

Minutes
SWRA Annual Meeting
March 12, 2011 10:00 A.M.

President Eb Spink called the meeting to order at 10:00 a.m. at the Community Room at the SWRA Centre on a sunny Saturday. The following Board members were present: Penny Alexander, Mike Dollar, Cal Johnson, Eb Spink, and Mack Yeargan. Board Members Dave Heinzen and Michael Carter were excused. General Manager Kevin Eason, Community Administrator Susan Thames, Maintenance Bren Baker and Gate Captain Sue Page were also present. There were approximately 65 people in attendance (number includes board members and staff.)

General Manager Search and Welcome - Eb welcomed the residents, thanked them for coming and introduced the Board members. He reviewed the process for the General Manager search stating that there were 43 applicants and 17 interviewed. All were good candidates and the Board was pleased with the quality and experience of applicants. In the end of many hours of interviewing the Board decided to hire Kevin Eason. Eb introduced General Manager Kevin Eason. Kevin gave a little information about his background, which was in banking and in the last few years in particular of taking over subdivisions to complete the build out. He stated that he was looking forward to a long relationship with StillWaters. He then explained the process for the meeting asking residents to hold questions until the end of the meeting and at that time to please state your name and what set of covenants you are under.

Recap of 2010 – Kevin Eason

The search for and the hiring of a General Manager was a major goal, which was completed in January of 2011.

SWRA Building Renovation was one of the largest projects that SWRA has had to manage. Hail damage lead to the replacement of the roof, which revealed some neglect and decay. Kevin showed pictures of the project before during and after, including some of the mold and rot damages. He explained some of the structural flaws that were found during the reconstruction, which necessitated many of the changes and improvements made to the building. He commented on the expertise and guidance of Kenny McBride of M&M Construction. He explained the use of building guidelines briefly. There is a nominal fee system to help offset some of the costs of utilities and cleaning. SWRA charges more for meetings for night usage than daytime usage due to the additional staff time and responsibilities as well as heating and cooling the building in off hours.

Drainage Projects – The Roads Committee worked on 18 drainage projects working with Hagan Wagoner of ProgreCiv Group as a consultant. Kevin explained that riprap or rock is not always a good solution. Grass holds better and is easier and less costly to maintain. Slides of a few of the drainage projects were shown.

2011 Goals – Kevin Eason

Board Transition Continues - During 2011 the SWRA Board will continue its transition from a working board to a policy-making board.

Paving - This is a large part of our budget and due to the increase in oil prices the cost has risen sharply. Originally we had planned to pave 4.5 miles, however it will be reduced to 2.75 miles due to the costs. Some areas will be asphalt and some will be tar and gravel in order to stop the deterioration. We can't afford to lose these surfaces. The Roads Committee has worked hard to survey and evaluate the roads and drainage. They continue their work with Patti Richardson as the Chairperson. The engineer has been given the list of sites to review and to seek estimates. Places that have cuts in the pavement due to utility damage will also be on the list of repairs. The plan is to start May 1st and hope to be finished by June 10th, but definitely before the July 4 holiday. This is the least expensive time for us to pave.

Proposed areas for Paving were reviewed:

- Moonbrook Drive is starting to crumble due to its construction
- Deer Run area
- Beach Island Trace area
- Cardinal Heights area
- Eagle Peak area
- Marina Point area
- Palmer/Whisperwood area

Renovations to Gatehouse at 49 – The process has been in planning for many months and a new heating and cooling unit was installed yesterday. Painting inside and out, cabinet and counter top work, new flooring and bathroom repairs will be done soon.

Tennis Courts - Bids have been taken and one approved to have the surface treated, new nets and some fence work done. The resurfacing should last 5-7 years and will be in the same coloration as it is now.

Moonbrook Park - Recreation Committee is working on this now. Some ideas being discussed are more kid friendly playground equipment for young children, replacement of the split rail fence, parking lot sealed and striped and lighting changes as the lights have been discontinued and many are damaged.

<u>The Covenants</u>	<u>Number of Properties</u>
1987 Covenants (SWRA)	1372
1974 Covenants	375
1971 Covenants	51
Waters Edge	<u>13</u>
Total Property Owners	1811

Kevin stated that the Staff needs assistance from residents with covenants enforcement. The eyes and ears of the residents are a positive tool. He stated that you are not bothering the staff or board, please call the office to report any issues so that the staff may address them as needed. The Covenants are there to protect our community and us in an effort to keep property values high. Please let us know. Garbage cans continue to be a

problem and we are working on this. Covenants are available on our website, www.stillwatersra.com.

Introduction of Staff - Kevin introduced the rest of the staff present, Susan Thames, who works hard to keep our books in order and talks to many property owners in working with them to address their issues and concerns. Bren Baker is in charge of routine maintenance as well as checking on neighborhoods, maintaining the gates, tracking water usage and other duties. Gate Captain Sue Page, makes sure that the gates are staffed, she handles all scheduling of personnel. We have some excellent gate attendants. They are the first impression when anyone visits our community.

Committees – On behalf of the Board, staff and the StillWaters community, Kevin thanked all committee members who work diligently and show up to assist in so many areas as volunteers to make our community a better place.

Treasurer’s Report – Mike Dollar

SWRA OPERATING BUDGET 2011

<u>SWRA Projected Income 2011</u>		<u>SWRA Operating Expenses 2011</u>	
Total Property Owners Fee	\$ 613,783	Administration	\$247,601
Interest Income	7,190	Boat Storage	4,753
Advertising	6,000	SWRA Center	30,918
Gate Easy Entry Fee	49,527	Landscape/Grounds	175,056
Gate Devices	6,600	Moonbrook Park	10,545
Boat Storage	13,000	Pineview Pool	28,768
Building/Realtor permits	7,680	Tennis Court	4,228
Transfer Fees	28,800	Roads	186,934
Impact Fees	3,200	Gates	146,011
Assessment 2010	<u>154,800</u>	Common Areas	1,763
		Special Funds	<u>50,500</u>
Total Income	\$887,077	Total Expense	\$887,077

Mike Dollar stated that the budget is a process that takes a good bit of time and he is looking forward to transitioning this to General Manager. We look back on the year to extrapolate forward to the new year. We look at past history, recent trends, rate increases and contracts that will be in effect for the coming year. Any new expenses, renovations, or replacements such as pool furniture are included.

Maintenance fees are driven by the covenants. Official COLA (Cost of living adjustment) increases for the maintenance fee is the only provision for increasing the fees; it has been zero for the last two years so fees have remained constant for three years. This also drives salaries; COLA increases for the employees have not been given either in those years. A portion of our revenue is activity based, including Transfer Fee, Building Permits and Impact Fees. Construction and sales activity has been lower the last couple of years due to the economy and projected to continue through 2011. The \$100 assessment is necessary again since our fees have been flat.

Operating expenses are generally in line with what we had in 2010. Exceptions are: the addition of the General Manager’s position and additional expenses related to the SWRA renovation including depreciation and mortgage related expense. There are three types of expenses.

1. Fixed expenses make up the majority of the SWRA budget, including salaries, depreciation, property taxes, insurance and contracts. Our contracts include accounting, pool, computer maintenance and landscaping. Debbie Nigh negotiated a few years ago a fixed price for 5 years on our landscaping contracts with Vision. They do a great job and recently expanded what they maintain for us while not increasing contract. Fixed expenses are there regardless of what we do.
2. Semi fixed are always there but some variability to it. For example, utilities, we saved almost 50% on electricity last year due to the replacement of heating/cooling system in SWRA Centre. We anticipate that this year the replacement of the windows with double pane windows will also have a favorable impact on electricity. We had an unfavorable experience with water that was significant due to drought. The Board is looking into long-term savings with the installation of a couple of wells.
3. Discretionary – The roads and drainage are the largest item here. Carried forward some funds from 2009 since some paving was not done due to rain that year. We anticipate spending that this year.

RESERVES

	@12/31/2010	2011 Budget
SWRA Centre	\$ -	\$15,000
Fountain	\$10,000	\$ 5,000
Pineview Pool	\$ 5,000	\$15,000
Truck	\$14,000	\$ 4,000
Gate equipment	\$30,000	\$ 3,000
Tennis Courts	\$15,000	\$ 2,000
Moonbrook Park	\$30,000	\$ 5,000
Contingency	<u>\$50,000</u>	<u>\$ 1,500</u>
TOTAL	\$154,000	\$50,500

The purpose of reserves is a programmed way to put aside money to anticipate replacement and/or renovation of fixed assets. It is a way to avoid disaster in any given year. Mike reviewed the balances as of 12/31/2010 and the amount budgeted to add to these reserves in 2011.

SWRA Centre Costs – \$378,000 total almost equally split between interior and exterior. HVAC and Exterior came in at what was expected, had not planned for much interior updating but were forced to due to rot and decay. With the insurance claim funds, mortgage and reserves, we were able to handle this.

After searching, the mortgage at 5.3% fixed for 5 years on a 15-year amortization was signed. This rate is very good for a commercial rate. Reserves were used \$50,000 and 2010 Budget plus insurance claim money from hail damage.

2010 SWRA Board

Penny Alexander Michael Carter Mike Dollar Dave Heinzen
Cal Johnson Eb Spink Mack Yeargan

Nominating Committee – Eb thanked the members for serving and a job well done. Eb Spink, Cal Johnson, Patti Richardson, Buck Stevens and Carolyn Strother. Several people volunteered to serve if elected and the Committee made many calls to come up with six candidates for the two open Board positions.

Election Committee – This report was given by Eb Spink as SWRA Acting Secretary on the committee. There were 263 ballots cast with 596 votes, which means approximately 16% of the people voted. Only those under 1987 Covenants are eligible to vote and some properties were not eligible to vote due to non-payment of fees to the association. Our thanks to the Election Committee: Bob Bradshaw, Debbie Nigh, Thelma Pitts, Buck Stevens and Carolyn Strother for their time and service. Eb Spink and Susan Thames assisted the committee.

Penny Alexander and John Mann were elected to the Board for a term of service for three years. The community thanks those who were willing to serve and hope that those not elected to the Board will volunteer on a Committee.

The 2011 Board

Eb Spink Dave Heinzen Mike Dollar Cal Johnson
Mack Yeargan Penny Alexander John Mann

Eb thanked Penny Alexander for her time and effort in volunteering on the SWRA Board. The many hours are appreciated and have made a difference in our community. He also, stated that she had spent a lot of time and effort on the renovation of the SWRA Center and worked diligently to save the association money wherever possible. Eb thanked resident Micki Joelle, Architectural Designer who donated her services to SWRA in the design and build out of the SWRA Centre.

SW Golf Course – Hold Harmless - Kevin announced that Todd Rogers of SW Golf course was suppose to be here today but must have gotten delayed. He relayed the message that if you live on the old golf course and have been cutting the area, Mr. Zettler has requested that you go by the golf clubhouse and sign a hold harmless waiver with them, please spread the word. Please see Todd to sign the form.

QUESTIONS/COMMENTS

Eldon Johnson, 1987 Covenants– Stated that the covenants say that our neighbors have to keep their property up and have to follow the covenants as the rest of our neighbors do. But the golf course is our neighbor and doesn't keep its property up. Shouldn't they have to maintain their property like everyone else in the community?

Response: Kevin responded that unfortunately the golf course is not under the covenants. We don't have control of it like we should. All agreed that the golf course owners should keep it cut, however they have chosen not to. Some adjacent property owners have decided to mow it in order to keep it up and to cut down weeds and rodents.

Tom Handley, 1987 Covenants –Is there any word on the completion of Stoneview Summit? When will they clean up their property?

Response: The units are completed and the Developer has paid all SWRA fees on the units. They are under the Tradition Covenants, which means that Todd Rogers handles the enforcement of those covenants. SWRA has requested that the site be cleaned up. Stoneview Summit still has the docks to complete.

Judson Edel, 1987 Covenants – With all the work that has been done on SWRA Centre, what is the amount of the new mortgage?

Response: Mike Dollar answered that he had meant to include this in his report earlier. The initial mortgage on the building was paid off and the new mortgage is for \$200,000.

Judson Edel continued – He congratulated the board on the work it has completed and stated that he supported the idea of hiring General Manager. He stated that the Board had done a good job in his opinion.

Response: Eb responded that it is easier every year for the Board as policies are put into place and legal questions and issues are resolved.

Amanda Gilliland, 1987 – What about the billboards that are up, all over our neighborhood for sale, residents have to use small real estate boxes. Residents and visitors don't want to see these sign everywhere; don't people looking for investments go to realtors? I don't understand why that was allowed.

Response: Kevin answered that these large for sale signs are on properties owned by the same people who own the golf course, SWRA has no control over the signs. They did talk with us and tell us they were putting them up, we asked them not to as they are not in keeping with the rest of StillWaters, however, they are not under our covenants, they are under The Tradition covenants, all we could enforce is that they are kept off of our right-of-ways. The Tradition ARC approved those signs. Mr. Zettler's properties were being marketed as one package; however, the properties are now being marketed to be sold separately.

John Mann, 1987 Covenants made a comment that he appreciated being elected to the Board. When he was called he was told that the caller had some good news and bad news, you won. Since people have known that I was running for the Board one of the concerns brought to me has been, Do something about the dogs? I will do my best to address this issue and I am available to all residents.

Chris Spink, 1987 – Commented on the social gathering a month ago here at the SWRA Centre organized by residents. The plan is for this to happen once a month with the next event scheduled for March 26th.

The meeting was adjourned at 11:05 a.m.

Penny Alexander
Secretary

Robert Eb Spink
President

Date approved: March 15, 2011