

Sandy Harbor Association, Inc.  
Quarterly Meeting April 11, 2015

Keith Woody, Acting President, called the meeting to order at about 10:00 a.m. Board members attending were: Keith Woody, Linda Yarbrough, Karla Melde, Linda Crosby, Soc Gonzalez, Perry Farley, Ed Duckworth, Alta Killgore, George Moers, Micah Ditmore and John Robson.

There were 38 community members in attendance.

Woody introduced Llano County Commissioner Peter Jones to the attendees. Without quoting Commissioner Jones, the following is a synopsis of his comments.

Commissioner Jones has served two years of a four year term. Since he became Commissioner he has assisted with many community projects, including paving of CR 311, negotiating with Time Warner Cable to install underground cable rather than adding unsightly utility poles, as well as adding stripes, reflectors and "keep right" signs. Sandy Harbor has adopted CR 311 as part of a local effort to keep roadways clean. Commissioner Jones thanked Soc Gonzalez for his assistance in getting many of these projects completed. Commissioner Jones, also with assistance from Soc, consulted with Texas A&M Extension Service and Texas Department of Transportation to determine Sandy Harbor's need to add road safety signage or replace dilapidated road signage. Jones successfully presented a recent request from Sandy Harbor to reduce our neighborhood speed limit to 25 mph, which required a vote from the Commissioner's Court.

Commissioner Jones has worked with Sandy Harbor in a collaborative effort to maximize money spent for maintenance and building of our community's roads. He has at times found donated materials to use for road base and works with Board members to provide labor and transportation costs at reduced prices whenever possible. Llano County's Precinct 1 annual budget for 90 miles of roadway is \$100,000, so money must be spent frugally. He has recently worked with the Llano County Road and Bridge Department to determine where our roads need patching and has offered to provide this service soon at no cost to the community. It costs about \$25,000-\$35,000 per mile in materials alone to build a new road. The cost of base material to improve a quarter of a mile of undeveloped road to a dirt road to county standards is about \$4,000 per mile, plus transportation costs which could be an additional \$6,000 (depending on how far to transport materials). In addition if granite gravel is laid on the surface it could be an additional \$3,000. One option is to attempt to locate donated road material.

To pave (chip seal) the 3.9 miles of existing, paved road in Sandy Harbor the cost of road materials is about \$40,000. If a subdivision can provide materials, the County will try to provide labor at no cost. Sandy Harbor has done good planning and has kept up with maintenance of roads. Commissioner Jones is working on legal issues associated with some of Sandy Harbor's undeveloped roads (some are Ridge Road, Paisano, Antler, Lyndon, Clark). Several years ago Llano County followed a state statute regulation that determined which roads were within its jurisdiction to maintain. The regulation, as it pertained to Sandy Harbor, consisted of a map highlighting roads (copy attached) within its jurisdiction and a list of roads within its jurisdiction. Unfortunately, the map and the list do not match and at least one of our roads (Clark) is not on the map or the list. There are other legal factors that affect Llano County's ability to assist with roads. Until the legal questions are answered, Llano County will not be able to help Sandy Harbor with some of these roads. Commissioner Jones is making every effort to get all of Sandy Harbor's roads on the map and list to receive County assistance. If his efforts fail the community could challenge the ruling by petitioning the Court. It would be a long process; offer an amendment to include the road, public notice, prove it's in the public interest, safety issues.

Secretary, Karla Melde, read the minutes from the February 21, 2015 meeting. The minutes were accepted with 1 change: Reference to Susan Gonzalez as CPA is changed to being a retired CPA, without an active license.

Treasurer, Linda Yarbrough, read the Treasurer's Report. Karla made a motion to accept the Treasurer's Report as read, Woody 2<sup>nd</sup>.

A property owner asked if unpaid dues were listed on the Treasurer's Report. Since the report is completed on a cash basis, no receivables are listed. It was suggested that it is important to know the amounts of outstanding receivables. A question was asked about liens filed for unpaid dues. The past policy has been to file a lien on property when the owner is at least one year behind. Liens were usually filed in June; however no liens have been filed since last year because of the ongoing legal review.

Woody introduced John Robson as the new Board Member who will complete the term Ryan Schnitzler vacated, with a term ending in May 2016.

Woody mentioned that six Board member terms will expire in May 2015. Any property owner who is up to date on payment of dues is eligible to serve on the Board. You do not have to be a full time resident to serve and reiterated within our Restrictions where the requirements are outlined. Woody asked that the Board create a document that helps everyone understand what it takes to serve as a board member.

Linda Yarbrough reviewed Chapter 211.004 (copy attached) of the Texas Property Code which dictates the procedure required by law to vote on our upcoming Amendment Procedure. One key point is that two thirds of the voting property owners must vote in favor of the Amendment Procedure in order for it to pass. Sandy Harbor will count the vote for each Section separately, meaning each Section (Section 1, Section 2, Section 3 and Section 4) must individually pass the Amendment Procedure. Other key points of Chapter 211 are as follows: The definition of vote is generally defined as one vote per property owner; the ballots cast are secret; and if the vote fails, a revote cannot take place for one year.

A property owner expressed concern that not all property owners will receive a ballot. Linda Yarbrough receives an updated list of property owners from Llano County each year. This list is used to determine who receives a ballot.

A property owner asked what happens if one Section of Sandy Harbor doesn't vote in favor of the Amendment Procedure. Keith Woody stated the Board of Directors will need to consult with legal counsel to answer this question.

A property owner asked if the current restrictions are considered valid, then how can Chapter 211 be used to conduct a new vote on the Amendment Procedure. Linda Yarbrough offered that there has been no official legal challenge levied against the 2006/2007 Restrictions that are on file in Llano County. The revote is simply to ensure all Sections of Sandy Harbor agree that an Amendment Procedure and resulting Restrictions are in place and that, IF CHALLENGED, this minor technicality would not impact the court's decision on its validity.

A property owner expressed concern about the definition of voluntary membership. They also stated that one vote per property owner is not fair because Section 4 pays more dues than other Section

property owners. Woody suggested that if a property owner wanted a different Amendment Procedure he should submit a draft for consideration by the Board.

The POA legal counsel's position is that your POA dues are spelled out on your property deed. Mandatory vs voluntary membership of the POA refers to a property owner's participation in the POA activities.

A property owner stated that the 2006/07 Amendment Procedures and Restrictions currently in effect may or may not have had a procedural issue with its vote count. Since the Restrictions have not been challenged and ruled invalid, they are valid.

A property owner commented that a property owner who lives out of state loses their right to serve on the Board. Another property owner responded saying anyone has the right to put their name on the ballot.

Karla stated that the latest draft Amendment Procedure requires a vote on a properly filed proposal by any three property owners. (Please note that the attached Draft Amendment Procedure was revised after the April 11, 2015 POA meeting. At the suggestion of our POA attorney, paragraph one is revised to say, in part, "Any ten property owners of lots to which these Restrictions apply may request an amendment of the Restrictions . The previous version required three property owners rather than ten.)

Karla reviewed the latest draft Amendment Procedure (which has now been reviewed and revised by the POA attorney - copy of latest draft Amendment Procedure attached).

A property owner suggested that Commissioner Jones should look for a means to install undeveloped roads; funds need to be allocated and the property owner wants to see them in the budget.

A property owner requested a speed bump be installed at the entrance of the subdivision to slow traffic entering the neighborhood.

A property owner requested that park benches be installed in the community parks.

A property owner asked for a show of hands from anyone who did not want all four sections of Sandy Harbor to join as one. Not one hand was raised.

Linda Yarbrough reviewed a Draft Budget (copy attached) for 2015/2016.

A Section 4 property owner stated that Llano County required him to replat two of his lots into one in order to install a septic system for his new house. He is still required to pay dues on two lots. Linda Yarbrough stated that this needs to be discussed after we accomplish the Amendment Procedure vote. This issue can be addressed in our Restrictions if other property owners agree.

A property owner asked about installing a street light at the intersection of Hwy 71 and CR 311. Soc Gonzalez agreed to submit a request to the appropriate Llano authority.

There was a request that the POA consider helping the VFD with funding for the repairs taking place at the community fire hall. The POA currently pays ½ of the utilities only and uses the fire hall more than

the VFD. Linda Crosby made a motion for the POA to donate \$1,000 toward current material expenses. Karla 2<sup>nd</sup>; Unanimous vote in favor of donating \$1,000 to the VFD.

Ed Duckworth made a motion that the POA donate \$1,000 to the VFD every year. Micah Ditmore amended the motion and suggested that the Board revisit the needs every year and decide on the donation amount based on the yearly need. Soc 2<sup>nd</sup>. All voted in favor except Linda Crosby.

Ed Duckworth, Susan Gonzalez and Mary Ann Ayers conducted a review of the records of the Treasurer. In summary Ed stated that the records are in good order. Linda Yarbrough has done an excellent job maintaining the books. There were a few suggestions made to improve some of the procedures used. The Treasurer uses QuickBook Pro and the annual assessment has to be redone individually each year. This takes many, many hours of work to accomplish. It was suggested that a statement be attached to the invoices sent to property owners for dues assessments. This eliminates an unnecessary step in the process. One error was found in the review which involved a house that had washed away in a flood years ago. This property owner was assessed as though a house still existed and is owed a refund. Susan Gonzalez stated that since two people are required to sign checks there was no need to review monthly bank statements. However, she suggested that another Board member could review bank statements quarterly. Otherwise, all balance sheets had been balanced and verified (copy of Financial Review Report attached).

Linda Yarbrough stated that the POA income taxes had been completed for the past five years, and the POA owes IRS less than \$100.

Soc Gonzalez reviewed the need for road and park maintenance. He's been working with Commissioner Jones on a report that will be posted on the Sandy Harbor website once complete. Safety signage has been purchased and should be installed in the next few weeks. Installation will be done by Llano County without cost to the community thanks to Commissioner Jones' continued efforts. Vegetation overgrowth of trees is a problem in some areas and Llano County will also assist some with this effort. Soc suggested that we need to keep our good roads in good shape. The County cannot assist us with maintenance of our park roads so we need to include costs to conduct park road maintenance every 10 years. Currently the cost for road maintenance in Park A would be \$15,000. Soc suggested that \$1800 per year be budgeted for this purpose. Soc also suggested that we consider a gate at the Park E boat ramp. Soc stated that the County recommends an exploratory committee be formed to develop a plan for undeveloped roads in the community. Ryan Schnitzler offered to locate marker pins to establish the legal location of roadways. (Copy of Road Committee Report April 2015 attached.)

The annual picnic and meeting will be held at the Fire Hall. The picnic will be held on May 23 with registration at 10:30, meeting and election starting at 11:00, followed by hamburgers and hot dogs, condiments and tea supplied by the POA. Please bring a side dish and join in the meeting and festivities.

The meeting was adjourned at approximately 1:00 p.m.

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Karla Melde, Secretary

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Keith Woody, Acting President