

Meeting adjourned at 10:51 am

Minutes prepared by  
Vice President  
For The Association  
Michelle Vaughan