

RANCHO HEIGHTS ROAD AND MANAGEMENT COMMITTEE

Annual Meeting Minutes – 2016

Date: October 15, 2016

Location: Mary Phillips Senior Center / Temecula, CA

Time: 9:00 – 11:30

Committee Members Attending: J. Szepekouski, Bradley Lee, Mary Anne Schetter, J. Geller

Property-Owners Attending: J. Driscoll, S. Simmons, R.& N. Martin, D.&D. Wilbur, M. Williams, B. Shaw, P.Burke, C. Szepekouski, J. Geller, P.Smith, T. Taufer, L.McGonigle, D. Rose, J. Lucas, E. Wagner, S. Wagner, L Pyle, J. Kilken, G. Barfkneeth, P. Reiker

Call to order:

Chairman Szepekouski called the meeting to order at 9:05. Speaks regarding his history in the community and on the Committee which has now reached 14 years. Expressed the Committee's focus on road maintenance and collections – the two primary responsibilities of the Committee. He welcomed the new owners in attendance. Reported that homes have been selling, recognized new property-owner Dan Rose who was in attendance. He thanked the Committee for their hard work throughout the year and their diligence in working for the ongoing improvement of our road conditions.

Election of Committee Members:

Opening, Seconding and Closing of Nominations:

Jan Geller read aloud the Road Agreement regarding Election Process. Jan was appointed to serve out Doug Eaton's term after he relocated out of the area, term expires October, 2017.

Open Committee Seats: Those of Charles Smith and Mary Anne Schetter, terms expiring October, 2018.

Candidates:

Mary Anne Schetter, nominated by D. Wilber, seconded by J. Szepekouski

Jon Driscoll, nominated by S. Simmons, seconded by P. Burke

Liz Wagner: nominated by J. Szepekouski, seconded by J. Geller

Brad Lee moved that nominations be closed. Seconded by J. Szepekouski.

Nominations voted closed, unanimous agreement by Committee.

Statements of Candidates Summary:

Jon Driscoll: I previously served on the Committee in 2012. Since that time, I completed a State Fire Training program and currently serve on the fire safety commission in Julian, CA. Money is available for Communities such as ours in the form of grants for fire safety, which includes: road side maintenance including tree trimming and citizen training. Power equals representation which equals being able to get things done. In addition to "Maintenance", as stated in the name of our Committee, "Management" is a key function of our Road Committee. I seek to re-join the Committee to help support our community's direction and bring in additional knowledge and resources, specifically for our level of fire safety.

Mary Anne Schetter: I am seeking reelection in order to continue my focused work on road maintenance, road safety and collections of assessments: the three primary reasons the committee exists. I am thrilled to work with people who share this perspective.

Liz Wagner: I purchased our property this past February and I want to learn more about the Community. I have served on a Property Association's Board in Menifee and I enjoy serving the community where I live. I would like to learn about our community while also contributing a community service.

Volunteers for counting of ballots: D.Rose, S.Simmons

Road Report: by Chairman James Szepkouski

Provided hand-out to attendees of color-coded map of entire road system. Color-coding represented;

- Road sections needing 5% to 10% AC patching and seal-coating.
- Road sections needing AC overlay only.
- Road sections needing removal and replacement (new AC).
- Existing dirt roads.
- Existing dirt roads needing grading.
- Pot holes needing patching.
- New curbs needed to control water flow line.
- Flow line work needed / add rip-rap.

Commentary: Paving is an expensive proposition. Costs are \$1 to \$1.50 per square foot to repave. Would take years of assessments to pave all our roads. We have an excellent working relationship with Rainbow Water who themselves are property owners in Rancho Heights. When we repair or repave roads, we always pave to 3" minimum. Breakage and erosion of road edges is biggest perpetual challenge. Weed spraying is underway as weeds are second only to water for erosion of

road edges. We have installed many reflectors on the road and more are to come. Lost Horizon is our biggest repair job at this time, requiring roughly \$20,000 to fix.

Conclusion: Our roads are in the best shape they've been for years thanks to the amount of monies we've been able to devote to road maintenance. Once our bank balances are re-funded with 2017 assessments, we will move forward with our next phase of maintenance and paving.

Committee-member Brad Lee reported: Has been doing culvert surveys while clearing brush. Requests that if you see blocked culverts, please let him know by emailing www.ranchoheights.com and he will inspect. Also, if you are aware of blind spots caused by brush encroaching on roads, please contact him. Note: it is the responsibility of property-owners to maintain any culverts on their property as well as keeping brush on their property away from the roadway.

- Gate: code changes being made on 10/18/2016 at 11:00 p.m. Changes to codes are made every two years to protect the integrity of codes.

Q&A:

Questions were asked and discussion was held regarding the following additional items:

- Exiting Ranch Heights Road: Dirt bank blocking view southbound – determined to be County issue.
- Driveways-Asphalt road interface – key maintenance item. Road Committee works with property-owners to assure owners fulfill their obligations of maintaining their interface.
- Adding a sign identifying Rancho Heights Rd. to current T-intersection sign located just north of intersection of Rancho Heights Road and Pala-Temecula Rd.
- Yellow water pipes at intersection of Rancho Heights Rd. and Pala-Temecula Rd.

Chairman Szepkouski reported that Rainbow water has plans to remove the pipes which can be an obstruction. T. Taufer stated that he made the request for Rainbow to remove these yellow pipes, “as they are on his property” and that he “is responsible for safety at this intersection”. Chairman Szepkouski stated that Rainbow Water’s decision had been previously communicated and had nothing to do with any property-owner request.

Ballots collection: Counting conducted by Sherry and Doug Rose

Financial Report:

- Report prepared by bookkeeper Cori Szepekouski for Fiscal Year September 2015 – August 2016.
Report read by Mary Anne Schetter.

Emergency account: \$20,000 was transferred from the emergency fund to the general fund to facilitate cash flow. As funds become available, the plan is to restore the emergency fund to its pre-determined level of \$25,000.

Total Income was \$67,238.98:

Total Expense: \$97,421.08

Total Funds in accounts: \$21,956.73.

Total Accounts Receivable: \$27,601.57

Legal Expenses: \$39,462.64

Total Legal Fees Court Awarded to RHRMC: \$55,358.30

Jonathan Geller commented.

-Our need to borrow from the emergency reserves reflects our traditional problem of being under-funded as a community. Our average property owner pays the equivalent of \$35/month which is less than trash service. A few years back we passed an increased assessment of approximately \$700 for that year which greatly improved our ability to pave roads. I believe we were able to spend \$80,000 that year for paving which improved our conditions immensely. I urge the Community to return to the subject of increasing our funding to a more reasonable level as we have proven for years that \$35/month is woefully inadequate for maintaining 8 miles of roads and 5 miles of pavement.

Group discussion followed which supported these points and the Committee agreed to address this topic in the immediate future with the goal of creating additional financial resources for 2017 and future years.

Legal Report

by Committee-member; Brad Lee

Out of 10 cases, 9 have been settled and 7 have been paid. We pursue all avenues including liens and debtor exams. All cases presented before Judges have been successful. At this point, it has become nearly routine for us to collect assessments in Small Claims Court as necessary.

Legal expenses are monies spent to protect the rights of property-owners and the community at large from various allegations, threats and lawsuits. Notably each and every action filed against our

community and Road Committee have be ruled against by the Superior and Small Claims Courts of San Diego County with legal fees being awarded in return.

T. Taufer: questioned; “legal fees filed against my property” as there is disagreement about joint ownership. Chairman Szepekouski responded that the disagreement had been settled by the Courts and there is no reason to discuss any further.

Ballot Results:

67 Jon Driscoll

76 Mary Anne

9 Liz Wagner

Group Discussion Points:

Community website, www.ranchoheights.com

The strategy for using our website is to post information and resources which are relatively permanent rather than items which frequently change. This is because we use a third-party administrator and we incur fees for all updates.

Facebook Page: facebook/ranchoheights.

We have launched a Rancho Heights Facebook page which will serve as an adjunct to our website. It will be the primary vehicle for evolving information and updates. It will primarily be used for timely communications, announcements such as this meeting and other announcements such as weedspraying. It will function very well in a capacity like Neighborhood Watch. You will see information such as power outages and even lost pets. We encourage you to LIKE the page so it will be automatic visibility when you open your own Facebook page.

Transfer fee for change of Ownership

The Committee has decided to follow the protocol of most property-owner organizations and institute a \$150 fee in order to cover administrative costs when escrows process changes of ownership on properties. This \$150 fee is below customary fees and intended solely to cover the costs of our handling this process.

Emergency Fund

Discussion was held regarding re-evaluating our Emergency fund and it's customary targeted allocation of \$25,000. P. Burke explained that when the fund was originally created, the amount of \$25,000 was chosen rather arbitrarily as an educated estimate of what a serious emergent road repair might cost. With the increases in construction costs over the past ten years, it was agreed that we should re-analyze and address what a future road crisis might require and assure that we can provide emergency road restoration as required.

Future Assessments:

Discussion was held on developing appropriate budgets and assessments to meet future needs. Many in attendance agreed that our property values can only be as good as the road themselves. Considerations include; the Court's "Dunnich Ruling" which addresses voting requirements and percentages required for passage of new or additional assessments. It was suggested that we survey the community for input on this topic. Suggestions included initiating a nominal 15% increase per year rather than levying one time special assessments as well as amending the cost per Benefit Unit. All agreed that a sub-committee should be formed to perform a financial needs analysis and formulate recommendations/proposals on this topic, the goal being simply to assure we are able to meet our financial needs for 2017 and beyond.

Road Agreement's additional responsibilities:

Chairman spoke to the additional responsibilities the Road Agreement puts upon the Committee. As an example, this includes such items as exposed RVs, trailers and boats which the Road Agreement states must be stored behind enclosures. The challenge to the Committee is that the Road Agreement provides little in the way of means to enforce these regulations. County Code addresses a good amount of similar items, and frustration was expressed with the County's efforts in addressing these same matters.

Other Items not requested to be put on Agenda:

T. Taufer insisted on presenting items relating to his legal complaints of the past 15 years, regardless of those lawsuits having been settled and ruled against by both the Small Claims and Superior Courts of San Diego County. While Mr. Taufer was strongly discouraged from continuing by those in attendance, P. Burke settled the room by suggesting Mr. Taufer be allowed 3 minutes to present rather than the meeting becoming more hostile. Those in attendance agreed to allow Mr. Taufer three minutes to speak on those matters which have been judicially ruled of no further relevance to the Rancho Heights community.

P. Reiker arrived at 11:15 a.m. as meeting was preparing to adjourn. As Mr. Rieker hadn't submitted any Agenda Items nor attended the meeting, those in attendance were not open to him speaking, especially since most in attendance understand that his complaints as well, have been ruled against and settled by the San Diego Courts. Again, at the urging of P. Burke who suggested that Mr. Rieker also be granted an unchallenged three minutes to speak, Mr. Rieker was allowed to do so. Similar to years past, those in attendance did their best to tolerate Mr. Rieker's commentary rather than listen due in part to his presentation being at a volume intolerable to most. Mr. Rieker concluded by submitting a letter alleging fraud which he had written to the California Attorney General and

demanded that it be made part of these meeting minutes. Since the concerns and allegations he presented do not pertain to our community at large, but rather pertain exclusively to one property on Sunset Peak which is owned by B. Gill who Mr. Rieker represents, his letter was instead entered into Ms. Gill's property-owner's file rather than these meeting minutes.

Move to adjourn by Chairman Szepkouski at 11:42 a.m.

S

e

c

o

n

d

e

d

b

y

B

r

a

d

L

e