



Annual Property Owners Association Meeting
January 16, 2010

1. President's Opening Remarks -- Pat Lisowski

A. Pat called the annual Property Owners Association (POA) of River Ridge Ranch (RRR) meeting to order at approximately 1:00 p.m. at the Killeen Civic and Conference Center, following a catered box lunch provided for home and property owners. There were 55 members in attendance or by proxy. Dues were collected, changes in gate codes made and there was a table with t-shirts for sale in support of the Save the Lampasas River (STLR) group.

B. Board and Committee Membership: Outgoing board members were recognized. Jennifer Brown, who has been the secretary on the Board of Directors for 10 years; Mike Prestigiaco as the VP for Operations for six years. New Board of Director members will be elected during this meeting. Melita Wright was also recognized for her work last year as the Chairman, Architectural Control Committee (ACC); she and Joe Lefevre will remain on the ACC. Deb Turland will take over as Chairman, ACC. John Parker will remain in charge of Volunteer Day and the website, Brian Trahan will maintain his position as the gate keeper with Dan Kittredge to assist; Dan will also be responsible for the gate camera.

C. Community Update: new property owners were introduced: The Cooks on Sunset and Eric Lewis on Hi Ridge, the Farris' (not present), and Winfields (not present). There are 116 homesteads, 50 homes; one in construction and 65 members as landowners. A new RRR map was distributed, courtesy of Brian Trehan. New homes completed included the Germans, Riveras and Releford. Pat reviewed slides of the wildlife, the annual regatta, hiking trail and clean up days at RRR.

D. Save the Lampasas River (STLR). Pat discussed the STLR organization and encouraged people to attend the public hearings, Monday, January 18th at the Hilton on 4th street in Austin in support of the landowners cause. He invited attendees to come up to look at the posted map on the proposed routes for the Oncor power lines. Pat gave a detailed explanation of the plan for moving the West Texas wind energy to the rest of Texas and how these lines might impact us at RRR. Several of our homeowners have been on the steering committee for the STLR. Right now things are looking more hopeful but nothing is certain - this is not a completed action. If the power lines are anywhere close to RRR, it will have a negative impact on home property values. The final decision by Oncor and the Public Utilities Commission (PUC) is scheduled for April 5th. More information is available at www.savethelampasas.org. Recommend RRR POA donate \$2500 in support of the legal expenses for STLR, also encouraged individuals to donate personally. A question was asked if this donation is a tax

deductible, not for the POA, but for individuals it is. Alliance's CPA informed us that donations from RRR to STLR are not deductible on an individual basis.

2. VP of Operations Report -- Mike Prestigiaco

A. There are three components of the Operations Committee: Architectural Control Committee (ACC), Gate Operations and Maintenance. Deb Turland and Melita Wright have exchanged positions on the committee and Joe LeFevre will also stay on the committee. Mike expressed his appreciation for the several years of committed service of Randolph Hayes as a member of the ACC.

B. ACC was very busy and three new house plans were approved: Dillon's, Croslin's and Cook's. Several years ago the board instituted a \$1500 road bond to all new homebuilders and added debris piles to this bond. Homebuilders are advised that the road bond will not be returned until the road is completed, debris piles cleaned up and as of this year, the fence is completed. Alliance announced that there was no money for a new main gate and a vote by property owners provided an overwhelming response to spend the money in 2009 for a new gate. We're very pleased with *Storage Security* of Killeen – good work, very responsive and we're confident that they will properly maintain our gate. Dan Kittredge has been responsible for installing and maintaining the camera. The camera is now functional and will hold up to four months worth of data. Gate codes were discussed and the annual requirement to assign a new number for each property owner by February 1st was clarified. Concerns were expressed that the gate call box had not worked for the past month – the phone company turned it off when the monthly payment was not received; that has been corrected.

C. Operations: One and three-quarters miles of road resurfaced. The unit cost for asphalt rose from \$1.85 to over \$4.00 a sq. yard in 2008. As of March 2009 the cost was \$2.85 a sq yard. In addition the road outside of the Friesen's has been continually resurfaced due to an underground spring and concrete was the only solution – fortunately it has worked. Also a spillway repair (Estate Dr.) was done as water undercut the foundation at the spillway and for a minimal amount it was repaired. The flood of 2007 washed away the beach and this was repaired as well. Grass cutting was reduced to three times last year due to the drought, \$500 each cut; saved \$500 last year. The 2010 budget has money for patches on our community roads.

3. Treasurer's Report -- Lilly Kittredge

Introduced Anna Cooper from Alliance Association Management; she just received our account.

A. Balance Sheet: explained the Balance Sheet Report, expenses \$133,855, our balance is \$72,353. A question was asked about CDs being a part of Assets and Pat said they were. Questions included: Who audits our account? Tilson, Lynch and Company. We were audited last year when we changed treasurers and now with Alliance on board, we don't see the need to audit this year. The question was asked, how much did we spend on roads? Answer: \$112,525. A member expressed concern

about setting aside enough money for road maintenance. The board will address this issue at subsequent meetings. The question was also asked, what are the attorney's fees for? They are budgeted should an attorney be needed for collections for non-payment or any issue that can't be resolved between the board and homeowners. Lastly, a member asked if the letter for the dues been sent? Yes, we should see it in a day or two.

B. Expenses for 2010: Pat explained that he did not intend to vote on each item on the expense budget but did review each itemized entry. The money proposed today requires a vote by the POA. First, consideration for the STLR donation of \$2500, (approximately \$25.00 a household). A proposal was made that this be increased to \$4000. A show of hands indicated a majority of the members approved the increase of the POA contribution to \$4,000. Anna Cooper of Alliance reported that the POA is not eligible for a deduction without changing our filing status, at significant expense. The following issues were raised by members:

(1). Concern that the cost for road maintenance in future years was not budgeted was questioned. It was suggested that in past years a set formula had been used to determine the amount required; the board will address this matter.

(2) Why does the budget reflect that the association is paying federal income taxes? The answer is that the POA is different than a non-profit (e.g. American Red Cross) and must pay federal taxes.

(3) Why did the utilities for the gate double from last year? The answer is that we were paying for phone service and now we're paying for IP service; this may change.

(4) Do we still need a Post Office Box? Yes, POA gets mail and to avoid having it delivered to a personal mail box; we pay \$44.00 a year.

(5) Is it worth the money (\$25.00 increase over last year) to pay for Alliance's (management company) services? Pat explained that Alliance acts on our behalf and relieves a lot of the burdens that the board would have to deal with (collections, enforcement, and letters to homeowners). It puts us in line with the many homeowners associations throughout the country.

(6) What exactly does Alliance do for us? This year RRR POA switched our finance and accounting system over to Alliance. They provide us with weekly and monthly financial statements, make collections and send notices to association members. In addition they act as mediators when there are disputes.

(7) One member addressed the price of re-sale certificates, normally free or \$125, and said he was charged \$800. He will bring his paperwork to Alliance to address his concern.

C. Anna Cooper, Alliance, addressed the group and delineated the work that Alliance does on behalf of the homeowners association.

- Help the board with day to day operations (i.e. bookkeeping)
- Guidance with covenants and bylaws
- Billing and collections
- Vendor Payments
- Budget Analysis
- Timely and accurate financial statements
- Comprehensive Reports
- Investment of funds with banks specializing in community associations
- Negotiate agreements with utility, waste management, and insurance companies to get better rates.
- Take care of legal issues through governing documents (filing liens)
- Provide a buffer for volunteers when dealing with unpleasant issues
- Neighborhood drive-through - as directed by the board
- Access to multiple service providers and bids
- Prepare annual budgets
- Website for members to use to make payments, voice complaints, concerns
- Notifying ACC when there is something to be reviewed
- 4-hour return call policy
- Customer service log provided to board monthly

D. Members motioned to approve the budget; a show of hands indicated a majority of the members approved.

4. Amendments to the Covenants -- Pat Lisowski

A. Pat explained that the three proposed changes that were mailed to members would be reviewed at this meeting and votes to approve the amendments would be done by ballot. If attendees are voting a proxy for another association member, the proxy member's name and address should be on the ballot – one vote per address. There was open discussion on each of these issues. The referenced issues are from the DRAFT copy of the Second Amendment and Restatement of Declaration of Covenants, Conditions, and Restrictions of River Ridge Ranch, posted on the RRR website.

B. Amend covenants regarding monthly dues payments; recommendation passed, 55-0.

Current covenants.

(1) Article VII, Section 4. (7.04) Notice, Certificates, and List of Delinquencies. a. The Board shall fix the amount of the annual assessment against each tract at least thirty (30) days in advance of the due date and shall fix the dates such amounts become due. ~~Assessments may be made payable monthly.~~ Notice of the annual assessments shall be sent to every owner.

(2) Article VIII, Section 6. (8.06) Establishment of Amount. The Association, in initially setting the ~~monthly quarterly~~ levy or assessment for any purpose stated herein, will do so on an estimated basis determined by a study of the requirements of the purposes...

(3) Article VIII, Section 8. (8.08) Discounts, Penalties, and Collection. The Association will have the sole responsibility and authority to collect all assessments. Assessments will be levied on a ~~monthly quarterly~~ basis and the Association will have the power to allow certain reasonable discounts to owners paying assessments semi-annually or annually in advance...

Discussion: Tracking monthly dues payments is an administrative burden, particularly when determining late fees and amounts in arrears. Only one member paid

on a monthly basis and they do not oppose this change. Proposed changes are in **bold** letters and proposals include wording change in the second and third references above to “quarterly” and delete the reference in (1) Article VII, Section 4 due to redundancy.

C. Amend covenants to add language more specific in regards to paying for services in amounts that were not approved by POA members. See recommended change in **bold** wording below; recommendation passed, 51-4.

References:

(1) Article VIII, Section 5 (a). Itemization of Funds. All funds collected by the Association for maintenance and services of commons will be kept in a special bank account or savings account to be used only for the purposes stated, and an itemized account of all receipts and disbursements will be provided annually to all property owners. **Funds may only be expended for the purposes and amounts approved by the members in the annual budget. The Board may not exceed approved budgeted amounts, except for a genuine emergency, without POA Members' approval.**

Discussion: Board members do not have the authority to determine the purposes and funding amounts for specific projects and expenditures. The Board is required to submit an annual budget to the POA members for approval.

D. Amend covenants to permit commercial raising of goats, add **goats** to the section noted below; recommendation failed 20-35.

References:

(1) Article IV, Use Restrictions, Section 6 Animals.
a. Any tract may keep, breed and raise horses or cattle so long as they are not allowed to become noxious or offensive to the neighborhood or adjoining properties as ruled by the Association.
b. Only cattle or horses may be raised commercially on any tract.
c. No tract may be used to raise, house, or train dogs commercially, or keep any creature that may be noxious or offensive to the neighborhood as determined by the Association.
d. There may be no activity or condition on any property that is noxious or offensive to neighbors or the Association.
e. Noxious or offensive as used herein means a condition determined by the Association to be so.
f. Appeals Process. Should an owner wish to appeal a designation made by a board or committee of the Association, that owner may call for a vote of the members of the Association.....

Discussion: Presently the covenants only permit horses or cattle to be raised commercially on any tract. Some members presently raise goats as pets, but wish to raise them for commercial purposes in order to qualify for agricultural exemptions.

5. Proposed 2010 Board of Directors, Committee membership and volunteers.

President – Pat Lisowski
VP for Operations – Ace Turland
VP for Administration – Ed Freeman
Treasurer – Lilly Kittredge
Secretary – Lisa Gross (nominated and approved)

Architectural Control Committee (ACC) – Deborah Turland, Joe LeFevre,
& Melita Wright

Website – John Parker
Gate – Brian Trahan and Dan Kittredge
Camera – Dan Kittredge
Trails – Omer Lozo

Discussion: The only contested position was VP for Administration. Dale Maynard and Ed Freeman were both nominated for this post. Ed Freeman was elected by a majority ballot.

Note: All ballots were tallied by Anna Cooper, Alliance.

5. Final comments -- Pat Lisowski

A. Website: John Parker does a great job with the website and we'll be working on improvements this year.

B. Neighborhood watch. This is a pretty safe community and members are asked to continue to watch out for each other. Speeding on our community roads was once again brought up. Pat stated that we can consider asking the Sheriff for help in enforcing our speed limits. Decals – these are an important part of the neighborhood watch program since they allow us to identify folks who are members of our community. We strongly encourage members to use the decals to help us with our community security.

C. Trail hike – when the flowers come out. Spring clean-up – date to be determined. Animal Walk – when we have a nice weekend. Regatta: normally planned for May but trying to go out earlier for higher water. Please pick up trash...help us all.

6. Open discussion.

- Post office service, concerns that personnel have been cut back and there are longer delays to posting mail and packages. If you are not happy with your service (Willow Springs has reduced their counter to just 2 staff) let the Postmaster, 10th Street, Killeen, know by phone, mail or e-mail.
- Concerns that neighbors who walk their dogs are allowing the pets to make a mess in front of driveways, mailboxes and gates.
- We are really doing well in maintaining our parks and trails as we intended to in the original goals and objectives for our community.
- Please get the budget published and sent out prior to the meeting to give everyone a chance to see it, as required by the by-laws.
- There is a Lampasas River Basin Steering Committee to identify and address any problems in the Lampasas watershed. If you have any issues or

concerns about any part of the watershed, give these to Judy Parker (phone or e-mail) and she will take it back to the steering committee. We all need to be a part of preserving the river.

- Thanks to all the board members for serving on the board.
- Please pull in your trash bins each week and don't leave them on the road.
- There was a discussion about unauthorized vehicles on RRR. Members are responsible for their guests. Concerned members feel free to call the Sheriff.
- A question was asked about when the Board Meetings are being held so members can attend. Pat stated that these meetings are held in individual homes and there is not room for audiences to observe these meetings. But, we've never told anyone they can't attend. Dates and place can be posted on the web site and we'll do our best to accommodate visitors.
- Plaques recognizing service were presented to John and Jennifer for their years on the POA Board. (Plaques not paid with association funds)

6. Pat Lisowski adjourned the meeting at approximately 3:00 p.m.

Lisanne G. Gross
Secretary

Minutes Approved

Patrick Lisowski
President