

Hiller Highlands II Association

1860 Grandview Drive, Oakland, California 94618
www.HH-II.org

Rich Banks-President • Edie Kaplan-Vice-President • Reg Gomes-Treasurer
Tracey Perkins-Secretary • Ed Loss-Landscape Chairman

2014 HHII Annual Meeting Minutes February 12, 2014

Present: Rich Banks, Edie Kaplan, Reg Gomes, Ed Loss, Tracey & Fred Perkins, Annette Baron, Neal Barmack, Nina Nygaard, Ann & Reg Gomes, Lynn Rice, Rosalie Yerby, John Walsh, Gerard & Mary Burnett, Eric Huen, Terry Lee, John & Estelle Hausman, Stan Seifried.

The meeting was called to order by Rich Banks at 7 PM.

Rich welcomed everyone to the Annual Meeting and new homeowners were introduced: Neil Barmack on Grand View and Nina Nygaard on Treasure Hill.

Approval of February 28, 2013 Annual Meeting Minutes – Terry Lee made a motion to approve the February 28, 2013 Annual Meeting Minutes and Gerard Burnett seconded.

Rental Restriction Vote – Rich Banks – We missed passing the Rental Restriction by one vote. We needed to have 51% of homeowners' approval. We had a majority but we didn't have 22 votes. We had fewer votes this time than last year. A request was made for "round 3." So far, we have nine rental properties in Hiller which is 22%. If we have 13 rentals in Phase II, which is 30%, many banks will not refinance our home loans because the total number of rentals exceeds the minimum amount. That is why we wanted to pass the Rental Restriction.

Sewer Laterals – Rich has put a tremendous amount of time and effort in researching sewer laterals for Phase II. He stated that the increase in assessments will cover sewer laterals and increasing water rates. It will grow significantly every year. A few homeowners have asked if they could opt out of the sewer lateral replacement program. The Board asked EBMUD about this, and their answer was "No." Our CC&Rs state that the Association is responsible for maintenance and repair of sewer laterals. Therefore, in EBMUD's eyes the Association is the entity legally responsible for complying with EBMUD's Private Sewer Lateral Ordinance, which has specific rules for HOAs. Sewer laterals must be in compliance by July 2021. The cost is \$270,000, and if we build a fund slowly, we will not have to have a special assessment.

Solar Energy Systems - HHII will soon have its first home with a solar electric system. Fred and Tracey Perkins are in the final approval phase and should start installation shortly. The Board has draft specifications for solar installations that will be discussed and voted on at the next Board meeting. Fred reported that Solar City pays for installation, panels, everything, and they fix your power rate for 20 years. PG&E rate has increased every year by 5%. The cost of solar panels has dropped 70%. Solar City take the tax credit, etc.

Website Information – Thanks to our Webmeister, Ed Loss, and his trusty sidekick, Tracey Perkins, Hiller Highlands II has a very cool website, www.HH-II.org. Ed stated, it is “your go-to for all things Phase 2.” You will find announcements, documents, calendar and board and finance information. Check it out. The site is not password protected, and will follow up, if necessary.

Fine Schedule and Procedure for Violations of the Governing Documents - This document enables the board to impose a fine up to \$500 if homeowner is in violation of Governing Documents. The board needs to enforce the CC&Rs. We had a problem with a homeowner feeding skunks and raccoons. Our CC&Rs are in effect and everyone should follow them.

Election of Officers - Everyone on the board has volunteered to stay on for 2014. If you would like to nominate a candidate for any of the board positions, please submit your nomination to Rich before the 27th of February. If we have any interested candidates, we will need to have an election. If there are no nominees, the board is nominated by acclamation.

Treasurer’s Report – Reg Gomes

**Treasurer’s Report
2/12/2014**

| | <u>Budget</u> 2013 | <u>Actual</u> 2013 | <u>Budget</u> 2014 |
|--|-------------------------------|-------------------------------|-------------------------------|
| <u>Income</u> | | | |
| Fees | \$ 92,400 | \$92,950 | \$109,200 |
| Prior Year Income | 8,859 | 0 | 0 |
| Late Fee Charge | 0 | 425 | 0 |
| Misc. Income | 0 | (220) | 0 |
| <u>Total Income</u> | \$101,269 | \$93,154 | \$109,200 |
| <u>Expense</u> | | | |
| SBA Loan | 17,200 | 17,811 | 17,592 |
| Landscaping | 30,300 | 24,905 | 30,116 |
| Water | 28,000 | 32,888 | 35,000 |
| Management Fees, Admin Expenses, Meeting Room, Misc. | 5,350 | 5,485 | 6,170 |
| Repair & Maintenance | 5,608 | 648 | 330 |
| Insurance | 4,900 | 5,462 | 5,600 |
| Audit, Tax, Legal Fees | 2,000 | 600 | 600 |
| Electric | 1,200 | 1,186 | 1,200 |

| | | | |
|-----------------------|-------------------|-----------------|------------------|
| Taxes | 285 | 10 | 10 |
| Transfer to Reserve | \$ 6,426 | \$ 6,426 | 12,852 |
| TOTAL EXPENSES | \$101, 269 | \$95,421 | \$109,200 |

Stan explained the need for the SBA loan. After the fire everyone had enormous expenses. It would have cost \$300,000 for irrigation and planting expenses. The SBA loan was supposed to have been halved by some governmental agency, but unfortunately a hurricane happened in Florida and the dollars fell apart. If we didn't have the loan, there would be no vegetation nor irrigation. The interest rate for the SBA loan is pretty good at 4+ percent. Landscaping and water are our major expenses. The budget is up \$7000. Other expenses we have pretty well held the line. Our electrical bill is \$100 per month. Taxes are minimal. The board is looking to invest the reserve into a safe account. The reserve is used to upkeep private roads, etc.

Landscape Report – Ed Loss - Ed went to the EBMUD website to find out how much water we received over the weekend. The water system got 7 inches, which is 50% below average and we are very much at risk. EBMUD recently requested a 10% voluntary reduction in water usage, which could become mandatory. Please do your part to conserve water. We are also at risk financially, as they will raise our rates 10% per year. The water will come from the Sacramento River. Ed and Rich have consulted with Trimacs over the association's property on how to maintain our vegetation. Trimacs recommended we mulch all properties. Mulching will help maintain and reduce water usage. No new or replacement plantings will be done for the duration of the drought because establishing viable new plants requires a lot of water. The landscaping focus will be water conservation and protection of existing plants.

There was a discussion regarding homeowners wanting to manage their "patch of land." Stan Seifried was devastated when his "patch of land," was pruned and cut back. Trimacs was unaware that they were not to touch Stan's vegetation. At the next board meeting will be on the agenda how to address this situation. It was suggested that a form be filled, even on the new website. Trimacs can trim trees less than 12 feet, over 12 feet an arborist needs to be called.

Irrigation starts in April and Ed will see what needs to be done. Irrigation is on automatic.

CORE – Citizens of Oakland Respond to Emergency – Terry Lee - Terry recommended all homeowners and tenants go to www.oaklandnet.com and www.sf72.org for emergency preparedness. Terry suggested we all take a CORE class just for the basics. He may possibly schedule a CORE class at Highlands Country Club in the near future. Should there be an emergency, he said to back your car into your garage, load your car up with pets, essentials, and go to the emergency box next to Marty's house. Always retain two cases of water, switch out the bottom cases, every so often, in preparation for a disaster. In a major earthquake, we won't get help in the hills for approximately 14 days.

Security - Homeowners should be aware that home break-ins are occurring during the day. The call response time from OPD is 1 hour, 15 minutes for normal break-ins. If you report an injury, response time may be less. There was no interest in security patrol in Phase II.

A big thank you to Reg and Ann Gomes for the lovely dinner and wine, Edie Kaplan for the wonderful cookies and Annette Baron for a delicious cake.

Meeting adjourned at 8:12

Minutes submitted by Tracey Perkins and Rich Banks