

**Riviera West Property Owners Association
Board of Directors Meeting
Thursday 20 May, 2010
Held at Riviera West Clubhouse**

MINUTES

- CALL to ORDER ó 9:00 am
- ROLL CALL -- All officers present

Board Members Present:

President ó Phil Wilson
Vice President ó Doug Morris
Treasurer ó Linda McPherson
Secretary ó Karl Hoenke
Director ó Doug Bridges

Board Members NOT Present:

- CONSENT CALENDAR:
Minutes ó Motion M/S/C

COMMITTEE REPORTS:

- a. Operations & Maintenance ó Phil
 - i. Jim has begun spraying weeds in public areas
 - ii. Local contractors appear uninterested in offering quotes for repairing our dock. Since our insurance company wants two such quotes in order to process a claim, we are negotiating to reach a base point so we can move forward. Again, our hope is that we will obtain a fair settlement and will have enough funds to add to that to replace the dock next winter during low water.
- b. Treasurer's Report ó Linda
 - i. We expect normal expenditures through the end of the fiscal year (30 June) to be around \$20K. We are presently \$86K ahead thus leaving \$66K, and we must, by law, put \$50K into our reserve account. This leaves \$16K surplus which will also be placed in the reserve account. The law requires that funds be set aside in reserve to cover operations, maintenance and improvements and might be thought of as, at least, partly building an account to replace depreciated assets.

- ii. In recent years we have borrowed against the reserve account (which is legally permitted) to cover needs but have not seriously raised annual dues. The reserve account is now a negative \$140K which means we are seriously underfunded.
 - iii. Linda will prepare for presentation at the Annual Meeting in June a Reserve Analysis report forecasting ongoing revenues and expenditures and a wish list of projects suggested and/or demanded by residents. Given the current reserve account shortfall, we can anticipate a discussion of HOW to increase revenues. Keeping annual dues low was unrealistic, failed to cover costs, and has left us underfunded; we can begin to raise dues closer to statutory limits (20%) or expect periodic special assessments. On an annual basis, the latter will most likely be much larger than nibbling at the shortfall over time.
 - c. Architectural Review & Planning ó Phil noted that the committee comprises Paul Barber, Sharon Beeson, and himself, temporarily. He is asking for a volunteer to replace him at the earliest possible time. The Perrys on Riviera West have requested permission to remove a large, deteriorating digger pine. This provoked a broader discussion of aggressively removing digger pines in general, which will be pursued at a later meeting.
 - d. Fuel & Fire Abatement ó Still too wet to conduct most removal actions. Many residents are trying to keep us with rain-induced heavy spring growth but the extended wetness will likely necessitate repeated weed removals. The digger pine issue showed up in discussing fire risk as well.
 - e. Ladies Club ó See comments on emergency response preparations below.
 - f. Marina ó Sharon Beeson volunteered to see if she can get dock replacement cost figures from similar work across the lake. See also the President's report above.
- OLD BUSINESS
 - a. Propane Tank Concealment ó Twenty-eight letters were sent to owners and 14 have responded positively.
 - b. Emergency Contacts ó Karen Magnuson had requested a database which could be used to identify who lives on each street so that a phone tree and/or other means of communication plan could be put in place in case of emergency. Katy has the necessary information which can be adapted to this purpose. Also, Sharon Beeson remarked that there is an old track running uphill from Soda Bay Road somewhere between Toyon and Chaparral. Doug Morris recalled it was used by Braitos in the past. Sharon will make contact to see if this offers any potential as an emergency exit on the north side.

- NEW BUSINESS
 - a. Pool Solar Panels ó Jonas provided a rough estimate of \$50K for solar heating panels for the pool. Overnight heat losses routinely exceed daily heat input. Therefore the solar panels would be a substitute for daily propane consumption. However, in order to reheat the pool each morning to acceptable temperatures, propane would probably be required until later in the day when solar heat was sufficient, thus eroding the potential savings. Doug Bridges suggested öwater liliesö, foam pads which would be floated on the pool overnight to retain heat, thus reducing the demand for propane each morning for reheating. He will investigate the cost of using these.
 - b. Annual Dues Increase ó Dues for 2010/2911 will be \$275, an increase of approximately 7%, resulting in increased revenue of about \$3,700. Since around half that gets eaten by inflation, the remainder will do little to close the gap in the reserve account (see Treasurer's Report above). Most comments from the audience expressed surprise at just how low our annual dues are, while others noted that this fee had gone up quite a bit over the years. (For perspective, arithmetically, a 7% compounded increase will double the starting figure in 10 years.) The bottom line is: To be fiscally responsible and avoid future surprises, we must seriously increase our annual revenues to close the shortfall and prepare for needed expenditures.

- OWNER'S FORUM
 - a. Sharon Beeson inquired if öNo Solicitor's signs could be posted at the foot of Riviera West to fend off door-to-door traffic. No decision.

- NEXT MEETING ó Will be the Annual Meeting 19 June at 9:00 am

- ADJOURNEMENT: Motion M/S/C ó 9:50 am

Respectfully submitted,
Karl Hoenke, Secretary