

# Eagle Ridge Homeowners Association

## Board of Directors Meeting Minutes

February 26, 2019 at 6:30pm  
St. John's Lutheran Church  
5810 S Meadowlane Rd. Spokane WA 99224

1. The meeting was called to order at 6:30pm by President, Mike Cressey. All Directors are present. Gil Pierce, Community Manager, and Melissa Owens, Association Admin, of Rockwood Property Management are also present.
2. The minutes of the December 10, 2018 Board Meeting are approved as written.
3. Ray Kimball, Whipple Consulting, presented a request for easement to install a water line through the common area. The Board will discuss via email or phone in the next 2 weeks whether to grant approval for the easement. Prior to that, President Cressey will contact City water engineer, John Saywers, to discuss City's input into this issue.
4. Treasurer's Report
  - a. The December 2018 and January 2019 Financial Reports are approved as presented by RPM. The Board asks that the reports be posted to the Association's website.
  - b. The 12/21/18 Board Resolution RE 2017 Audit Requirement to Reimburse Reserve is ratified. A copy of the resolution is attached hereto.
  - c. The 2019 Reserve Allocation will be adjusted from \$6.55/lot/quarter to \$5.05/lot/quarter beginning April 1, 2019. This adjustment will occur for 24 months so as to comply with the 12/21/18 Board Resolution RE 2017 Audit Requirement to Reimburse Reserve.
  - d. The Reserve Expense Resolution for lift station repair is ratified. A copy of the resolution is attached hereto.
  - e. The 2017 Audit is accepted as presented by Clifton Larson Allen LLP. WEB Properties invoice for \$1,775 for work performed on 2017 audit is approved for payment.
  - f. The CPA requests that the Board/RPM review the 2018 "pre-audit" to ensure all codings are correct prior to submitting for audit.
5. Architectural and CC&R Violations: none at this time
6. President Michael Cressey commented on management transition progress and reports that he is pleased with the management product Eagle Ridge is receiving, financial reporting is far more transparent now.
  - a. Lincoln Way Easement Request. Mike Cressey reached out to Taylor Engineering for easement proposal and has not heard anything back. Unless Taylor Engineering responds to President Cressey's inquiry with a proposal for granting this easement, the Board will consider the matter closed.
  - b. Falcon Pointe Development; The Board, via President Cressey, requested that this new development respond to his offer of reasonable compensation by the developer in exchange for those residents having access to ER amenities. There has been no response to this date. To encourage further negotiation with the FP developer, the Board approved funds of approximately \$460.00 and the language for a sign that will be installed next to the FP promotional sign alerting prospective FP buyers that ER amenities are reserved for ER residents/guests only. Gil will follow-up with ordering the sign and installing it. The Board approved B. Hamilton's motion that the sign remain in place until September 2019 when its efficacy will be reviewed.
  - c. President Cressey invited residents to participate with the Latah/Hangman Valley Planning Council in developing some educational programs that would appeal to all residents, including ER residents that are represented by this council. Such programs could include issues related to natural wildlife, plants,

infrastructure concerns, City issues common to this area, etc. The discussion at the Planning Council meeting last week included the possibility of ER hosting all such events at one of our parks, the L/HV council arranges for speakers, and ER HOA & L/HV council jointly promote the events. The ER Events Committee will meet March 7<sup>th</sup>, 6pm in the information center where this will be discussed.

## 7. New Business

- a. The Association utilizes an intranet that allows the Board to communicate with the City and other entities. Members are encouraged to contact Rockwood Property Management with questions or concerns. However, should members wish to contact the Board directly, it may do so via email to [erhoaboard@gmail.com](mailto:erhoaboard@gmail.com). The Board does not monitor or respond to posts on NextDoor.com.
- b. Gil Pierce presented a comparison of new landscape bids for the Board's consideration. Upon the Board's request, Gil will advise Greenleaf Landscaping and Clearwater Summit that they are the final two in consideration and ask for their best proposal. The Board will make a decision by resolution once final bids are received.

A question was raised by a resident regarding the use of goats for landscape clearance in natural areas. This was researched by RPM for the prior Board last year; it was determined that goats will not suit the Association's needs in natural areas.

- c. Gator maintenance as proposed to the Board was approved and completed. Total cost of maintenance came to \$645.75
- d. Gil requests that the Board review the common area maps to determine if and which common area sidewalks should be considered for future snow removal. Once the service area is identified, Gil will solicit proposals for the Board's consideration. The Board has tabled this project for this summer.
- e. Administrative
  - i. Invoice received for Dan the Piano Man contract for \$120/mo movie trailer storage; Gil will research other options.
  - ii. 2018 Tax Return is signed by the Board.

## 8. Open Forum

- a. Al French presented information on forming a Neighborhood Council and invited member attendance/participation.
- b. Concerns were expressed about enforcement of snow removal in front of homeowner lots. Gil is reviewing what constitutes a hazard with inspection staff.

## 9. Meeting adjourned at 8:41pm.

# EAGLE RIDGE HOMEOWNERS ASSOCIATION

To: Eagle Ridge HOA members  
From: 2018 Eagle Ridge HOA Board  
Re: **2018 Financial Audit Issue**  
Date: December 21<sup>st</sup>, 2018

Dear HOA Members:

In connection with the independent audit of our 2017 fiscal year it was brought to our attention that several transactions appeared in the 2017 records indicating transfers of funds from our reserve account to our operating account which were then used to pay for operating expenses. While such transfers and expenditures are permitted by our policies and Washington Law, the Auditors noted that there was no documentation that for each transaction a plan was approved by the Board for repayment to the Reserve Fund. Nor was notification given of the transaction in writing to each Association member as required by Washington Law, RCW 64.38.075.

This letter is intended to document such notification and repayment plan so that we are in full compliance with all regulations and requirements. All of the noted transactions were in fact approved by the Board and were appropriate and necessary expenditures. In addition, at no time did these transactions result in the Reserve Account being underfunded.

A repayment plan was adopted by the Board and confirmed to the Auditors on December 21<sup>st</sup>, 2018. The funds at issue (approximately \$39,000) will be re-paid by equal quarterly transfers from the Operating Account to the Reserve Account over the next two years. We have confirmed that even without these future repayments sufficient funds are currently in the Reserve Account to fully fund all anticipated reserve expenditures through 2047. Finally, the Board had approved a policy that will prohibit any such transfer in the future without prior approval by the board of a repayment plan and timely written notice to all members.

This issue will be on the agenda for discussion at our next quarterly Board meeting the date, time and place of which will be provided. You are all welcome to attend with any questions for the Board. The 2017 Audit and the 2018 Board Resolution referenced above, will be posted on our website when the Audit is completed in early 2019 as are all of our Association records.

Thank you.



Lori Henriksen, President

Resolution of the Board of Directors  
of  
Eagle Ridge Homeowners Association  
A Washington Non-Profit Corporation

DECEMBER 21st, 2018

The following resolution was unanimously adopted by the Board of Directors of EAGLE RIDGE HOMEOWNERS ASSOCIATION, a Washington non-profit corporation (herein the "Association"), on December 21st, 2018:

WHEREAS, pursuant to the powers vested in the Board pursuant to its By-Laws, Article VI, Section 1, the Board desires to provide that all financial transactions involving the Association funds are handled in full compliance with RCW 64.38.075,

WHEREAS the Board intends to reimburse to the Reserve Fund certain monies used in 2017 to pay operating expenses,

WHEREAS the Board finds that repayment of the Reserve Funds within 24 months of the original dates of transfer would impose an unreasonable burden on the Association members,

THEREFORE, IT IS RESOLVED THAT,

1. Neither the Board, its members, agents or its Management Company may transfer or authorize the transfer of funds from the Reserve Account to pay non-reserve expenses without the Board having approved:

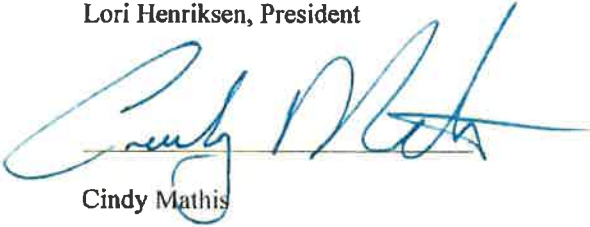
a. A plan for the full repayment to the Reserve Funds of the amount transferred within 24 months;

b. Notice of the transfer to be given in writing to each member of the Association of the transfer and repayment plan within 30 days after the transfer.

2. Reserve Funds that were identified by the Auditors of the 2017 Financial Statements as having been used to pay Operating Expenses shall be repaid to the Reserve Funds in equal quarterly payments over the next 24 months from the date of this resolution.



Lori Henriksen, President



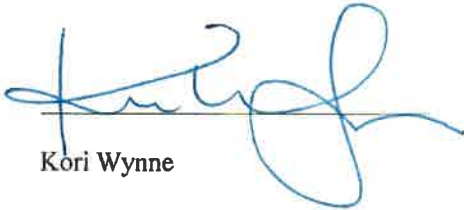
Cindy Mathis



Michael F. Cressey



Ralph Heaton



Kori Wynne

Eagle Ridge Homeowners Association  
Board of Directors Resolution – Reserve Expense

January 17, 2019

WHEREAS the Eagle Ridge HOA Bylaws Article V, Section 5 affords the Board of Directors the right to take any action by unanimous written Board approval which would otherwise been taken at a Board Meeting by majority vote of Board Members;

WHEREAS the Eagle Ridge HOA Bylaws Article VI, Section 1(q) imposes a duty upon the Board of Directors to maintain and repair all common areas;

WHEREAS the urgency of the below detailed common area repairs obligates the Board of Directors to take swift and immediate action to limit damages and expense;

LET IT BE HEREBY RESOLVED that the Eagle Ridge Board of Directors authorizes Rockwood Property Management to draw checks from the Association's reserve account totaling (approximately) \$16,203.58, payable to RC Worst and \$1653.93 payable to Tri County Septic for the following scope of work:

- New Hydromatic Vortexing Pump \$4900
- Hydromatic Compactor Kit \$406
- New Orenco Model Pump Control Panel \$4587
- Estimated labor & parts per the email \$5000
- Cleaning debris from wet well to install new pump \$1653.93

A copy of the Board approved proposal is attached for reference.


Being that this is a budgeted reserve expense scheduled in the Reserve Study, no repayment terms are required or necessary. This resolution will be ratified at the next Board Meeting and recorded in the minutes.

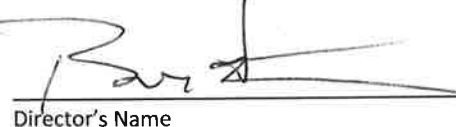
*WA HOA Reference: RCW 64.38.075 Reserve account—Withdrawals.*

*An association may withdraw funds from its reserve account to pay for unforeseen or unbudgeted costs that are unrelated to maintenance, repair, or replacement of the reserve components. The board of directors shall record any such withdrawal in the minute books of the association, cause notice of any such withdrawal to be hand delivered or sent prepaid by first-class United States mail to the mailing address of each owner or to any other mailing address designated in writing by the owner, and adopt a repayment schedule not to exceed twenty-four months unless it determines that repayment within twenty-four months would impose an unreasonable burden on the owners. Payment for major maintenance, repair, or replacement of the reserve components out of cycle with the reserve study projections or not included in the reserve study may be made from the reserve account without meeting the notification or repayment requirements under this section.*

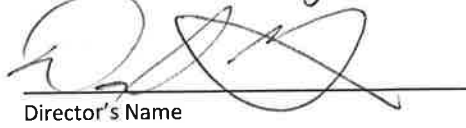
This resolution is made by unanimous written consent of the Board, as designated by each Director's signature below:

  
Director's Name                      3/4/19  
Date

  
Director's Name                      3/5/19  
Date

  
Director's Name                      Date

  
Director's Name                      3/5/2019  
Date

  
Director's Name                      3/6/19  
Date