

**CAPE CARANCAHUA
PROPERTY OWNERS' ASSOCIATION
BOARD OF DIRECTORS MEETING
July 13, 2022
Minutes**

President Pam Stewart called the meeting to order at 6:05 p.m. Board members Robert Johs, Charles Taylor, and Larry Schroeder were present. There were two property owners in attendance.

Mr. Johs moved to accept the minutes of the June 8, 2022, Board Meeting as written. Mr. Schroeder seconded the motion, and the motion passed unanimously.

Financial Report – Charles Taylor

Mr. Taylor asked for questions about the Capital Summary, Profit & Loss Comparison, Profit & Loss Budget Performance, Petty Cash Report, and May Check Register. There were no questions.

Maintenance Report, June 2022 – Larry Schroeder

1. Performed routine maintenance to all equipment.
2. Performed routine mowing of all common grounds, property owner lots, & sides of roads as needed.
3. Routine cleaning of Burn Pit.
4. Replaced faulty keypad at Construction Gate..
5. Drained, cleaned, and refilled Pool 1.
6. Repaired tarp at Burn Pit.
7. Removed and replaced broken PVC valves in Pool 1 pump room.
8. Repaired roads by placing rubber and gravel where needed.
9. Repaired wiring to Front Gate entrance.
10. Rolled gravel roads after rain.
11. Placed barricades on Starling Drive due to water leak.
12. Sprayed culverts, around street signs, and sides of roads to prevent grass and weeds.

No questions were asked about the report.

ACC Report – Pam Stewart

Seven building permits were issued in June 2022.

Legal and Compliance Report – Robert Johs

1. Sandra Witte, the Capes' attorney, filed a protest for the Cape with Jackson County ARB. She has since attended an ARB hearing contesting the county's appraisal of the Cape's shared property. A reduction in appraised value was negotiated, but not one consistent with other POAs she is familiar with. She is working on an agreement by and between her law firm and the Cape to share expenses through a contingency plan to finance a court action challenging the outcome of the ARB protest.
2. The Cape and all the Property Owners need and want a reliable and safe water supply. Most POs would agree that the water company has suffered through years of mismanagement resulting in the situation they now find themselves in.

- a. The Water Company made a \$1,900 per property assessment based on a five-year plan that granted POs the option to pay out the assessment monthly but excluded commercial accounts. This would have resulted in a \$30,000 charge to the CCPOA. This was certainly not a budgeted line item. So, the Cape lodged a legal challenge to both points arguing that the water company according to their bylaws only has the legal authority to assess for the current year's budget deficit. Based on the document information handed out at their BOD meeting, the \$1.5 million assessment was to fund a 5-year plan. Secondly, nowhere in their bylaws is there a distinction between residential and commercial customers. The answer to the Cape's challenge resulted in the Cape being allowed to pay out the assessment monthly like any other PO. In their response to the other point being challenged, the water company put all their planned expenditures for 5 years into the current year's budget. At best, this is disingenuous, and no rational person believes there is the slightest chance that all this work will be completed in this budget year.
- b. The water company has recently seen a dramatic turnover in Board members. Their bylaws state that a new member can serve temporarily until the next scheduled board meeting or for up to 60 days at which time a vote is required by the members present to fill those vacated seats. Either the current board members are serving in violation of their bylaws, or they had a vote to fill those vacated seats without notifying POs about the scheduled election. Either scenario indicates a total lack of transparency and professionalism.
- c. The new board president asked that they not be held accountable for the actions of previous boards but be judged by the actions taken by the current board. I believe this is a totally reasonable position. So, let's examine the record of the new board:
 - Any legitimate board must be elected by the members in a fair and open election. This did not happen.
 - The first action taken by the current board was to build a \$40,000 fence and purchase monogrammed hats, shirts, and coveralls. Considering the fact that the water company at that time was financially insolvent, maybe not a legitimate priority.
 - Next, we were asked to buy a \$1.5 million dollar pig in a poke. No one believes the proposed work will be completed during this budget year as required by the CCWSC bylaws.
 - False and misleading accusations regarding the Cape's board have been voiced at their board meetings and in their newsletters, including the suggestion that this board is enriching itself through membership on this board. It is fair to wonder if the comments are meant to give the water board credibility by discrediting this board.
 - Four new salaried employees have been hired to work in the water company. Two of the four are family members of the current board.

Considering all the facts, it appears the CCWSC board does not live up to the standards they expect for the Cape's BOD.

Old Business

Mr. Schroeder gave an update on Pool 1 gate repairs and the status of the asphalt for road repairs.

New Business

A discussion regarding the Flood Insurance invoice resulted in the Board deciding to leave the coverage at its present level with no increase in limits.

Property Owners Registered to Speak

Other Business as necessary

Debra Collins brought up some issues with Pool 2 and Mr. Schroeder said he would look at them.

Schedule future meetings

The next Board of Directors Meeting will be August 14, 2022, 1:00 p.m. at the Community Center followed by a CCPOA Quarterly Meeting.

Adjourn

The regular meeting was adjourned at 7:30 when the Board went into an Executive Session. The Executive session adjourned at 7:50 p.m.

Respectfully submitted,

Bettie Sanders, Scribe

/s/ Pam Stewart
Approved

August 14, 2022