

SUMMARY OF THE ANNUAL MEETING OF MEMBERS

June 29, 2017

OFFICER AND CHAIR REPORTS:

- A. Maintenance Report** – Al Benner reported that the irrigation system has a lot of galvanized pipes that are 45 years old. We have had to replace 2 valves and one timer this week, along with on-going maintenance of the system. We have two landscapers that are here five days a week working on the slopes. They come through all the properties usually once a month.
- B. Finance Report** – Bill MacConnell reported we have \$137,670 in the bank. We have \$20,400 in receivables. There are 2 owners that have not paid for over 5 years. We have liens on these properties and have won judgments against them in Small Claims Court that we have not been able to collect. Mr. MacConnell briefly reviewed the budgeted items that are paid each month. We keep about \$50,000 in Reserves at all times.
- C. Architectural Report** – Beckie Samuels reminded owners that any changes to the outside of their home or to the yard need to be approved before any work is done. Owners can go to the website to view the Rules and PC&R's and then submit an architectural application form for proposed work.

OPEN DISCUSSION: MEMBER INPUT

- A.** There was a complaint about the workers on the golf course starting the mowing before 7 a.m. The owner has complained to the golf course about the issue. It was suggested that she contact the City.
- B.** An owner complained about residents leaving their dog waste bags along the streets. We will put something in the newsletter. We will remind residents about cleaning up after their pets.
- C.** There was a question about a community wide garage sale. This is not the Association's responsibility. An individual handles this and the next sale will be in October.
- D.** There was a question about the monthly expenses. The Board has reduced the water, changed landscape contractors to lower the bills, had terminated having a management company, and all work that is done goes out to at least 3 bids. The landscape contract is almost \$7000 per month and the water bill is between \$2500 and \$3000 per month. In addition to this we have an accounting service, secretarial service, insurance and the annual tree trimming work. Our assessments are some of the lowest in the area.
- E.** One owner asked if option #6 can be added to the comment card. This will be covered under the landscape presentation.
- F.** Question about delinquent accounts. We currently have 9 delinquent accounts. 7 of them are only 60 days past due and we are following up on them.
- G.** There was a question about how we could disband the Association. This would probably have to have an attorney involved and may require a vote of the mortgage holders. The problem then becomes who will maintain the slopes and how do we compel owners to maintain their property.

RESULTS OF ELECTION OF DIRECTORS

Inspector of Election, Wendy DeVuyst, reported that the following persons were elected to the Board for the coming year: Mike Dunn, James Llovera, Bill MacConnell, John Porter, Paul Sagar, Beckie Samuels, and Erwin Willis.

PRESENTATION BY LANDSCAPE ARCHITECT ON SLOPE RENOVATIONS

- Erwin Willis reported that about a year ago the Board had a lot of owners come to a meeting complaining about the appearance of the slopes. The Board decided to halt all of the plantings that we were doing, form a slope committee, and then hire a landscape architect to review our slopes and present a proposal. We solicited bids from 10 contractors, narrowed it down to 4 contractors and eventually selected ADL Planning Associates. Mr. Tony Lawson, the landscape architect from ADL, was here to present his recommendations. There is a form showing the options and a comment card that the owners were asked to complete and return tonight.
- Mr. Lawson's presentation included goals for the property and options for relandscaping the slopes and addressing the aging irrigation system. The condition of the soil on the slopes is a factor as to why the current landscaping is failing. Soil amendments will be needed for all relandscaping work. High visibility areas and those areas that are underperforming will be given the highest priority, followed by areas that have high water consumption.
- The minimal conceptual improvements would include a yield of 90% slope green coverage within 3 to 4 years, the needed soil amendments and the upgrades to the irrigation system. The upgrades beyond the minimum include enhanced plantings at the entry monument areas and increased plant coverage on the highly visible slopes.

- He presented a cost matrix with cost estimate options based on what work is selected. The costs range from \$1800 per home, \$2060 per home, \$2332 per home, \$2483 per home, to \$2537 per home, depending on the improvements selected. The Board is looking into financing options to pay these costs over 5 to 10 years.
- Erwin Willis introduced Percy Zelnick, who is working on the Slope Committee. The next step is to attempt to reach every homeowner with this information since there are only 45 homes represented here tonight. We need volunteers to help us reach all the owners. Once we can get a consensus of opinion, then we would go to bid to get a firm price. After that we would go to the owners for a vote for a special assessment. When we vote, we will need 127 votes in favor of this change. If it passes, then it would start installation in Spring 2018.

QUESTIONS AND ANSWERS ON THE SLOPE PROJECT

- A.** Question about maintenance costs once the slopes are relandscaped. The plants that will be installed will be appropriate for the location where they are installed and will require the same amount of maintenance.
- B.** There was a question about the increased water costs for the new landscaping. It was explained that the new plants would have a minimal impact to the current irrigation system since we will be using drought tolerant planting and upgrading the irrigation system. They anticipate a savings of approximately 340,000 gallons of water per year by changing the irrigation system. The Board looked into using recycled water previously and the cost to bring those pipes to the Association would be over \$1,000,000. The reason that the irrigation was turned down several years ago was due to a requirement of Olivenhain Water during the drought and not the Board's decision.
- C.** An owner asked if the enhanced plants provide more color. Mr. Lawson stated that the enhanced plantings would bring in a variety of plants that do have color.
- D.** There was a question about the cost estimates for the irrigation upgrades. Mr. Lawson stated that the pipes are a minimal problem. Not all the pipes are galvanized and not all will be replaced. The biggest expense will be the replacement of the sprinkler heads.
- E.** An owner asked if there are water restrictions in the future, what will happen to these new plants. Mr. Lawson stated that many of the plants that will be used can eventually be weaned off of supplemental irrigation and can sustain on their own.
- F.** There was a question about financing the amount. Once the majority votes, it will be decided by the owners if they want to finance for 5 or 10 years.
- G.** An owner suggested a sixth option which would utilize a large landscape contractor to plant the slopes on an on-going basis as had been done previously. Mr. Willis explained that if we go back to the previous type of plants our water costs would go up substantially.
- H.** There was some discussion on whether or not the previous landscape contractor, Martinez Landscape, had his contractor's license or insurance. If any qualified contractor has proper insurance and license, then he can bid on this project.
- I.** An owner thanked the Board for all their work on this matter. He agrees that we need to do something to improve the slopes that are over 40 years old.
- J.** An owner asked if the minimal landscaping that would protect against erosion. Mr. Lawson stated that all areas will be addressed so that there is no exposed soil.
- K.** An owner stated that they do not see the landscapers that are doing the work and they don't know who to contact if there is a problem. She feels that Martinez Landscape did a better job. The Board stated that there are phone numbers available for Al Benner and Board members if there are problems with the slopes. These are posted on the website.
- L.** An owner asked about using drip irrigation. Mr. Lawson stated that using drip irrigation on large slopes is very expensive and could double or triple the estimated irrigation costs. It might be possible in smaller areas, such as the monuments, but was not considered in the design since these are very small areas by comparison to the rest of the community.
- M.** Bill MacConnell pointed out that the homes in our community are selling for over \$1,000,000 and he felt that having a professional landscape plan for our slopes will only increase our property values. It was suggested that we talk to some realtors to determine what kind of property value increase could be seen. A realtor who was present stated that an appraiser does not factor in the Association landscaping when they appraise a home. However, he feels that people want to live in a beautiful community.
- N.** An owner asked about the Eucalyptus trees on the slopes. Mr. Lawson stated that many will be phased out in the plan and different species of trees will be used. An owner asked if the trees on the down slopes will be left if they do not endanger any homes. Mr. Willis stated

that the Board hires an arborist every year to review half of the trees and advise us as to which trees should be removed, no matter their location.

- O.** An owner asked why we are not continuing with the planting program that was started several years ago. Mr. Willis explained that we lost about 40% of the plants that were installed and we had complaints about the plants that were surviving. We were not addressing the irrigation system or the condition of the soil, both of which contributed to the plant failures. The plan that was being used was not comprehensive enough to take in all the variables.
- P.** An owner asked if the Board is recommending any one option. Mr. Willis has stated that the Board has not developed any preference. The Board wants to know what the community wants.
- Q.** An owner noted that neighboring communities have huge slope failures and dying plants and they have very large assessments.
- R.** An owner feels that it will be really hard to get a consensus with 5 options. The Board said they will continue to narrow down the options once we start getting feedback from the owners.
- S.** Mr. Willis stated that if the owners vote this project down, then we go back to the way we were doing it without any special assessment. This presentation will be put up on the website on Monday for everyone to review. Mr. Willis thanked Tony Lawson and the Slope Committee for all their hard work on this project. The Board also thanked Al Benner for all his work on the slopes.

Following the Annual Meeting the Board met and the following officers were elected:

President - Erwin Willis

Vice President – Paul Sagar

Secretary – Beckie Samuels

Treasurer – Bill MacConnell

The following committee appointments were made: Slope Maintenance – Al Benner, Percy Zelnick, and Bill MacConnell; Tree Work – Paul Sanger; Architectural – Beckie Samuels, John Porter, and Mike Dunn; Newsletter – Bill MacConnell.

NEXT MEETING: Wednesday, July 26, 2017 at 6:30 p.m. at the Lomas Santa Fe Country Club.