

CVE HOA Board Meeting Minutes

February 13, 2024

Board members attending included Brent Morrison, Greg Feist, Debra Egeck, Tim Sullivan and Lynn Cockrum, all of whom attended virtually.

Agenda Items in BLUE below.

The meeting was called to order by Tim Sullivan at 9:00 a.m. Pacific Standard Time on GoToMeeting.

Tim provided an overview of the agenda for everyone. Debra made a motion to approve the agenda, was seconded by Brent, and approved by the Board.

January, 2024 Minutes: These were approved via unanimous email vote subsequent to the meeting and posted to the website.

Other unanimous email Approvals: None.

Homeowner Input: None.

Treasurers Report: Greg reported the following cash balances-

Cash as of January 26, 2024 *(reference reconciliation below)

HOA Operating Accounts	\$ 69,697	Marina Account	\$ 22,461
HOA CDs	<u>\$ 161,033</u>	Marina CDs	<u>\$ 76,421</u>
Total HOA Cash:	\$ 230,730	Total Marina Cash:	\$ 98,882

Total HOA & Marina Cash: \$ 329,613

Greg also reported that after the initial draft of this January Treasurer report was prepared, during preparation of 2023 year-end reports, significant errors in our bank accounts were discovered. It was determined the Marina account was **overstated** and the HOA account was **understated** by an equal amount. **NOTE THAT NO CASH IS MISSING.** Total cash (HOA and Marina combined) and all income and expenses for the HOA and the Marina are correct. However, a sizable one-time bank transfer from the Marina cash account to the HOA was needed to reconcile the discovered errors.

Upon discovering the discrepancies, Greg and Lynn performed a detailed records review for the previous three years and Evergreen Accounting was tasked with performing a look-back audit. The errors occurred over several months in 2022 and 2023, and the root cause relates to the process used by Evergreen for making Marina deposits and payments and the apparent lack of training they provided to staff to transfer funds in and out of the Marina account. It was found that Marina Dues were incorrectly transferred and that no transfers were made in 2022 and 2023 to reimburse the HOA for the funds paid out on behalf of the Marina for insurance and other expenses. The 2021 bank account balances were found to be correct

and accurate. The records review and Evergreen audit resulted in a net adjustment of \$36,723.55 from the Marina account to the HOA account to reconcile the errors. The resulting HOA and Marina cash balances are as follows:

Cash as of February 8, 2024 *(post reconciliation)

HOA Operating Accounts	\$ 80,544	Marina Account	\$ 11,614
HOA CDs	<u>\$ 186,910</u>	Marina CDs	<u>\$ 50,544</u>
Total HOA Cash:	\$ 267,454	Total Marina Cash:	\$ 62,158

Total HOA & Marina Cash: \$ 329,613

As noted above, TOTAL HOA AND MARINA CASH IS UNCHANGED.

The Board is in discussions with Evergreen Accounting and is considering changes in the Marina accounting process and new controls. New controls could involve the establishment of a new Marina bank account for deposit of Marina Dues and payment of Marina expenses and/or the establishment of a monthly closing checklist review by the accountant and Treasurer, or other controls. The Reserve Studies will also be updated.

January Activity - Income and Expenses

HOA Expenses were \$2,851 in January. The major expenditures were Accounting (\$530), Swim Area Air Lease (\$503) and December thru January snow plowing of mail box parking lots (\$975).

Marina Expenses were approx. \$592 since end of December. The major expense was Marina Air Lease (\$503).

Motion by Lynn, Seconded by Brent to approve the Treasurers report. Passed unanimously.

Landscape Committee (MaryAnn Comiskey, Chair): No Report.

Social Committee (Betsy Metzgar, Chair): No Report.

Facilities Committee: (TBD Chair). Tim reported the Tennis Court net had been re-installed by Tom Robinson. He also requested Lot #5 to return access cards (due to sale of Lot #5) and Lot #6 (due to home sale).

Pools (Mikaila Harberd, Chair). No Report. Board discussed alternatives for the phones at the pools. Greg took an action to review and present some ideas to consider for possible replacement of the landline phones which require annual disconnection and reconnection.

Marina Report: (John Pembroke, Chair): No report.

ADC: (Carolyn Cockrum, Chair). Carolyn reported that revisions had been submitted for Lot #114 in response to the architect’s review and that the subsequent multiple owner emails and information had been forwarded to the consulting architect (Walker) for his review and any further corrections. Walker confirmed his receipt of this information on February 12, and indicated he would review. (Secretary’s Note- Walker’s report was delivered later on Feb 13, letters have been sent to the owner).

During January-February there were email exchanges with Lot #92 regarding paint color. The owner originally notified the Board of a body color that was already approved for a neighbor on their street. The owner indicated they would be sending in paint chips (of another color) to be reviewed for approval by the ADC. The ADC is awaiting that information at this writing.

It was reported that no paint chip/paint request information has been received from Lot #46 as of this writing. ADC review and approval of paint colors is a requirement for every owner.

The Consulting architect's review and report of the Lot #120 project was sent to the owner in January. The ADC has received no further input from the owners at this writing.

The contractor for the owners of Lot #107 sent an email to the ADC indicating they intend to submit plans sometime soon. The ADC provided the builder with a link to the updated Guidelines, as he was referencing the outdated 2021 version. No further information has been received at this writing.

Lot #50 submitted PDF plans. However, the owners have not submitted either paper plans or the Design Review Fee at this writing. The ADC and architect reviews cannot be commenced until these are received.

The Board discussed the Design Review fee of \$775, and after discussion decided to revise the Guidelines effective March 1 to raise the design fee to \$825. Motion made by Lynn, seconded by Brent and passed unanimously.

Compliance: (Brent Morrison, Chair). No Report.

Fire Safety and Weed Abatement (Carolyn Cockrum, Chair). An updated mailing outlining the calendar for 2024 was provided to Greg. A drive by is planned for April 1. From the September report, five lots needed to establish buffer zones. Reminders will be sent to these owners after the drive by.

Brent reported that no permit is required for our storm water pond maintenance plans, based on Corps of engineer review of our application. Unfortunately their review took 12 months, only to discover we need no permit. Work will begin this summer on removing vegetation from the ponds using both chemical and mechanical (i.e. digging) methods. Some pond reconstruction will be required. Budget has been provided for this activity.

Website: (Carolyn Anderson, Chair): No Report

CC&R Update: (TBD, Chair): No Report

Special Topics and Follow-up

- **2024 Elections and February Mailing:** Greg reviewed materials which will be sent to owners next week.
- **Blue Water Terrace:** The City approved the wine facilities but denied the short term rental housing submittal. The decision could in theory be appealed to Chelan County Superior Court. No other information is available at this time.
- **Highway 150 Project:** No new information.

Executive Session (commenced 11:00am): Board discussed the height of one home in the community and the status of the Board's request to that owner to present a City of Chelan certification regarding the building height. The Developer did not establish a height restriction for this lot and a variance was obtained from the City. The Board requested the owner to provide a City issued proof of height certification due to complaints received from nearby neighbors. Note the Board unanimously amended the Guidelines to include a 30 foot height restriction to all future builds, for such lots (i.e. those with no developer documented height restriction.).

The Board is also continuing to observe whether certain mediation measures on the slope of one lot have successfully stemmed soil erosion. The observed situation is that the solution is partially effective.

Next Meeting: Tuesday, March 12, 2024, via GoToMeeting #118-502-061 at 9 a.m. PST

Reconvening and Adjournment: Meeting adjourned at 10:55 a.m.

Respectfully Submitted,
Lynn Cockrum CVE Board Secretary
February 13, 2023