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PEPPER TOWNEHOMES HOMEOWNERS ASSOCIATION
BOARD OF DIRECTORS MEETING
MARCH 2, 2022
MINUTES

The Meeting was called to order by the Association President at 6:00 p.m. via electronic audio and video.

Directors Present:	Robert Reed	President
	Mike Dayton	Vice President
	Jim McCorkle	Treasurer
	Ashley Borja	Secretary
	Carrie Barong	Director
	Tina Wick	Director
	Rhonda Bellavia	Director

Also Present:	Joseph G. Apparito, CAI	Community Manager
	Jeffrey French	GBF Attorney
	Two (2) Unit Owners	

OPEN FORUM

A Member expressed concerns regarding the Laurel Heights Project on the adjoining property. Padre Dam will be scheduling water pipe connections on level 5 in the coming months. The Member has volunteered to contact the City and Padre Dam for more information and to express concerns. Management will also follow up with Padre Dam and the City. A Member expressed concerns with the lawn area behind 7895. The Members remained to observe the remainder of the meeting.

Mike Dayton has announced his resignation from the Board of Directors. The Board accepted his resignation. All Members present thanked Mike for all of his years of dedication to the community. Everyone wished him the very best.

APPROVAL OF PREVIOUS MEETING MINUTES

The Board reviewed the Open Session Meeting Minutes of January 5, 2022. A motion was made, seconded, and carried to approve the Minutes as presented.

The Board reviewed the Executive Session Meeting Minutes of January 5, 2022, in which homeowner correspondence was reviewed, the violation log and the delinquent account log were reviewed. A motion was made, seconded, and carried to approve the Minutes as presented.

The Board reviewed the Executive Session Meeting Minutes of February 1, 2022, in which the Board met with the Association's Insurance Carrier and Attorney to discuss insurance related issues facing the Association. A motion was made, seconded, and carried to approve the Minutes as presented.

FINANCIAL REPORT

Period Ending 12/31/2021: The operating account balance is \$45,768. The combined reserve account balance is \$811,198. The accounts receivable total is \$9,406. Income for this period is \$64,265 with expenses of \$52,104. The total assets for this period are \$866,198. A motion was made, seconded, and carried to approve the Financial Report as presented for filing pending Independent Financial Review.

Period Ending 1/31/2022: The operating account balance is \$40,474. The combined reserve account balance is \$831,961. The accounts receivable total is \$11,278. Income for this period is \$54,115 with expenses of \$59,408. The total assets for this period are \$883,714. A motion was made, seconded, and carried to approve the Financial Report as presented for filing pending Independent Financial Review. The Board may vote at a future meeting to skip 1 month reserve allocation due to the recent large increases in insurance premiums.

Upon the recommendation of the Treasurer, a motion was made, seconded, and carried to roll over a \$100,000 CD that is maturing on 3/11/2022 into a new 6-month CD.

Upon the recommendation of the Treasurer, a motion was made, seconded, and carried to approve moving \$300,000 from the money market account into a new 6 month CD.

Reserve Study Proposal: Last year, the Board approved a proposal submitted by Smart Property for 3 year plan which includes 1 full reserve study with on-site visit for 2021 for \$1,890 and for 2 updates without site visit for 2022 and 2023 for \$630 each year.

REPORTS

Landscape: A walk-thru inspection of the Community landscape was conducted on 2/17/2022 with the Association President, a Board Member, the Community Manager, and the Landscape Supervisors present. A report was provided to the Board for their review. New trees, shrubs and mulch have been installed alongside the 7819 building bordering Mission Gorge Road.

The Board reviewed an amended tree trimming proposal provided by Green Horizons. The amended proposal was modified to reduce the number of trees to be serviced in order to fit within the annual budgeted amount. A motion was made, seconded, and carried to approve the proposal as submitted for a cost of \$5,210.00.

Maintenance: A walk-thru inspection of the Community was conducted on 2/17/2022 by the Association President, a Board Member, and the Community Manager. Maintenance is performed under agreement for 14 hours per month with safety issues as a priority and any other maintenance related matters pushed off to the following month in order to stay in budget. The Board briefly discussed temporarily increasing the maintenance budget. The level 3 pool light will be inspected for proper operating times.

UNFINISHED BUSINESS

2022 Painting Project Review: The 2022 painting project includes all stucco, hardiboard and wood trim on buildings 7879, 7889, and 7899. The Board reviewed several competing proposals. After further review and discussion, a motion was made, seconded, and carried to approve the proposal from Pilot Painting with options for paint upgrade for metal balcony railings and to replace the utility doors on each of the buildings for a total cost of \$31,550.00.

Laurel Heights Development: The project involves the construction of 80 condominium units on a 7-acre portion of a 10 acre property at 7739 Mission Gorge Road. Board members and Management have met with representatives on-site to review any concerns. Padre Dam will be scheduling water pipe connections on level 5 in the coming months. Management will follow up with Padre Dam and the City on this matter.

NEW BUSINESS

Waste Management Organic Waste: Board Members and Management met on-site to determine the best location for the placement of green organic waste bins in the community to conform to the new organic waste guidelines. A motion was made, seconded, and carried to approve the placement of four (4) 64 gallon bins, one on each of the levels except level 2. Waste Management will be notified of this decision.

Proposed Rule Amendment: Due to the Boards concern about individual owners that may try to modify their garage, carport, or patio area into some form of living unit, A proposed rule amendment clarifying that this is not allowed here in the community was distributed to the membership for a 30 day review and comment period. There were no responses received from any unit owners. A motion was made, seconded, and carried to approve the rule amendment as presented to be effective immediately.

2022 Inspector of Election Appointment: A motion was made, seconded, and carried to appoint HOA Elections of California as the Inspector of Election for the Annual Meeting & Election scheduled on 9/7/2022 contingent on receiving more nomination forms than open board positions. There are three (3) board seats up for election with a term of three (3) years. A motion was made, seconded, and carried for the following action: Per CA Civil Code, if, at the close of the time period for making nominations, there are the same number or fewer qualified candidates as there are board positions to be filled, the Board will seat the qualified candidates by acclamation without balloting.

Wood Fencing Replacement: Wood fencing between adjacent owners is determined to be Association responsibility. Line items for replacement have recently been added to the reserve study. Funding is very limited at this time to begin a replacement project. Owners must submit any repair/replacement requests on an individual basis in writing along with pictures for determining if replacement is needed now. Maintenance will then schedule inspection to determine if repair or replacement is needed. The old wood fencing between units will be replaced like-for-like with new wood fencing only if needed.

Concrete Trip Hazards: Proposals are being obtained to inspect the entire community for any potential trip hazards and to repair those trip hazards. Green Valley landscaping will be contacted to determine if they perform this type of work as well.

Proposed Newsletter: The Board reviewed a draft newsletter along with additional information regarding insurance issues the community is facing. After further review and discussion, a motion was made, seconded, and carried to approve distribution.

Proposed Governing Documents Amendments: The Association is beginning the process of amending the governing documents so that individual unit owners will obtain the own insurance coverage as discussed. Green Bryant and French and Farmers will assist with a cover letter to the membership to take a vote on this matter. The Attorney will confer with the Insurance Carrier if there is actually any requirement to amend the documents, given that the existing documents are silent regarding who is responsible for acquiring insurance, the HOA or the individual unit owners.

The Board approved amending the governing documents for changing the documents from the current 75% requirement to a lower level 51%. The Board also approved to amend the quorum requirement for annual elections from the current 50% down to 33% on the first attempt, dropping to 20% on the second attempt. References to interest charges for delinquent accounts will be removed but will be placed in the collection policy.

ADJOURNMENT

With no further business to come before the meeting, a motion was made, seconded, and carried to adjourn the meeting at 7:10 p.m. to the Executive Session to review correspondence, and discuss violation and collection matters.

Pepper BOD

Date

The next meeting of the Board of Directors is scheduled for 5/4/2022