



**Rocky Point Heights Community Club
May 26, 2022, Annual Meeting Minutes**

Minutes approved at the May 17, 2023, Annual Meeting.

Open Meeting: Carlos

Carlos Veliz opened the meeting at 7:00 pm

Pledge of Allegiance led by Carlos Veliz.

Introduction of Board of Trustees

Jack Baker introduced the current Board of Trustees.

Present: Carlos Veliz (President), Dwight Perkins (Treasurer), Jack Baker (Secretary), Jon Arnold (Trustee)

Not present Gordon Bowman (Vice President) Edgar Guzman (Trustee), Darrell Macke (Trustee)

Resident Member Attendees:

	Name	Address
1	Carlos & Maggie Veliz	527 Island View Drive
2	Dwight & Amy Perkins	521 Island View Drive
3	Jon & Ardith Arnold	557 Island View Drive
4	Jack & Karen Baker	985 Rocky Terrace
5	Doug & Ruth Fries	533 Island View Drive
6	Kristi & Judy Bennitt	950 Karen Ann Drive
7	Michael & Jillian Tichota	917 Vicky Place
8	Joel & Leilani Shaw	915 Karen Ann Drive
9	Theresa Dowling	919 Karen Ann Drive
10	Alan Marsh	936 Karen Ann Drive
11	Gerald Jones	925 Vicky Place
12	Nicole Bowman	910 Vicky Place
13	Kirk Packard	956 James Way
14	Aaron & Rebecca Wheeler	939 James Way
15	Gary Johnson	945 Karen Ann Drive
16	Patricia Gordon	920 Vicky Place

Resident Member by Proxy:

	Name	Address
1	Lawrence & Jill Erwin	939 Karen Ann Drive
2	Brian Wiedmann	664 Island View
3	Dwight Lawseth	910 Valerie Drive
4	Joanna Dobbs/Charles Pratt	985 Camrose Ct.
5	Darrell & Linda Macke	975 Karen Ann Drive
6	Larry Gasman	959 Karen Ann Drive
7	Eugene Christian Istrate	903 Karen Ann Drive

8	Christi & Dan Kauffman	950 James Way
9	Penny Abdollmohammadi	979 Karen Ann Drive
10	Esther Valdez	933 James Way
11	Bryan Milligan	975 Rocky Terrace
12	Dwight Lawseth	910 Valerie Drive
13	Evan & Norene Anderson	412 Island View Drive

Jack –Confirmed the meeting has a quorum.

With the proxies submitted and those present we have a quorum for this meeting.

Carlos Veliz introduced our guest speaker

Philip Buri is the attorney RPHCC uses for legal counsel. Mr. Buri is here to explain our options as a homeowner’s association when members do not adhere to the covenants.

Mr. Buri

Mr. Buri expressed he appreciates helping HOAs. The purpose of an HOA is about neighborhood values. Question, why do HOAs have covenants? What happens if members do not adhere to the covenants? HOAs using covenants started in the 60s, Cities applauded them because they relieved them of the burden of their work. A HOA is like a local government. They have covenants, (like easements), the developer gave property rights to the HOA, to take care of the properties.

HOAs develop Bylaws, like how often and when to meet, vote for trustees, these were typically written by the developer, but may be updated by the Board of Trustees.

HOAs may have Rules & Regulations, these cannot conflict with the covenants or Bylaws. They are intended to further explain the covenant and/or Bylaws.

The problem is what can unite can also divide. For 95% of owners there is no problem. For 5% of owners, they either do not know there are covenants or believe they own their property and on one can tell them what they can do.

Property values are generally helped by owner’s participation with the covenants. For those who do not participate the Revised Code of Washington (RCW) require the HOA, A. To notify an owner of their violation of the HOA covenants, B. If the violation is not resolved in 30 days, then a lien can be placed against the property (a lien is a debt that must be paid prior to the sale of a property), Hire an attorney to try to get a judge’s agreement. Getting a judgement can cost between \$50,000 and \$100,000.

My advice is to enforce covenants within your budget, you may have to be patient with those who refuse to correct violations.

QUESTIONS & ANSWERS

Q – Why are the police/sheriff not doing something?

A – The sheriff does not get involved in civil health & safety issues unless criminal. You can file your own lawsuit if you choose.

Q – What about vandalism?

A – Identity of vandal must be proven, legal matter

Q- What about the situation that has been going on for over 3 years?

A - The HOA has everything in place, a lien has been placed. The best solution is to convince the people to change, neighbor-to-neighbor. When this will not work follow the procedure to file a lien and be patient. There is no magic wand. Your HOA can only go so far

Q – It appears one place is running a business, isn’t that against our covenants?

A – Carlos answered, a lien has been placed against that property.

A – The legal system tends to favor the rich because it is very expensive to go to court.

A – Attendee, it seems we are already at a war with some members. If you see a criminal act, call the police. We need to build a paper trail. Record time, date and specific incidence.

Q – It seems people are afraid to confront, this will not help we cannot back down out of fear things will either continue or get worse if we do not participate.

A – We have filed liens against violators.

Q - Can the amount of the lien be increased?

A – A lien is like a place holder. Interest can be charged, additional infractions can be added, the lien can grow.

Carlos- We are asking for your help. If you see a violation, or continued violation document this to the Board so infractions can be added. Be specific when submitting a complaint, we need place, and quoted covenant violation being submitted. People need to contact the sheriff when they see something. You can also contact the County Code Enforcement. When you call the sheriff's office ask for a report number so we can follow up on what action was taken.

A – Mr. Buri – A covenant violation complaint in general must submitted in a written form with proof of the violation, pictures will help.

Q – What if the violator does not own the property?

A - This does not matter if the owner allows the tenant to live there.

Mr. Buri – you are here because you care, these issues will eventually be resolved but may take a lot of patience. Going to court will be very expensive and there is no guarantee you will win.

Q – Can we petition a person to move?

A - In essence that is a legal complaint.

Mr. Buri was thanked for his attendance and the information he provided.

Approval of Minutes from last year: Jack

Call for discussion on the May 28, 2021, annual meeting minutes. Doug Fries moved to have minutes approved, Alan Marsh seconded the motion. Vote approved minutes

Call for additional agenda items: Carlos*

No additional items were requested.

Reports & Committees

Treasurer's Report: Dwight

Dwight presented a summary of water replacement costs of \$650,000, 40-year USDA loan of \$450,00 at 2.125% interest. Annual costs to RPHCC will be \$16,758. RPHCC raised dues in 2011 for preliminary design. 2020 engineering costs were \$50,000. 2022 we will finish paying off the Phase I construction costs. Dues will continue to accumulate funds for future construction, ongoing expenses. Dwight presented the 2022 budget and 2021-12-31 Balance sheet with a request for approval. Maggi Veliz motioned approval, Kirk Patrick seconded the motion. Vote approved the motion.

Combined water system (CWS) report: Jack

December 2021 CWS paid to have the RPHCC water storage tank espied, inspected, and cleaned. The pump house was upgraded and extended to isolate chlorine handling from the pumps, piping, electrical and instrumentation equipment. The emergency engine generator was replaced and propane capacity increased. The pump at well #5, near the bottom of James Way was replaced. \$5,000 was reimbursed to RPHCC for our upgrade that required work on facilities owned by CWS. Plans are to replace the booster pumps required to keep water pressure up in the homes at higher elevations. Instrumentation is being added to provide real time readings at well #5 of pump run and water table elevation. Next year plans include replacing all home water meters with drive by read meters that will also provide leak detection.

Water maintenance committee report: Jack

The water upgrade replaced 2,056 lineal feet of 4-inch diameter asbestos cement pipe with 6-inch diameter high density polyethylene (HDPE) pipe, added 3 new fire hydrants and 134 lineal feet of 2-inch HDPE pipe. The \$450,000 USDA loan reimbursed RPHCC for costs incurred from pre-design through final construction of Phase I. I want to express appreciation to Dave Bennitt and Kong Ma who provided on-site observation when I could not be here due to my work schedule. If the engineer provided the on-site observation our costs would have been increased by \$20,000 +/-.

Building/Design Committee report: Jack in Darrell's absence

The only item to present is about the house that burned down at 694 Island View. Construction is expected to resume this summer. The owner had an issue with permitting due to outdated septic system documents that were presented when he bought the house.

Welcoming committee report: Jack

I try to meet with new owners or renters to explain the water policies, the annual dues, septic systems for those who have not had one before and answer questions. I usually include Christine Buchanan to help answer questions.

Publicity Committee: Carlos

Carlos & Maggie are donating a web site. Please join a committee to help and meet twice per year. The web site is interactive.

Trustee Committee Nominations:

Typically, either three or four trustees are nominated each year for a two-year term. This year there are five members because one trustee was not open for election last year. Ballots were provided with the five names for individual votes or there is an option at the top of the ballot to select all nominees.

New Business: Jack

Voting on Trustee Nominations – Jack

The five nominees, returning trustees; Jon Arnold, Jack Baker and Dwight Perkins, new trustees Christine Buchanan and Brian Wiedmann were all selected unanimously.

Additional business – open discussion

- Someone mentioned we need to be on watch, they noticed a bike was knocked down and a mailbox missing.
- One member asked that the Honey Bucket could be moved that has been in front of the house at 694 Island View (house that burned)
- Question was asked, has there been an audit on our books? Alan Marsh answered State Law does not require an audit because we do not deal with that much money. Also, an audit is very expensive. Our budget and balance sheet are provided at each annual meeting.
- A request was made to make sure the annual meetings are not scheduled on long weekends, like this one (Memorial Day is May 30 this year)

Closing comments Carlos

- If you want to submit a complaint about a covenant violation you can do so on the web site.
- We can only deal with covenant and Bylaw issues, we cannot deal with legal matters
- If you call me or other trustees, be respectful, if not we will probably block you.
- Covenant and bylaw decisions have to be made by the full Board. No one of us can make decisions without input from the other trustees.
- If you have some additional time, please call to offer to volunteer for a committee.

Meeting Adjournment

Motion to adjourn by Jack Baker, second by Maggie Veliz, motion carried meeting adjourned at 8:22 pm

ROCKY POINT HEIGHTS COMMUNITY CLUB				2022 Feb 10 Board Approved	
	2019	2020	2021	Budget dtp 02-28-2022	
INCOME					
DUES	30,032.97	32456.08	29697.17	32,190.00	
PAST DUE FEES	345.00	350.00	550.00	500.00	
TITLE TRANSFERS	200.00	1000.00	1000.00	1,000.00	
INTEREST & DIVIDENDS	3,039.12	2424.20	448.40	200.00	
FINES		280.00	207.00		
WATER HOOKUPS	2,000.00	2000.00			
USDA Loan Proceeds			139077.28	310,922.72	
TOTAL INCOME	35,617.09	38510.28	170979.85	344,812.72	
EXPENSE					
USDA Loan Service				16,758.00	
POSTAGE & MISC OFFICE	239.65	164.98	457.69	250.00	
ACCOUNTING	997.30	689.05	1298.40	1,200.00	
INSURANCE	2,910.00	2922.00	2939.00	3,000.00	
ATTORNEY FEES	1,475.35	631.20		2,000.00	
PUD	98.55	98.55	90.18	100.00	
REPAIRS	236.33				
Phase 1 TRICO Constuction			225203.40	281,367.20	
Phase 1 Engineering	14319.17	48826.65	69302.26	10,373.34	
Phase 1 Misc Incl MTC			4590.80		
TOTAL EXPENSE	20,276.35	53332.43	303881.73	315,048.54	

ROCKY POINT HEIGHTS COMMUNITY CLUB

Balance Sheet

As of December 31, 2021

	<u>Dec 31, 21</u>
ASSETS	
Current Assets	
Checking/Savings	
Checking Heritage Bank	15,007.67
Money Market 2475 Heritage Bank	<u>1,256.31</u>
Total Checking/Savings	16,263.98
Accounts Receivable	
Accounts Receivable	<u>-405.68</u>
Total Accounts Receivable	-405.68
Other Current Assets	
CD #8747	103,135.51
CD# 4043	6,964.97
Undeposited Funds	<u>10.00</u>
Total Other Current Assets	<u>110,110.48</u>
Total Current Assets	<u>125,968.78</u>
TOTAL ASSETS	<u>125,968.78</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
USDA Loan #910887250122004	<u>139,077.28</u>
Total Other Current Liabilities	<u>139,077.28</u>
Total Current Liabilities	<u>139,077.28</u>
Total Liabilities	139,077.28

ROCKY POINT HEIGHTS COMMUNITY CLUB

01/18/22

Balance Sheet

Cash Basis

As of December 31, 2021

	<u>Dec 31, 21</u>
Equity	
Restricted (retained earnings)	-9.91
Unrestrict (retained earnings)	258,880.57
Net Income	<u>-271,979.16</u>
Total Equity	<u>-13,108.50</u>
TOTAL LIABILITIES & EQUITY	<u><u>125,968.78</u></u>