

# Hurricane Ridge Property Owner's Association, Inc.

## 2017 Annual Meeting Minutes

**10/21/2017**

1. The meeting was called to order at 10:10 AM by Don Ostrowski, President followed by an opening prayer by Reverend Jeff Seeger. Don then introduced Jody Seward and Darrell and Gina Williamson as new homeowners during the past year.
2. Jim Gamble, Secretary provided a report of lot owners present along with the number of Proxy Forms received. Twenty-eight (28) lot owners were present at the meeting and eleven (11) lots were represented by Proxy Forms for a total of thirty-nine (39) lots, representing 38.24% of the 102 lots. Joe Wall made a motion to establish that a quorum was present to conduct the Annual Meeting. The motion was seconded by Cecil Baldwin and passed unanimously by a voice vote.
3. Wayne Gullatt made a motion to approve the previously distributed Minutes of the Annual Meeting held October 15, 2016. Cecil Baldwin seconded the motion and the motion passed unanimously by a voice vote.
4. The Water System Committee Report was provided by Bill Sanislow. Bill reported that there are no current problems; there were two minor breaks during the year that were easy to repair. The system is in total compliance with all State of North Carolina Rules and Regulations with no issues to be dealt with. Jim Pignatiello has developed a plan to modify the reservoir to better manage the system to eliminate a current condition where the system may not re-start if there is a break. Jeff Paris is still on retainer and checks the complete system every week.
5. In the absence of Sam Jones, The Roads Committee Report was then given by Don Ostrowski. A handout on gravel road maintenance (How Dirt/Gravel Roads Work) was passed out followed by a general discussion of why the roads are in the condition they are in; primarily due the extended drought conditions. All road conditions will never be corrected. Additional discussion included the following:
  - i. There is a new parking area below Blackberry Lane that is marked as a parking area for 2-wheel drive vehicles for guests to park in.
  - ii. New signs 15 MPH, 4-wheel drive or all-wheel drive only signs, and keep to the left on the outside on the switchbacks are to be installed.
  - iii. It requires cooperation from all of us to do what we can to keep the roads up.
  - iv. Another road grading will be scheduled as soon as the weather permits; three to four days of rain are needed prior to grading.
  - v. A new tentative plan has been developed with David Noland and Johnny Lowe to resurface the road with a finer grade of aggregates. The plan is to test the

first ½ mile in the spring. Crush new rock and put down 10-15 loads on the test bed and then utilize a water truck to spray water followed by a tamping machine. If this really helps, we can extend it throughout the mountain. The test will be on the first steep grade. South of Pump House Road where there is a 16 - 18 degree grade, it will not work as well. The same is true for the other very steep areas. We want to help fix the current situation. This approach is being tested on a gravel road in Maggie Valley and the results to date have been good.

- vi. Going forward, we plan to schedule preventive maintenance, weather permitting, 3-4 times a year.
  - vii. Preventive road maintenance and the test can be completed within the current budget.
  - viii. How long will this last? The current Maggie Valley project has compacted very well and so far has held up very well. Longevity is not known at this time. With the proper base tamped down and with preventive maintenance, the road conditions should be significantly better.
  - ix. What about paving the steep areas? Too dangerous with any ice.
  - x. Experiment with one major switchback? Possibility to talk with Johnny Lowe in the spring. Johnny Lowe suggests to put cones in the switchbacks as well.
6. Jerry Thigpen provided the Architecture Committee Report. The Seward house has lots of work completed and the Williamson remodel is a work in progress.
7. Due to the absence of Sam Jones, The Treasurer's Report was given by Don Ostrowski & John Baxley, the HRPOA accountant. Don announced that John Baxley was present to answer any questions on the financials. Discussion of the provided financial reports are as follows:
- I. An overall review of the finance reports was given.
  - II. An explanation of the past due amounts was provided along with the continued liens being placed on past due lots.
  - III. Expenses are in line with the budget.
  - IV. We expect a \$20,000 surplus at the end of the year because we have not spend the money on the roads due to the dry weather.
  - V. For Water Revenue, we anticipate a \$6,000 surplus to reserves at year end.
  - VI. Currently, the three Water Reserve Accounts total \$41,369.75 and the General Reserves are \$30,139.39.
  - VII. Water reserve accounts by state law can only be used for water system expense. If we have a break in some of the old system; you will have to replace an entire section.
8. For the Election of Board members, Rex Tidwell, Nominating Committee Chairman, announced that Bill Sanislow has been nominated to fill the upcoming Board Member opening. Don Ostrowski asked if there were any additional nominations from the floor.

Hearing no nominations from the floor, Heyward Adams made a motion to elect Bill Sanislow to the open Board of Directors position. Joe Wall seconded the motion and it passed unanimously in a voice vote.

9. During Old Business, a review and discussion of the Pavilion took place. Jerry Thigpen, Pate Rowell, and George Nottingham served on a committee to look into the matter. George Nottingham provided a historical review advising that the original homeowners were promised a picnic pavilion by the developer and it never happened. An architectural drawing by Jim Bruce goes back to the 70s. The members present thanked George Nottingham for his contribution over the years. Jerry Thigpen and Pate Rowell advised that the committee has three examples of possible design choices:
  - I. A Timber Frame Pavilion structure with a decking roof is the “Cadillac Version” with a bathroom and a kitchen addition if desired. The Log Home Builder uses yellow pine post and beams at a cost of approximately \$110,000 for the basic structure.
  - II. A Pole Barn that is similar to the Fine’s Creek fire house building with a bathroom and kitchen area addition if desired. With a 30’ x 30’ slab, the roofline measures 34’ x 36’ at a cost of approximately \$31,500 for the basic structure.
  - III. A Hybrid Structure with a metal roof, beams, and pre-made trusses was estimated at \$60,000. A sample of this style structure from the same builder can be seen in Maggie Valley.

The level of fund raising should determine the choice. Getting out of the ground is >\$20,000 for the foundation with no poles in the ground. Haywood County determines what must be done for the wind load over 3,000 ft. elevation. The committee recommends the following:

- I. Rough the plumbing in now for kitchen and bathrooms.
  - II. Should we see if the lot perks first for a septic tank sized for a one bedroom house? Good idea to do so.
  - III. The Fines Creek shed can be used for free now.
  - IV. All structures must be in keeping with the theme of the mountain.
  - V. It will be nice to have our own structure.
  - VI. We will need to have a way to calendar and reserve the pavilion.
10. During New Business, a Motion in abstensia by Sam Jones was presented and read by Jim Gamble. The Motion contained the following language:

MOTION, that a FRAMEWORK be approved by the membership to pursue the matter of building a pavilion on Lot A51 as follows:

1. The Architectural Committee is authorized to continue gathering details of design, engineering, function and cost related to the building of such a facility, and
2. The Board of Directors be authorized to approved the final design, function and cost of such facility and

3. The financing of such facility be structured as follows:
  - a. A minimum of 50% of the cost to be funded by VOLUNTARY contributions from the HOMEOWNERS. Such contributions would be collected and maintained in a memorandum account on the books of HRPOA by the Treasurer as directed by the Board. In the event the pavilion is not built, those funds will be refunded to the contributors.
  - b. The remainder of the cost (but not more than 50% of the total cost) may be drawn from the General Reserves of HRPOA with the provision that after such withdrawal the balance left in the Reserve Fund must be a minimum of \$25,000 to cover any unforeseen expenses requiring use of these funds before being replenished in the normal course of operational surpluses. (Currently we are adding \$10-20,000 annually to Reserves)
4. As soon as all items above are completed to the satisfaction of the Board of Directors and in accordance with the authority that exists in the declarations, bylaws and articles of incorporation of HRPOA, the Board is hereby authorized to execute a contract to perform the work.

Printed copies of the motion were distributed for review. The Motion was seconded by Carolese Gullatt. Don Ostrowski opened up the motion to the floor and the discussion and comments are as follows:

- I. The Water Reserve is separate.
- II. Will this impact our property taxes?
- III. There have been years that we have had negatives?
- IV. What if something major happens to the roads?
- V. What about insurance costs and operating costs?
- VI. Who and how will it be used? We can have the party there instead of Jerry's porch.
- VII. Available to be reserved by any home owner.
- VIII. Will there be a basketball court?
- IX. Children do not like the mountain because there is nothing to do.
- X. Jerry and Sam and others have been generous to open their homes in the past.
- XI. This would provide a place for everyone to use.
- XII. Can we charge a rental fee? It is against the rules of our insurance policy to rent it out.
- XIII. Use it for property owners and their guests.
- XIV. We can build it with contributions or do it with association funds.
- XV. We need to have adequate reserves at all times on the mountain.
- XVI. The Motion is for a minimum of 50% from contributions; only the balance will be used.
- XVII. Let's commit to this and raise as much money as we can.

- XVIII. Let's wait until we get the surplus instead of drawing down the reserves.
- XIX. Pass the motion and let the board make the decision rather than waiting another year.
- XX. Trust the board to make the decision.
- XXI. Let the board appoint a committee to move forward.
- XXII. The Ball park increase in liability insurance is \$400 per year.

The question was called and the motion was voted on by secret ballot. Ballots were counted and verified by the Board of Directors. The Motion passed with 27 votes in favor, 16 votes not in favor and 1 abstention. Don Ostrowski then advised that ongoing fund raising will be need to complete it. This motion gives the board the authority to go ahead and gather additional information before any final decision is made. On-going maintenance costs to be determined. We need a committee to move forward with the fund raising.

- 11. The next New Business item, Roads and Security, was led by Bill Sanislow and Don Ostrowski as follows:
  - I. We have an ever ending problem with unauthorized people on the roads and hunters.
  - II. Gate code changes have to be e-mailed out.
  - III. Gate code is commonly known within a few days after it is changed.
  - IV. We should consider installing a siren detector on the gate to open it automatically for police, fire, other emergency vehicle. This gives us the ability to change the gate code regularly; property owners will have to give out the gate code for all guests and vendors. The BOD will not give out the gate code.**
  - V. It Increases security and the reduced road traffic will reduce road maintenance expense.
  - VI. Can you define a select group of hunters? I saw a pickup truck at the gate to pick up his dog. What authority did he have? He had permission from David Noland. I asked if I ask David right now and David confirmed his permission. David has given people permission for decades.
  - VII. No trespassing and the purple posts requires anyone to have written permission on their person for each vehicle assigned to the individual driving the car. Like any other law, it is a matter of enforcement.
  - VIII. It is getting better now, it has decreased from the past. Johnny Lowe and David Noland have helped this. No perfect solution but this will help.
  - IX. Changing the code frequently will help keep the traffic out.
  - X. Telephone Entry System is very expensive; \$20,000 expense to put in a cell phone based system.
  - XI. How often will we change the code? The plan is to change it weekly to start with.
  - XII. Homeowners will be responsible to give the code out as needed.
  - XIII. Code rotation will discourage uninvited guests.

- XIV. Hunters do not have to come through the gate. People get in 4-5 different ways – hunters can do it in a heartbeat. Hunters have been coming up here for generations, in their mind, it is their mountain.
- XV. We need to be careful how we approach this; it probably will not work.
- XVI. It's a pain in the neck to get construction and service people the new code every 4 or 5 days. We need to be careful.
- XVII. Purple blaze is being used throughout the county.
- XVIII. If someone were killed by a stray bullet, would this have an impact?
- XIX. For homeowners that use Terminex, talk to the manager to please schedule the homes at one time a month – they come up here 12-15 times a week with a 2 wheel drive vehicle. Homeowners and the board will contact Terminex.
- XX. If a home is for sale, stress that the realtors need 4 wheel drive to come up here. They are often on the phone and driving too fast in a 2 wheel drive car.

Ed Snape made a motion to add the Siren Detector System to the gate and to change the code frequently. The motion was seconded by Joe Wall and passed unanimously by a voice vote.

12. At approximately 12 Noon, a Motion to Adjourn was made by Joe Wall and seconded by Rex Tidwell. The motion passed unanimously by a show of hands.

Respectfully Submitted by Jim Gamble, Secretary, Hurricane Ridge Property Owner's Association, Inc.