

Linville Falls Club Property Owners Association, Inc

Draft Meeting Minutes Monday, January 6, 2020 @ 4 pm- 5:30 pm @ Inn at Linville Falls

Board Members Present: John Szweda, Ellen Mick, John Plain, Mayo Collier, and Melanie Harris (by phone)

Property Owners Present: Richard & Worth Merritt, Martha Siegwarth, Jean Crago, Doris Ryan, Rebekah & Jan Thomas, Pat Bundy, and Maria Burdette (by phone).

1. Declaration of a quorum and call to order

2. Call for approval of this agenda

- John Szweda moved to approve the agenda; Mayo Collier seconded with unanimous affirmative vote

3. Call for approval of minutes from the December 2, 2019

- John Szweda moved to approve minutes; Mayo Collier seconded with unanimous affirmative vote.

4. President Report -Mick

1) Discussion of phase II lot dues question and board review

- a) Correspondence was received from one of our 3 phase II lot owners questioning his dues versus POA current management of phase II
 - i) Our 3, non declarant owned, phase II were not specifically considered when we developed lot dues
 - ii) The board's clear intent was to develop a single dues fee for lot owners
 - iii) All lots, once purchased from the declarant, are homestead lots subject to dues
 - iv) Phase II lots also benefit from the fact that maintaining the community preserves the value of their lots
 - v) Lots purchased from Glenn have an opportunity to switch to a phase I lot
 - vi) Two of the phase II lots were purchased with a 24 month dues acceleration clause to \$1200. These lots were given a "break" in dues by a previous board. There 2019 dues rate plus their portion of the loan is roughly equivalent to their 2020 dues. There is no driver to create another dues structure
 - vii) The board, after considerable review, believes the phase II lots are being treated fairly under the new dues structure

2) Brief summary of board's review of Sewer/Water Tap In fees

- a) Response to builder's request that water taps be available at start of construction
 - i) The POA owns the responsibility for providing a water and sewer tap in location compatible for a domestic hookup for the phase I water and sewer loop.

- ii) Typically, a community or municipality provides water tap in connections at the start of construction. We intend to adopt this practice.
 - (1) The POA will install a tap in valve for water. The contractor will still be responsible for installing the pressure reduction valve and the domestic plumbing lines to the house
 - (2) Roger will finish installing the tap in valve for the cabin on Catawba this week.
 - (3) Roger will be preparing tap in locations for Valley View, the new Clinchfield gap home site, and the two Rocky Branch Trail sites this month
 - iii) The POA charges fees for water and sewer hookup. These fees should pay for all costs associated with water and sewer hookups for new construction.
 - (1) The board needs to track their expenses and ensure that all fees are set appropriately.
- 3) Brief Summary of Board's review of ARC fees
- a) Fee is set at \$600. We do not currently know if we have any costs. Mayo expressed concerns about whether the electronic review of plans and their subsequent storage will result in any costs. We need to determine if the POA is incurring any costs before altering this fee.
- 4) Easements – it appears we have most of our needed easements. We need to verify that all were recorded properly.
- 5. Legal and auditing report -Mayo**
- 1) CCR revision signed on January 6, 2020 and will be recorded upon payment of the attorney's fees
 - 2) Status of financial audit
 - a) All records have been collected by the Treasurer and will be delivered by Mayo to A&A Tax service on January 7th so the audit can proceed. The audit should be complete by March.
 - 3) Insurance review
 - a) Our current policy is not adequate. Need to expand for appropriate coverage and appropriate amount of coverage
 - b) Our current policy was updated to reflect the correct POA address. Our next step is to get quotations on various types of coverage and then evaluate which additional coverages will be acquired. The NC Planned Community Act recommends that coverage be obtained for 80% of our asset value. Our current coverage exempts a number of types of coverage such as floods, earthquake, mudslide etc. We will start with getting an updated quote from our current vendor and at least one other vendor. Mayo has volunteered to lead this process.
 - c) Mayo motions: "LFCPOA to reevaluate the current insurance coverage and determine cost for increased liability in increments of \$1M for accidents and umbrella coverage. Cover 80% of assets including the guard house, bridge, WWTP and well system. Also, flood, earthquake, mudslide and landslide." Motion was seconded by John Szveda. Unanimous approval.
 - 4) Terms of offer from Golf Course for community dumpster location
 - a) This solves our issue with finding a home for the dumpster so that we are no longer on the Southpoint property which is intended for development. We have been asked to move the

dumpster by month end. Mayo and Tom entered into this “gentleman’s agreement” for the good of the community and to demonstrate that everyone is working together for the good of the community.

- b) Mayo motions: “Accept Tom Kelechi’s offer for the POA to relocate the dumpster to an area below the parking lot as a benefit to the community. The POA will bear the cost of relocation and seed dirt that was relocated for the sink hole to prevent erosion.”. Motion was seconded by John Szweda. Unanimous approval.

6. Financial Report and Record Retention – Szweda

- 1) Status of review of Linville Falls Mountain Club dedicated icloud space for recordkeeping
- 2) Details of POA invoicing and receipts
 - a) The due date is January 10th. Checks are still being received.
- 3) The names on bank account are current. Melanie and John P are authorized to sign checks.
- 4) John is in the process of updating the investment accounts.
- 5) Jean has completed the 2019 annual report for distribution to all property owners. John Szweda motions:

“Approve the year-end financial report dated 06Jan2020 created by Jean Crago for distribution”. Motion was seconded by John Plain, Unanimously approved.

7. Utilities Report – Plain

- 1) Status of Envirolink invoice
 - a) Damage to the lines was not caused by REC but rather from root ball damage from surrounding trees.
 - b) Additional work is needed to verify the details of the Envirolink invoice. Once review is completed, John Plain will notify the Treasurer and Accountant.
- 2) No new maintainence issues or leaks reported
 - a) Still pending- location of potential cross connection between golf course sprinkler system and community well water system
- 3) Water usage average is under 10K per day which is normal.
- 4) Wastewater effluent flow is under 5K per day which is normal.

8, Roads and Grounds Reports -Mick

- 1) Listing of lots 72/73 Rocky Branch Trail with Tami Newman
 - a) List price 50K for combined lot based on the realtor’s assessment of the property, real estate contract fees 5%
 - b) When sold will eliminate property taxes and add another due paying lot
 - c) Proceeds will be placed in reserves

d) Ellen Mick motions that “we enter into a real estate sales contract with Tami Newman, ERA Mountain View, for Lots 72/73 on Rocky Branch Trail at a contract price of 50K. Funds received from sale will be placed into our reserves.” John Szweda seconded. Unanimously approval.

2) New contractor bids and purchase orders

- a) Bids received from J and K Construction and accepted as low bidder for culverts at Hunnicut Mnt Road and Blue Ridge Drive south
 - i) 2019 Purchase order issued and accrued for Hunnicut Mnt road
 - (1) Work to be scheduled ASAP

3) Status of active projects or landscaping

- a) Roger and Padgett will be improving ditch line, repairing road erosion, and placing new gravel on the upper end of Rocky Branch Trail. These two lots are being developed as spec housing this year.

9. Property Owner Issues and Community Involvement – Melanie (report provided by Jan Thomas)

- 1) Information sharing on a camera system for the front entrance (gate house area)
- 2) Separate email will be provided to homeowners discussing security options

10. ARC and Developer Report – Glenn – not present

- 1) 5 lots being featured for sale (lot picture shown during meeting)
 - i) Lot 21- Hunnicut Way
 - ii) Lot 43- Hunnicut Mnt Road
 - iii) Lot 48- Clinchfield Gap
 - iv) Lot 170- Catawba
 - v) Lot 203- North Blue Ridge Drive

11. New Business – Open

- Brief open discussion to capture new concerns
 - Jean Crago expressed concern about a friend who wants to walk her dog in our community
 - The community had a general discussion about related security issues
 - The board will discuss security issues, including dog walkers, more in the February meeting

12. Call for motion to adjourn at 5:57 -Mick