

LAKE FOREST GLEN HOMEOWNERS ASSOCIATION  
ANNUAL MEETING OF HOMEOWNERS  
10:00a.m. at the TCPUD Board Room  
221 Fairway Drive, Tahoe City, CA 96145  
October 10, 2009

MINUTES

**1. CALL TO ORDER**

President, Mark Pierpoint called the meeting to order at 10:04 a.m. A total of five (5) directors were present. Forty (40) homeowners were present with a total of eighty-seven (87) unit homeowners represented by proxy establishing a quorum.

**2. APPROVAL OF MINUTES**

A **MOTION** to approve the minutes of the October 11, 2008 Annual Meeting was made by Mike Thornton (U-92) and **SECONDED** by Paul Keith (U-129).  
**MOTION CARRIED UNANIMOUSLY.**

**3. MEADOW PROJECT PRESENTATION BY AMY GREEN, PLACER COUNTY**

Mark stated that Amy was not able to make it, but located in the back of the room was a map detailing the project for homeowners to view.

**4. PRESIDENTS WELCOME AND INTRODUCTIONS OF BOARD AND STAFF**

President, Mark Pierpoint introduced the Board members and Lake Forest Glen staff.

<b>Directors Present</b>	<b>Directors Absent</b>	<b>Staff/Others Present</b>
Mark Pierpoint, President	Doug O’Neal	Alan Miescke, Gen. Mgr.
Steve Vanni, Vice President	Alan Nelson	Heather Mesa, Admin. Asst.
Mike Robinson, Treasurer		
Jim Cochrane		
Marshall Jackson		

Mark explained that two Board members had resigned over the past year and two others were up for re-election this year.

**A. Adoption of Revised Governing Documents**

Mark shared that the Board had been working on the revision of the CC&Rs for the past two years. The last time this was done was in 1988 and many legal changes have taken place since then. The CC&R’s are the documents that the Rules & Regs stem from. Fifty-one percent of the total membership is needed for the revision to pass. Some feedback was received from homeowners after reviewing the revisions. One was regarding “Lease Agreements” on page 28. Some of the wording that puts limitations on the length of rentals and that states all information of the renter must be submitted to the HOA office will be omitted. One of the changes that will take place starting next year is that homeowners will not be able to retrieve their proxies back once it is turned in. This is per the Davis-Stirling Act.

Unit 222-John McHenry asked about the summary from our attorney, Ric Fong that states the limitation on pets, but says that “renters” may adopt a third one. His question was “should this be ‘owner’ not ‘renter’”.

Mark responded, yes it should read owner. An owner should require renters to not have pets.

Unit 49-Darcy Seals asked if the association will “ask” or “require” an owner to not allow pets.

Mark stated that they will be “asking.” Alan will clarify all of this with Ric Fong.

**\*\*\*ACTION ITEM #1 Alan to clarify legal “pet policies” with Ric Fong.**

Mark thanked everyone for their input.

**B. Roofing/Painting**

Mark introduced Vice President, Steve Vanni, also Chair of the Structure Committee, to give an update on the roofing and painting projects that began earlier this year. Steve shared that there has been quite a change. It began with the roofing. Many types of material were researched. Composition seemed to be the best based on longevity, our Tahoe environment and cost. A “how to” was put together on how the shingles should be installed along with the flashing and weather-proofing to get the most out of the complete roofing project. Next, came the painting. Staying with the same color was considered, but was thought that now would be the time to change if we were going to. The Board along with Robin Leach put many samples on a large sample board and finally came up with the colors that you now see in the Glen. Everything has a clean, fresh look. Again, standards were put in place for the painting and the paint rep has been coming out to check the mil thickness. When all is done in 2011, the Glen should look really good.

Mark also thanked Mike Robinson for his diligence with the finances to accomplish all of these items without an assessment. Mark also thanked the homeowners for complying with the insulation requirement. One of the things the Board learned while beginning the roofing was that insulating the attics properly and having the proper venting to keep the roofs as cold as possible would sustain the lifetime of the shingles. The Board is hoping to get 30+ years out of them.

Unit 71-Jim Jarrard asked if the association is adequately insured for the liability involved in bringing all of these contractors on the property.

Alan assured him that LFG is and the contractors also have their own coverage.

**C. Accent Windows**

Mark explained the background of the Accent Windows. In the winter of 2007-08 there was a large ice build up which caused damage to many units. A number of windows were not only installed incorrectly, but some of the windows had been butchered prior to installation and/or the wrong type was installed. If the trim is removed, one can see that there are large gaps on a lot of them. After much investigation, it was realized that the majority of these windows were installed by Accent Windows, Inc. Eighty-one units were impacted by them, most of which were out of warranty. The high number of units was the cause for the association to pursue them. This needed to be resolved in order to move forward with the roofing, as the windows and roofing play a part together. Mark thanked Alan for all of his time and effort putting all of the documentation together. The Board went to mediation earlier

in the year expecting a resolution at that time. This was not the case. More time passed before a settlement was actually offered. Finally, after nearly two years a settlement was received for \$285,000.00! After paying the association back for the expenses incurred throughout the course of the two years, there is enough left to apply 81% toward each units total cost to replace or re-seal all of the windows installed by Accent. Thirty-six need to be re-sealed and re-trimmed. These homeowners will pay only \$100 for this work. Forty –five need all new windows. These homeowners will pay between \$893-\$950 and receive all new, properly installed windows. The Board has put in a 10% contingency as well. If there is any remaining money it will be disbursed in the proportion that they contributed. Further details will be sent to the relevant homeowners over the next few weeks.

Unit 208-Gary Leach asked how it was determined which category each unit's windows were in.

Mark shared that Alan had inventoried each units' windows.

Unit 129-Paul Keith asked if their windows just need to be re-sealed and re-trimmed will the windows have to be taken out.

Mark responded, probably not, but won't really know until they get there.

Alan responded that one condition where a window would need to come out would be if the window was too small and was not very secure. Alan said he will let the homeowner know ahead of time if this is the case.

Unit 128-Jim Reed asked what does "out of warranty" mean.

Mark responded that when you sign a contract with a company for a job there is usually a period of time that they agree to come back and repair any work that is not done satisfactorily at no charge. Alan added that there is a 10 year statute of limitations that some of these windows were under and the insurance company did not eliminate those windows. They also paid based on today's value and did not prorate the windows from the time they were put in. Persistence paid off.

Unit 40-Helen Harford asked how it will be handled for homeowners that already paid to have their windows replaced.

Alan responded that they will receive a refund.

Unit 93-Rebecca McFadden asked if windows that were not installed by Accent, but were problem windows, could be re-sealed at a higher percentage.

Alan said that this is still something that needs to be addressed. At the point the windows are removed for the roofing, if they cannot be guaranteed, Alan will let the homeowner know and will decide at that point how to move forward.

Unit 171-Geary Pena asked who is doing the repairs and installations.

Mark stated that Keith Larsen had the best bid and has done the replacements so far and has done a great job.

Unit 71-Jim Jarrard asked if those that did so much work on these window problems on behalf of the homeowners could be rewarded.

Mark said that has been taken care of.

Unit 123-Ron Lopez asked if the manufacturer of the roofing company had been out to inspect the roofing installation. He learned by experience that sometimes this is required to ensure the warranty of a material. Alan said that is a good idea and he will call them out next year.

**\*\*\*ACTION ITEM #2 Alan to call the roofing manufacturer out next year during the roofing project and have them inspect he installation to insure the warranty.**

Steve shared that the Board has put together ASTM based, standards for the installation of all project material that is currently going on at the Glen. He also shared that if it weren't for Alan putting such thorough documentation together, the association would not have received the settlement they did.

#### **D. BMPs**

Mark turned the BMP update over to Alan. Alan shared that LFG has an extension for complying with the BMP's right now, due to the Environmental Improvement Project that is currently going on around LFG. Once all of the water is redirected, LFG will continue on with its compliance. The EIP is a project that is restoring the meadow to its original state and creating detention ponds which will get the water out of the culverts. The Lake Forest Creek which currently has a concrete bottom and does not allow any filtration is being re-done as well. They will begin working on the \$6.4M EIP project full-time next summer and will continue for two years. Once it is complete, the plan is still that LFG will be out of the flood zone.

Unit 92-Mike Thornton asked if we could access that water for the association's irrigation.

Alan responded that we would not have access to it and it would be a major project if we did.

#### **E. Water Meters**

Mark shared that TCPUD wants to bring condominium projects in line with single family homes. It was decided to put one main meter in for the complex rather than one meter for each unit. The PUD will take the reading from the one meter and divide by 234 and bill each homeowner the same. The total water usage since the meter went in on August 29-Sept 22 (just shy of a full month) was 1.3M gallons, which comes out to about 5,500 gallons per unit. This time frame included full irrigation cycles and the busyness of Labor Day weekend. This is within the lowest tiered rate. Currently, homeowners are being charged a flat usage fee. Beginning in March there will be a consumption fee as well. They are hoping this will encourage conservation. The meter will also be helpful in detecting leaks. On the water bill is also a charge for sewer. The charge on TCPUD's bill is for transporting the sewage to TTSA. Homeowners receive another bill from TTSA to treat the sewage. A typical bill right now from PUD should be \$67.75, which includes the base rate for water usage of \$47.00 and \$20.75 for sewer transportation. Beginning in March, homeowners will begin to see the charges for consumption in addition to the \$67.75. However, the base rate and the consumption charges will continue to increase over the next 5 years. The rate increase proposals may be viewed at [www.tcpud.org](http://www.tcpud.org). Some suggestions to conserve water as an association were to replace some, not all, of the grass areas with more natural plants/landscaping and also to install irrigation sensors. It was also mentioned for individuals that TCPUD is offering rebates

to install high efficiency toilets and energy star washing machines. These rebates can apply to all homeowners not just primary residences.

**\*\*\*ACTION ITEM #3 Alan to check on irrigation sensors.**

Unit 228-Nikki Aronhalt informed homeowners that all sewage is pumped out of the basin.

Unit 122 Veronica Johnson asked if there would be a breakdown for full-time and part-time residents.

Mark answered “no” and explained that it would be too complicated and that the majority of the water consumed is actually used in irrigation anyway.

Unit 128-Jim Reed asked if we could use the gray water for irrigation.

Alan responded that it would have to start from each unit which would be too involved.

**F. Charter Cable**

Charter Cable has been making upgrades since early in the summer. They should be offering more HDTV channels and high-speed internet by the end of November and phone service by January 2010. They will be offering single and bundle packages, but have not informed the association of pricing yet. It is not known if they will require leasing a separate decoder for the upgraded channels.

Due to Alan having to leave early, we moved on to the General Manager’s Report and Open Session then came back to the Nomination Committee.

**6. GENERAL MANAGER’S REPORT**

Alan shared that the Board does a great job with their presentation so there is not much more for him to share. He opened the floor for questions.

**8. OPEN SESSION**

Unit 122-Veronica Johnson shared a couple of concerns. One was that dog owners bring their dogs behind her unit to use the bathroom and they don’t pick up after. She asked if a sign could be posted and shared that she would be willing to take pictures of those people. Veronica also requested that the dumpster near the Family Pool be replaced because the lid does not close all of the way now and the bear just reaches through the gap and pulls out the garbage.

**\*\*\*ACTION ITEM #4 Alan to have the dumpster near the Family Pool replaced.**

**\*\*\*ACTION ITEM #5 Alan to check on which dogs are using the bathroom behind unit 122.**

Unit 29-Helen Marcus asked if the minutes for the meeting will be available on the website by the end of November. Helen also shared her concern of the change in the Family/Quiet Pool. Mark responded that the minutes would be online by the end of November and as far as the pool is concerned, the association cannot legally have a separate Adult and Children’s Pool now, but would like to work to accommodate as many homeowners as possible. He shared that the Board is open to suggestions.

Unit 80-Phil Brown suggested that the Quiet Pool be turned into a “private club” and each homeowner that wanted to be part would have to “buy” into it and could be as little as \$5/year. As a “private club”, rules could be set at whatever they want.

Unit 114-Matt Geis shared that “everyone” may not be interested in a “private club” that would exclude families with young children from using the hot tub. If a “private club” were established the guidelines should be thought through so it would work for everyone and not cause problems amongst homeowners.

Mark thanked them for their input and said this may be a creative way to work around the pool issues.

The topic of the pools was discussed and the many concerns homeowners have. Some of the concerns discussed were alcohol/smoking in the pool area, unsupervised children and the liability this poses, and hiring someone to “man” the pool areas and enforce the rules that are in place. Some of the above items are difficult to enforce when there is not a full-time person at the pool areas. It was mentioned that there were “lifeguards” in earlier years, but it was very difficult to find qualified, reliable people. In response to some of the concerns: alcohol is permitted, smoking is not, children under 14 should be supervised-we have done what we can by posting signs stating this. It was suggested to put in a second hot tub at the Family Pool. Mark stated that the Board did consider this prior to the pools being renovated, but there was not only the additional expense of the installation, but the time and expense of the everyday upkeep as well.

**\*\*\*ACTION ITEM #6 Alan to check on legalities of having a “private club”.**

Unit 80-Phil Brown mentioned that some of the decks, particularly behind his unit, are looking really bad. Alan said he would check on them.

**\*\*\*ACTION ITEM #7 Alan to inspect decks and the items on them, particularly behind unit 80.**

Unit 146-Monica Roberts asked if there has been any further consideration for the concrete porches where the wood has been removed and if not could the homeowners come up with their own proposals and do the work.

Mark stated that it is on the list, but the focus had been in other areas over the past year. He also explained that the wood was removed due to the difficulty in maintenance. Replacing it with something else could be topic for discussion amongst the Board this coming year.

**\*\*\*ACTION ITEM #8 Board to discuss options for concrete porches.**

Unit 40-Helen Harford mentioned her concern of smoking in the complex. It is a fire hazard and she would like to have smoking banned in the complex. This does not seem feasible.

Unit 131-Jan Feuchter noted that her neighbors come and smoke at her front porch and leave their butts. She does not want it to be known that she is the one that “told” management.

Alan said he will talk to the tenants and do it in a way that does not look as though Jan said something.

**\*\*\*ACTION ITEM #9 Alan to talk to neighbors of unit 131 about smoking at her unit.**

Unit 122-Veronica Johnson mentioned that she has had issues with people parking in her parking spot. She suggested having the unit numbers painted in the parking spaces to make this more clear.

The response was that in the winter they would be covered pretty much and it is costly and difficult to redo each spring/summer. Also, people that don't follow the parking rules anyway aren't going to adhere just because the numbers are painted there.

Unit 29 Helen Marcus thanked Alan for all of his efforts.

Alan thanked the Board for their support.

Unit 26-Kathy Livermore thanked Heather.

**5. NOMINATION COMMITTEE**

Mark explained that there are 4 positions open on the Board. Mike Robinson just completed his term and is running again. Jim Cochrane is running again after completing a term for a Board member that resigned early. Brian Kane and Nikki Aronhalt are running for two other open positions.

Mark opened the floor to nominations. There were none.

Each candidate took time to introduce themselves and shared of their desire to be on the Board and what they can bring to it.

Mark asked for two homeowners from the audience to help count the ballots.

**7. FINANCIAL REPORT BY MIKE ROBINSON, TREASURER**

Mark introduced Mike Robinson to report on the finances of LFG.

**A. Review of 2009 Budget-** Mike shared that it has been a challenging year. The Board has been working very hard to keep from any special assessments. In order to deal with the Accent Windows and the original windows that needed to be replaced along with the roofing, two separate accounts were set up. It is easier to track these projects this way and does not affect the operating numbers. Because of the recession, the Board has been tracking the historical trends on late dues. Expected dues income for 2009 is \$781K and expenditures are \$572K. The balance of the Replacement Fund should be \$737K by the end of 2009.

The \$572K in expenses are broken down as follows:

- **Administration**      **35%**
- **Repairs & Maint.**    **19%**
- **Landscaping**        **14%**
- **Utilities**            **10%**
- **Pool & Tennis**      **9%**
- **Painting**            **13%**

The dues of \$278 per month are broken down as follows:

- **Administration**      **27%** (\$75)
- **Repairs & Maint**    **14%** (\$39)
- **Landscaping**        **11%** (\$31)
- **Utilities**            **8%** (\$22)
- **Pool & Tennis**      **7%** (\$19)
- **Painting**            **10%** (\$28)
- **Replacement Fund** **23%** (\$64)

The cost drivers in each category above are as follows:

- **Administration** (Insurance 39% & Labor 28%)
- **Repairs & Maint.** (Labor 49% & Snow Removal 32%)
- **Landscaping** (Labor 87%)
- **Utilities** (Garbage 85%)
- **Pool & Tennis** (Labor 47% & Utilities 38%)
- **Painting** (Painting 100%)

There was a bit of a discrepancy in labor in 2009. Prior to 2009, some funds were allocated to reserves, but when the budget was sent to the accountant this change was not made therefore showing a high negative delta in labor for this year. This correction has now been made. Overall at the end of the year the budget was within 3%.

The Board is taking into consideration an inflation rate of 3% for dues. Mike continued by saying that the Board is trying to be conservative and has projected less income to give a little cushion.

Another project the Board has been researching is re-surfacing the roads. Next year they should have more information on that.

Unit 71- Jim Jarrard shared that one of the corollaries to the standard inflationary increase of 3% is a 1-2% reduction in costs. One reduction we may see is in the insurance due to the composition shingles. Jim suggested that the Board show the 1-2% reductions at the Annual meetings as well as the 3% increase.

The Board thought this was a good idea and will include this as part of the presentation at the annual meetings.

**\*\*\*ACTION ITEM #10 The Board to show 1-2% reduction in expenditures as part of the presentation at the annual meetings.**

The estimated replacement values of projects that are currently being funded in reserves are as follows:

• BMP	\$ 180,000
• Building/Roofing	\$3,516,153
• Roads & Paths	\$ 52,365
• Pool, Spa & Playground	\$ 368,440
• Tennis Courts	\$ 81,565
• Trucks	\$ 66,000
• Office Equipment	\$ 15,434
• Fencing	<u>\$ 50,500</u>
Total	\$4,300,457

The total estimated reserve spending from now until 2012 is \$2.5M.

Some changes to the Reserve spending were:

- BMP moved from 2009 to 2012
- Road Patch-skipped in 2009 to fund window replacement (Accent Window replacement and original window replacement)

Mike shared about financing the roofing project. The contract price is \$2.1M. The Board has set up a line of credit for \$600K with interest starting at 7.2% (prime + 1.5%) and will be reassessed yearly. Loan and doc fees totaled \$2725 and the payoff is planned for 2014 or 2015. Currently the Board is planning to only use \$475K of it, but has the additional secured to cover any unknowns. The roofing materials were pre-purchased to lock in the price and also saved the association a significant amount of money.

**B. 2010 Budget Draft Review** -In looking at the 2010 budget, the operating expenses are expected to be \$590 which includes painting. Reserve spending is expected to be approximately \$720K. Homeowners will see an inflationary increase in dues of \$8 which will make the dues \$286 beginning January 1, 2010. The Board anticipates dues to increase at the same rate over the next 3 years.

Unit 26 Kathy Livermore asked what dues would have been had the settlement not been received from Accent.

Mike Robinson responded that the Board had not gotten to a point that a larger increase was considered.

Unit 29-Helen Marcus suggested having a shower installed at the Quiet Pool. Mark thanked her for the suggestion.

Unit 71-Jim Jarrard asked how homeowners could show support to the Board. Steve shared that it would be helpful to assist in enforcing the rules and making sure their property managers are passing the rules on to renters. Jim shared he would appreciate involvement with the landscaping improvements.

It was asked about contacting Board members. Mark stated that contact info could be requested from Heather as it is not posted on the website.

Unit 129 Linda Keith asked about all of the items discussed at the annual meeting a few years ago where all of the homeowners got up and went to different groups to share ideas. Mark stated that the Board has been working through that list and will continue to do so. The next large item is the Grounds/Security/Facilities. Unfortunately, Marten who was chairing this committee was called away for work a lot and then felt it was best to resign as he did not have the time available to commit. Jim has now stepped in to take over this committee.

Unit 40-Helen Harford encouraged homeowners to make sure they have adequate insurance coverage as she had just increased hers.

Mark explained that the association has coverage on the structures and that the homeowners should have appropriate coverage which includes everything from the drywall in.

Unit 54-John Torkildson asked if homeowners could be sent an email informing them when painting, etc. will be done rather than just a note on the front door.

Mark said he would pass the request on to Alan.

**\*\*\*ACTION ITEM #11 Alan / Heather to contact homeowners when roofing/painting, etc are going to take place not just a note on the front door.**

**9. ELECTION RESULTS**

Mark announced that the four candidates were voted in as Board members. The result for the revision of the CC&R's was 80 out of 234. Another request will come out to vote on the CC&Rs as fifty-one percent of the membership is needed for the revision to pass.

**10. ADJOURNMENT**

**President, Mark Pierpoint MOTIONED to adjourn the meeting at 12:39PM. Homeowner, Darcy Seals SECONDED the motion. MOTION CARRIED UNANIMOUSLY.**