

Harmon's Property Owners Association 2023 Annual Meeting Meeting Minutes

Called to Order: Saturday, May 27, 2023

Present: Al Gilson, President, Jon Lange, VP, Hal Thompson, Secretary, Jane Kreitzberg, Treasurer, Directors, Sherry Tedesco, Kim Kerr. Absent: Bob Kromm

56 members present.

1 present on remote call in

Al Gilson welcomed HPOA members and called the 46th annual meeting of HPOA to order at 10:07 AM.

Introduction of all members present.

New member Ed Diaz mentioned the cougars in the neighborhood.

Motion to approve 2022 Annual Meeting Minutes

MOTION: Lynnette Heidenreich moved that the 2022 Annual meeting Minutes be approved

SECOND: The motion was seconded by Ken Iverson.

VOTE: The motion was approved by a voice vote of the members.

Treasurer's Report

Treasurer Jane Kreitzberg presented the association financial report and provided handouts of the finances as of 5/27/2023. Those reports are included as attachments to these minutes.

Balance Sheet - Cash balances good. Fixed assets include the addition of our shed for 11,000. Accounts receivable are current with one member paying off next years final payment to the water fund.

Profit and Loss and Budgets

Jane recapped this last year's income (the same as the budgeted amount) and expenses which were the same except that the dock expense exceeded budget because of the 40% down to HDB on the 5 new pilings and the gangway for C Dock. We discovered after the board meeting last year that some of the pilings were in serious need of replacement. Balance will be paid in the current fiscal year after installation is completed. On roads we exceeded our budget for snow plowing. We plowed 16 times compared to 10 or 11 the previous year. We had 4 snow plows in the month of March which is more than we normally have. Hal Thompson stated that we had 77 inches of snow this year which is the most he's ever measured since he started taking care of the roads. We sometimes plow when there is less than 4 inches if it's heavy snow but normally about 4 inches.

We have four funds. General Fund, Road Fund, Water Fund, Dock Fund. Water Fund borrowed from the Dock Fund for the well and service building costs. The current balance on this borrowing is \$15,140 to be paid off over the next two years. The budget for this next year includes \$7,600 paid back to the Dock Fund. Road Fund borrowed from the Dock Fund for road seal and for current budget overruns. The current balance of the borrowing is \$11,200 to be paid off as money becomes available in the Road Fund. Dues will need to increase in the future to adequately fund increases in expenses.

Overall our financial condition is good. We don't have a lot of money when considering the future cost of dock replacement and other major expenses.

Jane recapped the annual dues and fees amounts which are \$50 for a lot, \$50 for a dwelling (or RV) on the lot, \$200 water system fee (includes all usage), \$400 dock fee, and a \$100 road fee. She noted the reason for the various fee breakouts and accounts is that not all member properties abut the HPOA road system and several water front lots have their own docks. All lots have access to the water system. Not all lots have access to the roads.

Hal Thompson pointed out that this last year we borrowed \$1,200 from the Dock Fund to the Road Fund in order to pay for snow plowing.

A question was asked about the cost of the five pilings and the new gangway. Al Gilson stated that the total was \$37,000 and we've already gave them a 40% downpayment.

Al Gilson stated that HDB won't get to the pilings until July. This is later than we anticipated when we ordered the repairs. The electrical outlets are lying on the docks in anticipation of the work to be done. We'll try to get them back up as soon as possible for everyone's use.

Jane thanked everyone for their dues payments. We have collected 100% of dues in keeping with Ted Tylman's good work in the past.

MOTION: Ted Tylman moved that the members approve the 2023-2024 budget as presented.

SECOND: The motion was seconded by Leroy Hautala

VOTE: The motion was approved by voice vote.

Water System Update

Our water distribution system is over 40 years old with miles of buried pipe, three reservoirs, two wells, eight fire hydrants and too many valves to count. This means lots of maintenance ahead. We are currently replacing the controls at the twin tanks that feeds the 1st addition.

Our immediate problem is that our water operators' average age is over 70 and we've begun to actively look for someone to replace at least some of what our water operators are currently doing. This will increase costs.

Dan Wisniewski asked about the possibility of a backup generator for the water system in the event of power outage caused by a fire. Mary Tylman stated that her new backup system cost them around \$20,000. A system adequate for our well pumps would need to be bigger. The exact amount is not known. Dan noted that the cost of the generator and propane would be a small cost compared to the value of our homes that potentially could be saved by having access to water in the event of a fire.

Tania Swanger asked about a cistern to collect more water for fires. The current 55,000 gallons in three reservoirs can be considered cisterns. The generator proposed by Dan would be used to run the pumps to fill the current water storage tanks in the event of a power outage most likely caused by fire.

Al Gilson explained our fire situation and that our members are our first responders. It takes a while for firemen to arrive. They pump from their own equipment and get water from the lake. In the most recent fire they got one load from our reservoir.

Dan's suggestion for back up power will be taken up at the summer board meeting and will be reported back to the membership at the next annual meeting.

Quorum announced by Sherry Tedesco. 77% of possible votes are present. This exceeds the 50% required by our by-laws.

Nominating Committee Report

The nominating committee is the board of directors.

Al Gilson requested board member nominations from the floor. The current board has agreed to serve. No nominations were received from the floor.

Board member, Bob Gardner passed away this last year. We appreciated his service. Under the HPOA by-laws the board is tasked with appointing a new board member until the next annual meeting election. The board appointed Kim Kerr. Preference was given to board members that live here full time. Kim was asked to tell more about herself. Married to Steve Kerr. From San Diego originally. Bought into the neighborhood in 2017.

MOTION: Lynnette Heidenreich moved to close nominations

SECOND: by Ted Tylman

VOTE: Unanimous yes by voice vote

Roads

Jon Lange gave the road condition overview. Road sweeping still in process. Difficult to keep the roads clean with all of the dirt hauling and construction. Road side spraying for weeds on the first three feet is done. Brush and small tree spraying still needs to be done. Cracks continue to appear. Crack seal doesn't work very well. We'll need to come up with money to do the road reseal in the near future. Number one enemy of asphalt is water getting into cracks and freezing and thawing. Roads are cracking off on the edges.

Al Gilson discussed private easement roads in the neighborhoods. These are not maintained by HPOA. Blue Spruce Lane. Private road easements next to county road for Smith, May and Francom. Easement road accessing Kerr and Daley. Easement road off of Highside used only for access to the water system and reservoir and for access to members whose property abuts the easement.

Discussion of road dues increase. Jon presented the concept of more money for road maintenance through a dues increase. Dan Wisniewski mentioned that prior to the asphalt we put multiple loads of gravel on the road each year and then treated the roads for dust control with a corresponding cost of \$16,000 per year. This cost was eliminated with the asphalt.

We are an all volunteer HOA. Please answer the call when we need assistance.

MOTION: Hal Thompson moved to put Item #1 on the ballot requesting an increase in road fund dues of \$100 per year starting with the year June 1, 2024. Please write in "Road Fund increase \$100" and mark yes or no.

SECOND: by Mike Wise

VOTE: Unanimous yes by voice vote to add this item to ballot

Al Gilson discussed reserves in our HOA. We are building some reserves for instance the dock fund but the membership voted several years ago that they would rather not build big reserves but rather have a special assessment as one-time costs arose.

Debbie Askins noted that some members votes should not be counted that are not on our road system. These are Smith, Francom and May. Al Gilson duly noted that these votes should be excluded from the vote count. This was done in the final vote count.

Beach and Dock Report

Our beach and docks are the crown jewel of our HPOA. Parking is always an issue. We don't own the parking places. Owned by Worley Highway District. Avoid parking in front of white gate allowing access for Pat Harmon to her private dock. Do not park sideways. Take smaller vehicles such as golf carts when possible. Carpool.

Al Gilson took time to recognize all of Pat Harmon's contributions to HPOA during the past several years. This is greatly appreciated. Members expressed their appreciation.

New pilings and new C Dock ramp per HDB will be installed in July. Al and Jon will work to figure out how to make the electrical usable until then. HDB is extremely busy. New docks down the road will incorporate these new pilings.

Al discussed new dock replacement. Three years ago we got a bid of \$600,000. Prices have substantially increased since then. Al would like to see something better than wood docks put back in. Like those across the lake. We do not currently have a breakwater. This could be an issue with new docks since non-wood docks are lighter. Also, the CdA Tribe generally does not allow additional items other than existing dock replacement.

Hal Thompson discussed doing dock replacement in stages with those that want the new docks funding the first row of new docks with others moving to the remaining old docks. Ken Swanger, who has friends in the association that installed the new docks across the lake, said that once the new docks were installed most people wanted the new docks. The cost for those slips was \$15,000 per slip 10 years ago.

Al discussed permitting the docks by the CdA Tribe. Debbie Askins asked if the slips could be made bigger when new ones are installed. We cannot expand the footprint. May be easier to get a permit all at one time for the entire project rather than doing a piecemeal replacement. Shawn Gilson explained that in the Tribe document we can replace "like for like". Even though there's no official "grandfathering" in the CdA Tribe document, they have allowed us to replace the old footprint of our docks.

The current logs continue to settle lower into the water. We have as much flotation under them as we can get. How they continue to float and how quickly the logs rot that are immersed in the water will determine when we need to replace our docks.

Al Gilson reviewed our dock electrical system. It's antiquated. New worry just identified is the piling where the power from the road comes to. That wood piling is seriously compromised and rotten. If that were to fall, replacement would be difficult and expensive and would take substantial time to bring it up to code.

Ken Swanger asked if solar power was an option. The alternative for solar needs to be checked out.

The electricity is used mostly for charging batteries. All members should be prepared for their electrical to be unplugged so others can charge their batteries. No one can have electricity 24/7. We must share with our neighbors.

Pat Harmon asked who is using the power. It is for charging starter batteries and for trolling motors. Al Gilson doesn't think people are running refrigerators. If so, they shouldn't be because of the unreliability of having power 24/7.

The cost of dock electricity was questioned. Jane Kreitzberg stated the cost was about \$1,200 per year or around \$100 per month. Minimum fee during the winter months is \$42.

Because of the expense of redoing the electrical, Ken Swanger is of the opinion that we don't have electricity until the docks are replaced and electrical is incorporated the new dock design.

Pay special attention to extension cords that pose a trip hazard. Tuck them into the board cracks.

How do we avoid being electrocuted? Always be careful! We have GFCI circuit breakers on all lines which will trip the power in any ground fault event.

Boat slip assignments. A current assignment sheet will be attached to these minutes. Jane Kreitzberg stated that there is one slip still available for rent for \$400 for the summer.

Beach cleanup and brown bag lunch this afternoon about 1:30 pm. Darlene Gardner informed everyone about the lily plants next to the water that should be preserved in the clean up.

Beach erosion. The only thing holding the sand is the grass. Sand is leaving because of wave action. Rocks will slow the erosion down. Cannot do seawall repair without a permit from the tribe.

2023-2024 Ballot box is conveniently located next to the cookie table. Election results will be included in the meeting minutes.

Fire Danger - Fire wagon with fire tools will be in Hal's driveway for 24/7 access during the summer. Anyone can use it. It takes a 2 inch trailer hitch ball. A fire extinguisher is located on Hal's front porch.

We remind you of **our Facebook Group** - Harmons Homeowners Property Assn - Carey Bay. Ask for permission to join. See pictures of wildlife caught on members cameras. Cougars, Bears, Dogs, Cats.

New this year **our harmonsaddition.com web page includes all of minutes of our board meetings and the annual meetings.** No roster of individual members names and addresses are online. Only the county plat map. This is for transparency. We have nothing to hide and no secrets.

Operating rules revision is in process by Hal Thompson and the Board.

Al Gilson gave a Operating Rules overview.

Docks and beaches are ONLY for members. Guests can be present only when the member is present. Our liability insurance does not cover non-member use!

VRBO and other short term rental guests cannot access the docks and beach even though the the house may be legally rented. The HPOA board highly discourages short term rentals in our neighborhood.

If you don't know someone on the docks, please stop and introduce yourself.

No fireworks.
Keep walkways clear.
Dogs on a leash
Keep Highside culdesacs clear.

Discussion of improvement of Conkling Park Road. See Worley Highway District website for further information.

Ted Tylman recognized volunteer board members for their efforts.

MOTION: Ken Iverson moved to adjourn
SECOND: Dan Wisniewski seconded
VOTE: passed by voice vote.

Adjourned at 12:05 pm.

ELECTION RESULTS:	Yes	No
President - Al Gilson	116	
VP - Jon Lange	116	
Treasurer - Jane Kreitzberg	116	
Secretary - Hal Thompson	116	
Bob Kromm	106	
Sherry Tedesco	116	
Kim Kerr	116	
Road Fund \$100 increase (Starting in 2024)	95	15

Signed:



Hal Thompson, HPOA Secretary

Harmons Property Owners Association, Inc.	
Balance Sheet	
As of May 27, 2023	
	Total
ASSETS	
Current Assets	
Checking Account (0657)	349
Savings for Docks (4148)	80,321
Savings for Roads (1557)	259
Savings for Water (0181)	1,221
Savings Main Acct (1891)	245
	82,395
Accounts Receivable	
Accounts Receivable (A/R)	1,209
Total Accounts Receivable	1,209
Other Current Assets	
Dock Fund Receivable from Road Fund	11,200
Dock Fund Receivable from Water Fund	15,140
Road Fund Payable to Dock Fund	-11,200
Water Fund Payable to Dock Fund	-15,140
Total Other Current Assets	0
Total Current Assets	83,604
Fixed Assets	
Dock Improvements	39,400
Docks	170,598
Fire Equipment - 2020	2,680
Orange Well (current operating well)	9,305
Road Asphalting	213,946
Road Seal - 2020	20,345
Storage Shed	11,151
Well #3 (abandoned)	43,642
Well - Green (new well)	73,905
Well Upgrades and Infrastructure	114,433
Total Fixed Assets	699,405
TOTAL ASSETS	783,009
LIABILITIES AND EQUITY	
Current Liabilities	
Accounts Payable (A/P)	0
Equity	
Fund Balance	551,306
Retained Earnings	214,703
Net Income	17,000
Total Equity	783,009
TOTAL LIABILITIES AND EQUITY	783,009

Harmon's Property Owners Association, Inc.				
Current Fiscal Year Profit and Loss Compared to Approved Budget				
Proposed Budget for Next Year				
	PROPOSED NEXT YEAR BUDGET	ACTUAL 6/1/2022 5/31/2023	APPROVED 2022-2023 BUDGET	\$ CHANGE IN BUDGET TO ACTUAL
Assessments/Dues		(input 5/22)		
Assessments/Dues - Dock (82 @ \$400)	32,800	32,800	32,800	0
Assessments/Dues - Gen Fund (154 @ \$50)	7,700	7,650	7,650	0
Assessments/Dues - Roads (83 @ \$100)	8,300	8,300	8,300	0
Assessments/Dues - Water (88 @ \$200)	17,600	17,600	17,600	0
Total Assessments/Dues	66,400	66,350	66,350	0
Dock Slip Rental				
Dock Slip Rental Income (7 @ 400)	2,800	3,000	2,700	300
Dock Slip Rental Paid Out to Members (7 @ \$300)	-2,100	-2,250	-2,250	0
Net Dock Slip Rental	700	750	450	300
Interest Income	5	8	5	3
Miscellaneous Income (Developer sold lots)				0
Developer lot DOCK assessment income	0	0	0	0
Developer lot ROAD assessment income	0	0	0	0
Water Hookup Fee (0 @ \$1000)	0	0	1,000	-1,000
TOTAL INCOME	67,105	67,108	67,805	-697
Dock Expense				
Dock Repairs	27,000	16,349	5,000	11,349
Dock Utilities	1,500	1,241	1,500	-259
Tribal Dock Fees	7,350	7,350	7,350	0
Dock Replacement Fund				0
Total Dock Expense	35,850	24,940	13,850	11,090
Office/General Admin Expenses				
Bookkeeping and Quickbooks	590	540	540	0
Insurance Expense	2,250	2,227	2,200	27
Legal and Professional Expense	0	0		0
Meeting Expense	0	105		105
Miscellaneous Expense - shed	0	8,923	8,000	923
Office Expense & PO Box	150	74	150	-76
Taxes - Property and Income	200	184	200	-16
Bank charges		0		0
				0
Total Office/General Admin Expenses	3,190	12,053	11,090	963

	PROPOSED NEXT YEAR BUDGET	ACTUAL 6/1/2022 5/31/2023	APPROVED 2022-2023 BUDGET	\$ CHANGE IN BUDGET TO ACTUAL
Road Repair & Maintenance				
Road Expense (snow plow etc)	7,500	7,495	5,000	2,495
Paving Seal Coat Expense			0	0
Total Road Repair and maintenance	7,500	7,495	5,000	2,495
Water System Expense				
Water System Maintenance/Improvements	6,000	3,847	3,000	847
Water System Tests	400	185	300	-115
Water System Utilities	1,500	1,138	1,500	-362
Water System Training/Dues	1,300	450	500	-50
Total Water System Expense	9,200	5,620	5,300	320
Total Expenses	55,740	50,108	35,240	14,868
Net Operating Income	11,365	17,000	32,565	-15,565
PROJECTED CASH BALANCES AT END OF BUDGET YEAR				
Main Checking Current Balance	349			
Unpaid bills to be paid from Checking	0			
Main Savings Current Balance	245			
Pending year end transfer to Dock Fund				
Pending year end transfer to Water System Fund				
Pending year end transfer to Road Fund				
Cash in Main Checking and Savings	594			
Budgeted income for next fiscal year	7,700			
Budgeted interest income for next fiscal year	5			
Budgeted expenses for next fiscal year				
Office/General Admin Expenses	-3,190			
Cash available before Transfers	5,109			
Transfer to Road Fund	-4,000			
Cash available for general operations	1,109			
Dock Fund				
Dock Savings Current Balance	80,321			
Pending year end transfer to Dock Fund	0			
Budgeted income for next fiscal year	32,800			
Budgeted income from slip rental next fiscal year	700			
Budgeted developer lots sold income above	0			
Budgeted expenses for next fiscal year	-35,850			
Transfer to road fund for seal coating				
Cash available for Dock Operations	77,971			

Money loaned to Road Fund	10,000			
Money loaned to Water Fund	15,140			
Total Dock Fund Balance	103,111			
Road Fund				
Road Savings Current Balance	259			
Budgeted income for next fiscal year	8,300			
Pending year end transfer to Road Fund	0			
Budgeted income for next fiscal year				
Budgeted developer lots sold income above	0			
Budgeted expenses for next fiscal year	-7,500			
Transfers from General Operations	4,000			
Transfer from dock fund for seal coat	0			
Cash available for Road Operations	5,059			
Pay back loan from Dock Fund (total 11,200)	-4,000			
Total Road Fund Balance	1,059			
Water System Fund				
Water System Savings Current Balance	1,221			
Pending year end transfer to Water Fund	0			
Budgeted income for next fiscal year	17,600			
Collection of unpaid one time assessments for water	1,259			
Budgeted net water hookup fees for next year	0			
Budgeted expenses for next fiscal year	-9,200			
Cash available for Water System Operations	10,880			
Pay back loan from Dock Fund (total 15,140)	-7,600			
Total Water Fund Balance	3,280			
TOTAL CASH AT END OF NEXT FISCAL YEAR	95,019			