

MINUTES OF THE PINE MILL RANCH HOA BOARD MEETING
OF THE BOARD OF PMR
KATY, TEXAS

Date: October 13, 2015
Time: 7:00 pm
Location: Christ Church, PCA
10818 Gaston Rd, Katy, TX 77494
Attendance: (V.President) Ramana Kondapalli, (Treasurer) Jingyi Kong, (Secretary) Kathleen Welch, (Asst. Secretary) Tony Cornwell

I. Determination of Quorum and Call Meeting to Order

The meeting was opened by Ramana Kondapalli, Vice President of PMR HOA. Ramana Kondapalli was appointed to lead the meeting in the absence of Daryl Brister, President of PMR HOA. Resident attendance was not recorded and a quorum was not necessary since this was not an annual meeting.

II. Financials:

The PMR HOA board previously selected the firm Nagesh and Carter, PLLC to conduct an independent audit of the PMR financials from January 1, 2014—December 31 2014. The audit has been completed, and Erica Morgan reported that the firm issued “No Opinion,” indicating that all PMR accounting and financials are accurate.

The Pine Mill Ranch HOA September financials were available in hard copy for residents at the meeting. Mrs. Erica Morgan of Principal Management Group of Houston led a review of the September financials. The total operating funds reported were \$375,632.22. Total reserve funds reported were \$437,922.23. Total accounts receivable reported were \$43,284.65. It was noted that the balance of accounts receivable was mostly due to past years’ outstanding collections. The HOA has receive approximately \$5,000 in late assessments since August of 2015. The current collection rate on assessments for 2015 is 99.27%.

Residents were reminded that monthly financial statements are available via the website at:

<http://community.associawebsites.com/sites/PineMillRanchCAI/Pages/AcwDefault.aspx>

Under income, Special Assessments refers to the assessments collected from The Avalon at Pine Mill Ranch. The capitalization fee was explained as a fee collected at the closing of a new home and is equal to 50% of the year’s assessment. PMR is now officially built out with no remaining lots. Therefore, the capitalization fee will be zero in the 2016 budget. Pool fees included new residents who purchased pool cards. Room Rental Fees refers to income from rental of the PMR clubhouse.

Under expenses, General Administrative expenses are expenses of PMG, including copies, etc. Billing/Collections includes any late fees, legal reimbursements, cost of title searches etc. for past due accounts. Postage is almost \$6000 over budget due to the duplicate annual meeting notices sent out earlier in the year. Under Utilities, Erica Morgan noted that PMR is over budget on electric costs. PMG was shopping other electric companies to seek out lower electric rates for a 2-4 year contract. Before the HOA transition occurred, the electric was set up on a month-by-month contract at a rate 14.5 cents/kwh. The insurance premiums for PMR run from April-March 31, and premiums are currently under budget. It was noted that the actual landscaping costs are much lower than originally budgeted, due to MUD 57 assuming ownership and maintenance of a majority of common areas within the PMR HOA. Previously, the HOA paid approximately \$20,000 a month for landscaping and currently pays approximately \$3500 a month.

Under repair and maintenance, Pool Supplies/Repair and Maintenance is approximately \$8,000 over budget due to several pool pump motor replacements that occurred earlier this year. Tennis Court Repair & Maintenance is approximately \$1500 over budget due to major repairs needed last month. Overall, the HOA is approximately \$83,000 under budget for the 2015 year.

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A draft of the 2016 budget has been given to the board for review. The budget must be finalized and the 2016 assessment rate must be set by the end of October of 2015.

Q1. What action is taken for homeowners who do not pay their annual assessments?

A1. First, residents are sent a letter in February indicating that their assessment is past due. Then, a title search is conducted, per state law, to ensure that the name on the assessment letter matches the name on the title of the house. Next, it can be reported to the credit bureaus, a lien can be placed on the property, and it can be forwarded to the PMR attorney for foreclosure proceedings.

Q2. What is included under "Force Mow" in the landscaping section of the expenses?

A2. When residents do not mow their property, letters are sent to remind them. If residents still don't mow their property, the HOA will pay to have their front lawn force mowed by the landscaping company. The cost is then billed back to the homeowner.

Q3. Can you explain "Bad Debt" under Administrative Expenses?

A3. Bad debt is debt written off by the HOA. It includes any fees that were waived by the board, etc.

III. MUD

Tony Cornwell and Daryl Brister are the board focal points for all MUD #57 committee. PMR is in a unique situation in that the entire MUD 57 exists within PMR, and the HOA board and MUD 57 board are working hand-in-hand to better serve PMR. Before the HOA was turned over from the builder to the residents, a large portion of PMR land was turned over to the MUD for maintenance. As of now, the only areas that the HOA maintains are the pool, the clubhouse, and the Spring Green Entrance. The remainder of the land is owned and maintained by MUD (with the exception of the 1463 entrance, which will be turned over to the HOA from the builder once it is completed). As a result, the HOA landscaping budget has drastically decreased.

Q4. Does the HOA board conduct a walk-through of PMR property with a MUD Board member?

A4. No, not currently.

After receiving complaints regarding trash pick-up, the MUD has suspended the contract with WCA and hired Texas Pride. Texas Pride will begin trash pick-up on Monday, November 2, 2015. Residents were reminded that WCA will pick up all recycling containers at trash pick-up on Thursday, October 29, 2015.

Q5. Will Texas pride issue new trash cans?

A5. We don't know at this time.

The new playground has been installed near the 1463 entrance, but the pad is not complete.

Q6. Is what is currently installed all that will be put in that area?

A6. Yes.

Q7. Will the playground be covered? There are no trees or shade in the area and it will be very hot in the summer.

A7. There are no current plans to cover the playground.

The 1463 commercial area will be divided into 4 sub-lots for a strip mall. Currently, plans are in the works for a daycare, and a Jiffy Lube.

Q8. How does the HOA board communicate with MUD?

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A8. Currently, the HOA board has committed to attend all MUD meetings to communicate any concerns or issues raised by residents. Erica Morgan forwards all resident concerns pertaining to MUD owned land to the MUD attorneys.

Q9. When does the MUD board meet?

A9. The 4th Monday of every month

Q10. Who handed portions of PMR over to the MUD?

A10. Land was deeded over to MUD 57 by the developer, prior to the HOA transition.

Q11. What is the status of the 1463 entrance? The 1463 entrance and the Spring Green entrance are not even comparable.

A11. The 1463 entrance is still owned and maintained by Mr. Kim and the landscape architect. The area is scheduled to be turned over to the HOA by the end of October.

Q12. When does the MUD bond retire?

A12. The board does not know at this time, but we will raise the question to the MUD.

Q13. There are still low lying spots along the gas easement where water is collecting. Will this be fixed by the MUD?

A13. The MUD is scheduled to address this issue once the trail system is completed. The board will ask the MUD for a specific completion date to report back to residents.

Q14. Does the MUD have a website?

A14. No

Q15. Can the HOA board provide a document that outlines the roles and responsibilities of the MUD and the HOA Board, as well as who owns what land? A guideline for who to contact when issue arise?

A15. Yes

Q16. Can the HOA board create some way for the residents to see issues that have been raised and their current status? Maybe on the website?

A17. The board operates an internal issue tracker on an Excel spreadsheet that records every issue that has been brought to our attention, as well as the current status of the issue, and who is assigned to the issue. Tonight's handout includes a sheet listing the items raised at the last meeting and their current status. The ultimate goal is to have an issue tracker system included on the new website that residents can see after logging in.

Q17. The streets are very dirty with trash and bottles. Does the HOA pay for street cleaning?

A17. The streets are cleaned and maintained by the county. The HOA does not pay for street additional street cleaning, but the board can ask for bids and consider bi-weekly street cleaning in the 2016 budget.

IV. Newsletter

Katie Welch is the board focal point for the newsletter committee. The first issue of the PMR newsletter is completed. It will be sent to the printer this week, and it should be in resident mailboxes by the end of next week. Residents were encouraged to look through the newsletter and send any feedback to the newsletter committee. If there are items you would like to see included in the newsletter, please email the newsletter committee at PMRnewsletter@gmail.com. Currently, the newsletter committee only has two members. In order to keep the newsletter going, the committee needs more volunteers to help solicit ads to cover the cost

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of printing the newsletter. The newsletter will be posted on the PMR website, and it can also be sent to residents via e-blast, if desired.

Q18. If some residents would rather look at the newsletter online, can we save money on printing costs by not sending it to them?

A18. Yes. If you would not like to receive a paper copy of the newsletter via traditional mail, please email your name and address to the newsletter committee. We can remove your name and address from the resident address database.

V. Architectural Review Committee

Tony Cornwell is the board focal point for the Architectural Review Committee, and he spoke on the committee's progress. The committee is working to revise the property inspection process. Currently, Erica Morgan of PMG conducts property inspections on a monthly basis, but this is not a feasible long-term plan. The committee is revising the current inspection checklist, and committee members will test the new checklist out on inspections in the upcoming weeks. The checklist and inspection process will be revised and submitted to the HOA board for approval by the end of the year.

VI. Committee Reports

A. Neighborhood Aesthetics Committee

Daryl Brister is the board focal point for the Neighborhood Aesthetics Committee, but Ramana will give an update in his absence. The committee currently has two members, and a set of committee guidelines have been submitted to the HOA board to review.

Q19. When will the guidelines to approved by the board?

A19. Within the next few weeks.

B. PMR Security Update

Currently, no residents have volunteered for a neighborhood watch. The HOA pays for an officer to patrol the neighborhood. Erica Morgan noted that several residents reported having their cars egged last weekend. If anyone has any information, please contact Erica Morgan or Officer Banks. Officer Banks will be at the PMR 5K Fun Run on Saturday, October 17, 2015.

C. By-Law Compliance: No Update

D. Events Committee

Jenny Kong is the board focal point for the Events Committee. Currently, there are only two volunteers for the events committee. The events committee will be hosting three events during the remainder of the year, including: 1) 5K Run on Saturday, October 17, 2015 2) Harvest Festival on Saturday November 1 from 2-6 PM 3) Cookies with Santa on Saturday December 12, 2015 from 2-4 PM at the clubhouse. The committee is seeking volunteers with a passion for the neighborhood and great organizational skills to help plan and run the events for the 2016 year.

Comment20. The events committee will be more successful if it includes a budget coordinator, communications coordinator, volunteer coordinator, a project manager, and a treasurer. The events are very expensive, and in previous years, the builders donated a lot of money to help run the events. Without those donations, the HOA will have to front a major expense, or the committee will need to seek out vendors for the events.

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D. Website Committee

Ramana Kondapalli is the board focal point for the Website Committee. The committee has received the credentials for the website www.pinemillranch.com, and has listed two phases of changes to implement on the website. The changes will be submitted to the board for approval, and bids will be taken to complete the work. The committee would also like to move away from the website's current technology, DreamWeaver, because it is outdated.

Q21. Will the website only be seen by PMR residents via log-in?

A21. Portions of the website will be open to the public, and other portions will be restricted by resident log-in.

VII. Old Business: Please see handout of items resolved since last meeting.

VII. New Business

A. Snakes are a major issue. Will the HOA do anything about them? *(If the snakes are on your property, you are responsible for handling them. If they are on common areas, the HOA can take action.)*

B. The sign at the tennis court says "No instructors." But if I, as a resident, want to learn how to play tennis, then I would hire someone and bring them to the tennis courts as my guest. As long as I am under the two-hour time limit, am I breaking the HOA rules?

C. The iron fences around the splash pad park are falling apart and rusted. What is being done? *(Bids have been solicited for fence repair at the splash pad park.)*

D. The umbrellas by the pool and at the splash pad are still up. When will they be taken down for the winter? *(GHPM will be taking them down by the end of October)*

E. People are still parking commercial vehicles in the streets and in driveways. *(This should be eliminated as the ARC begins inspections. In the meantime, take a picture of the vehicles and send to Erica.)*

F. Several sprinkler heads are broken and leaking around the neighborhood. *(Please report to Erica)*

The meeting was adjourned by unanimous vote of the PMR HOA Board at 8:38 PM.

Respectfully submitted:



Kathleen Welch - Secretary PMR HOA