

**Sweetwater Ranch Homeowners Association, Inc.**  
**Annual Meeting Minutes**  
**January 27, 2024**

**Call to Order:**

The meeting was called to order by President Wes Jackson at 11:02 a.m. on Saturday, January 27, 2024, at the Kerens Library at 121 S. Colket Street in Kerens, Texas. The meeting was held as outlined and in accordance with the Bylaws of the Association.

Wes Jackson welcomed everyone to the meeting and introduced the Board, and let people know who was leaving the Board, and it is everyone except Jaime Pulaski and Victor Delgado.

Wes Jackson - President  
Victor Delgado - Vice President  
Mary Wright - Secretary  
Cathy Reed - Assisting as Treasurer  
Jaime Pulaski, Member-at-Large  
Mike Lawhorn, Member-at-Large

Wes also mentioned the PowerPoint presentation which can be referenced during the meeting while everyone was waiting for the roll call count.

**Roll Call:**

It was determined by roll call that a quorum of the Association members was present in person and by the proxy votes. More than 40% are necessary to hold an official annual meeting and with 63 lots represented, we met that quorum. We did not meet the 66 2/3% quorum required to effectively discuss and/or document recommended changes to the By-Laws and Covenants.

The comment on the quorum for changes to the By-Laws and Covenants led to questions, and Wes Jackson led a discussion about changing the By-Laws and Covenants and gathering written recommendations at this meeting. Wes stated he had found a HOA attorney to assist with updating our By-Laws and Covenants and incorporating recommended changes, but since we don't have 67% in the room, we'll have to do an absentee vote. However, he still wanted to gather recommendations at the meeting, and there were documents passed around the room for members to write down any recommendations. Two sets were being distributed for the By-Laws and two sets for the Covenants. Wes also said all recommended changes will go to the attorney. Several members felt there was not adequate time to review the By-Laws and Covenants and to document recommendations during the meeting. There was also concern expressed about sending ALL recommended changes to the attorney before they were vetted by the members as it would get expensive.

Members wanted a process with a deadline to be established to gather the recommended changes before sending the recommended changes to the attorney. Discussion pursued with varying opinions from several members. Ultimately, we agreed to establish a deadline for members to submit written recommendations via email, then all recommendations would be put into a survey monkey type of instrument by Mary Jane Morris, who volunteered to assist, and members would then vote "Yes" or "No" to each recommendation by another deadline. Recommendations that had a majority vote of Yes would be forwarded to the attorney to be included in the updated By-Laws and Covenants. The attorney would then follow their process of sending the draft By-Laws and Covenants out to all members via Docusign for review and approval. A 66 2/3% vote of approval is required for the updates and changes to be incorporated.

Since no deadline was agreed to at the meeting, a decision will need to be made at the February 13, 2024 Board meeting with the new Board.

**Proof of Notice:**

It was established that a notice of the 2024 Association meeting was mailed to each member within the proper period as outlined in Article IV, Section 4.5 of the Bylaws. Several homeowners acknowledged receipt. The notices were dated November 30, 2023 and were mailed the following two days by the Secretary. Mary Wright made a motion of proof of notice and Wes Jackson seconded.

**Reading/Approval of January 28,2023 Annual Meeting Minutes:**

The reading of the January 28, 2023 annual minutes was waived by a motion made by Wes Jackson and seconded by Mary Wright. Mary Wright added that copies were distributed to members prior to the meeting and were available at the meeting.

**2023 Board Accomplishments:**

Victor Delgado prepared a PowerPoint presentation for the meeting and it was projected at the front of the room. Wes Jackson proceeded to mention and elaborate on the Board’s accomplishments as follows and thanked Board members:

- Final coordination with NextLink for high speed internet
- Moved HOA bank account from Chase to Vera Bank
- Opened a 6-month certificate of deposit at Vera Bank for \$20,000 @ 2.5% interest
- Updated liens on lots in arrears (*Dewey Stevens asked how many liens, and Cathy Reed stated there were 6. Dewey mentioned the foreclosure process to resolve these liens, and Cathy Reed said she thought we had not pursued it because our By-Laws are so outdated. Victor suggested we have to set an established time-frame before we pursue foreclosure. It could be established as part of the By-Law updates.*)
- Set water and electrical bills to auto payment
- Posted Architectural Control Committee (ACC) documents to the HOA website
- Reviewed and approved four construction projects
- Prepared resale certificates for 12 properties
- Drafted a new mowing contract
- Road repairs on Stockton Point, west side of Sweetwater Trail and south side of Jackson Circle
- Culvert installation (*Wes mentioned Coral’s culvert was also recently tended to by NextLink*)
- Gravel on boat dock driveway
- Wind sock by boat dock
- Lot mowing
- Decoration of Sweetwater Ranch front signs throughout the year
- Maintenance of common areas

**Report of Officers:**

**Treasurer’s Report**

Cathy Reed provided an overview of the financial statements for 2023 activities and the 2024 proposed budget. Key points and highlights from her overview are included in the Treasurer’s Report which follows:

**VERA BANK SUMMARY**

BEGINNING BALANCE 12/31/2023	\$59,432.68
Deposits since 12/31/2023	\$16,825.00
Cash Expense since 12/31/2023	\$ 218.62
Checking Account Balance	\$76,039.06

VERA Bank Accounts	
SWR General Account	\$11,413.68
SWR Road Account	\$44,625.38
SWR CD Account	\$20,000.00 Matures Feb 4, 2024

Pending Income

2024 HOA Dues

Outstanding for 2024	\$13,150.00
Not expected to be received	\$ <u>1,275.00</u>
Dues expected to be paid	\$11,875.00

2024 Budgeted Expenses \$67,590.00

2023

INCOME

Collected \$48,177.96 for HOA 2023 dues plus delinquent dues/interest for past years and road fees. The 2023 budgeted amount was \$41,500.00. Giving the HOA added and unexpected income for the year of \$6,677.96

In 2023 HOA Board Members were in touch with owners who were delinquent and were successful in collecting some of the delinquent dues and discussing options for paying prior dues. Fee notices from prior years were included in the annual 2024 fee notice letters for those lots that are still outstanding. While calculations for the lien updates have been completed, lien letters for the amounts due through December 31, 2023 need to be updated and filed. Incoming HOA Treasurer will prepare and file lien letters for all delinquent dues prior to 2024. Total due prior to 2024 \$25,265.00

EXPENSES

There were two major expenses for 2023 that were higher than 2022. First was the cost of \$28,596.58 for road repair. (Victor Delgado will provide detail). The budgeted amount was 41,650.00 because there were no major repairs done in 2022. The excess will remain in the road fund account and will be used to meet the projected 2024 road repair expense. Second major expense was the cost of culvert work in the amount of \$8,359.66 for labor and material for 9 culverts. The budgeted amount was \$3,000.00 and the excess amount over budget was deducted from the SWR general account.

*In Summary: In 2023 we budgeted for 41,500.00 of income and received 48,177.96 resulting in additional income of \$6,677.96. We also budgeted \$65,505.00 for expenses and incurred \$50,453.70 for the year. A \$15,051.30 difference. This means instead of having to use our reserve savings to cover the 2023 budgeted shortfall of \$24,005.00 we only had to use \$2,275.00 to cover the actual shortfall.*

The 2023 US Tax Return 1120-H was filed 3/22/2023 and the 2023 Texas Franchise Tax report was filed 05/11/2023

2024

The proposed 2024 budget has been created using the actual and budgeted items from the 2023 budget report. There are three expense items that need to be highlighted.

First, the budget for the road has been increased to \$45,000.00 per the Road Committee's six year Road Repair Plan. This month \$35,000.00 was transferred from the Vera SWR General Account to the Vera SWR Road Account in preparation for the 2024 road repairs, if approved. The 20,000.00 CD Acct. #3055894 will mature February 4, 2024 and needs to be moved to the Road Acct. #1024010801.

Second, legal fees have been budgeted at \$7,000.00 for 2024 to take care of any attorney fees for updating the HOA's Bylaws and Covenants.

Third, mowing expenses have been increased by \$800.00 from \$5,120.00 to \$5,920.00 for 2024.

In Summary: We are expecting to have income of 41,125.00 from 2024 HOA dues and road fees. There could be additional income if a lien is cleared in 2024. There are proposed budget expenses in the amount of \$67,590.00 giving us a shortfall in income to cover the difference of \$26,465.00

Items to be completed in 2024:

File Liens for delinquent dues 2023 and prior

File annual federal tax return and Texas franchise tax return

Pay annual Post Office Box fee

Send out reminder letters to those who have not paid their 2024 dues

\*\*\*Pay TRWD for Dock License fees Paid

As Cathy Reed was reviewing the key points highlighted above, she added additional comments that the Boat Dock may need some boards replaced. The water bill was researched, there is no current leak. She used the prepaid credit with Chatfield Water to reduce expenses and then set the water account to auto pay as well as the electric account. And, we should consider putting the CD in another account, maybe with Fidelity, to get a higher rate.

There was a question if the \$7000 budget was enough for the attorney. Wes said because we are a smaller HOA it won't be as expensive. Barbara Long asked what attorney we are using. Wes Jackson looked it up and said it was Manning and Meyers out of Dallas, and they specialize in HOAs. Jaime Pulaski made a motion to approve the Treasurer's report, Mike Lawhorn seconded, and the report was approved.

**Report of Committees:**

**Report of Architecture Control Committee (ACC)**

Linda Denning provided the report on the ACC. She commented that it had been a slow year for building with only 2 plans submitted and approved. Lot 71 on Sombrilla Lane, Jesse and Mary Wright, submitted plans for a boat dock and a house. The house is a 2-story, 2358 square foot house with a 2-car garage plus golf cart storage. It's a 3 bedroom, 2 ½ bath. It is about 60% complete and the boat dock is completed. Linda also mentioned she anticipates receiving plans for a home on Lot 30 from Javier Silva and a boat dock as well.

Wes Jackson thanked Linda Denning for the report, and Dewey Stevens, present at the meeting, for his service on the ACC.

**Report of Road Committee**

Wes Jackson thanked Victor Delgado and Jaime Pulaski for all of their hard work this past year on repairing the roads. Victor Delgado provided the report on the Road Committee. He reviewed the following information from his PowerPoint presentation:

Sweetwater Ranch Six Year Road Repairs Plan			
Year	Estimated	Actual Exp	Road or Area
1	\$25,000	\$27,612	Stockton Point, Half of SWT (West), Jackson Circle (South)
2	\$45,000		Arrowhead (asphalt millings) & intersection of JC & Sombrilla (hot mix)
3	\$40,000		Jackson Circle (West)
4	\$30,000		SWT (East) & Sombrilla
5	\$45,000		Arrowhead (hot mix)
6	\$35,000		All areas as needed

2023 SWR Road Repair Expenses		
ITEM	COST	COMMENTS
Skid Steer	\$2,000.00	Kael's help, Mullin Services
Roller & fees + taxes	\$1,840.00	3 - 7.2 ton, 35-48 in; United Rentals
Plate Compactor & fees + taxes	\$375.00	Up to 4500 lbs, United Rentals
Concrete Saw & fees + taxes	\$284.00	18-20 in, 13 hp, max depth 7", UR
Equipment Delivery & Recovery Fee	\$705.98	Transportation fees; United Rentals
Asphalt	\$13,386.45	108 tons @ \$101.41/ton + tax
Two trucks of Stone	\$900.00	Road base, 24 yds
Transportation cost	\$3,850.00	
Bond Coat (tack)	\$302.48	Four (5) gal containers
Fuel	\$764.73	
Labor	\$2,675.00	3 persons
Tools (rakes, reflective vests, cement, etc)	\$371.30	
Miscellaneous	\$157.11	
Total	\$27,612.05	

The Next Slide was a map of Sweetwater Ranch illustrating areas that had been repaired.

2024 SWR Road Repairs Estimate		
ITEM	COST	COMMENTS
Bulldozer	\$2,500	Mullin Services (Kael's)
Roller	\$1,600	7.7 ton, 54 in; United Rentals
Plate Compactor	\$348	Up to 4500 lbs, United Rentals
Walk behind Concrete Saw	\$390	18-20 in, 13 hp, max depth 7", UR
Equipment Delivery & Recovery Fee	\$700	Transportation fees; United Rentals
Asphalt millings (Arrowhead)	\$21,750	250 tons @ \$87/ton w tax,
Hot mix (Int of JC & Sombrilla)	\$3,600	35 yds, \$101.5 w tax
Two trucks of Stone	\$900	Road base, 24 yds
Transportation, Dump Truck	\$2,800	diesel
Fuel	\$2,000	
Labor	\$5,000	4 persons, \$250/day X 5 days
Tools (rakes, reflective vests, cement, etc)	\$400	
Miscellaneous	\$400	
Total	\$42,388	

During his presentation, Victor clarified that the difference (of \$984.53) between his 2023 road repair expense amount of \$27,612.05 and Cathy Reed's road repair expense amount of \$28,596.58 was for bags of asphalt that Joe and Cathy Reed purchased to repair potholes for the neighborhood. Victor also said we are saving a lot of money by doing the work ourselves and by using Jaime's equipment and hiring some labor to assist. Victor said the road is failing due to age, approximately 25 years, not because of the road base. Victor noted there are further repairs cropping up due to hairline cracks in the roads.

Linda Denning asked if potholes would be filled as part of the 2024 road repairs. Victor said he did not have enough resources to include it in his plan. Cathy Reed suggested that any of the homeowners could purchase bags of asphalt and repair potholes if it's not more than 3 inches deep, and we have stampers, etc. She said that it is not that difficult of a task.

There was discussion about the progress on getting County Road 3240 in front of our entrance paved. Jaime Pulaski said the county had purchased the necessary asphalt spreading machine and necessary equipment to pave roads and our road should be paved in the upcoming year. Debra Pulaski had attended a recent County Commissioner's meeting and talked with Eddie Perry. This led to discussion about Eddie Perry and whether these plans would be followed through. Ronnie Sullins suggested

homeowners call Eddie Perry, and he noted we only had one way in and out of the subdivision. Cecilia LaFrenz said she calls frequently and gets responses to fill potholes and also asked that when they grade the road, they not drag it onto the limited asphalt we have. Mary Snyder suggested we go as a group to the Commissioner Meetings. Get on the agenda or bring it up during public comments, which is limited to 3 minutes. There is power in numbers. There was another suggestion to sign a petition and submit that to the Commissioner's Court.

### **Report of Landscaping Committee**

Wes Jackson asked Mike Lawhorn if there was anything to report on the Landscaping Committee. Mike had no comments.

### **Report of Safety Committee**

Wes Jackson gave the report on the safety committee. He stated that he is the safety committee and had stepped up earlier in the year and will stay on this committee this upcoming year. Wes noted that there is a neighborhood being put in at the corner of CR 3240 and 3250, and it is not a brick and mortar type of development. Wes Jackson stressed that the gate needs to happen for our safety and to protect our homes, and that we could start with putting in concrete at the front entrance this year with a cost estimated at \$15-\$20 thousand. This would cover tearing out a portion of the existing asphalt, redoing the base, and laying a new concrete surface 9 inches thick. Victor Delgado asked how wide the concrete would be and Wes indicated 22 to 26 ft wide. Dewey Stevens questioned why we needed 9 inches of concrete, he said we could go with 5 inches of 4000 psi and that would be plenty. Jaime Pulaski said the Shores repaired their gate and put in 12 inches of concrete. There was a question on how much the gate would cost in total and Wes said it would be \$30-\$40 thousand depending on the type of gate installed. He is still researching it. Wes said this will take more than one year to get done. We will have to use some of our reserves. There was a suggestion that we save money for the gate and do it all at one time instead of piecemealing it.

Discussion and questions pursued about the gate... Would it really limit access? How do we get in and out? *Answers included using a fob or using an app on your phone to open the gate.* What about maintenance? *Members noted other gated communities had their gates open a lot of the time, or they are open because they are not functioning properly.* What type of gate? *Wes is researching and will use due diligence, he wanted us to trust him to get it done properly.*

There was more concern expressed about the type of traffic that might be traveling on our roads and that for our safety we need to install a gate at the front entrance. Mary Snyder added that the subdivision on the corner of 3240 and 3250 will have 104 lots of manufactured homes and it had been advertised in Dallas as a bring your trailer and your animals and come enjoy the lake! Wes also noted that there had been crime in the neighborhood which was another reason why we need the gate. He mentioned stolen boats, trailers, jet skis, guns, wallets out of cars, etc... This raised concern that several homeowners did not know that we had a crime problem because they had not been notified of these occurrences of theft.

Ronnie Sullins stood and addressed the group and basically said if we want safety with a gate and good roads and added value to our property then we need to raise dues. We are a small community of homeowners and if we want to improve our neighborhood, we will have to raise fees. Bernice King suggested a special assessment instead of raising dues because once the dues are raised, they will not go back down. There was a lot of discussion about the gate and ultimately we had to ask, who wants the gate? Do we as a community want the gate or not? Without price details and an actual plan, homeowners did not want to take a vote. So, we took a vote to "Pursue the idea of installing a front gate." The ayes outweighed the nays. There were 7 "no" votes.

Wes indicated he plans to stay on as the Safety Committee, he strongly supports the need for a gate for our safety, and he will work with the Board this upcoming year to continue to move on it.

**Open Floor for Questions:**

Wes Jackson opened the floor for questions, but in the interest of time and the remaining agenda items to cover, we really did not have time to open the floor.

**State of the SWR HOA Board:**

**Ratification of 2023 Board Activities**

Bernice King made a motion to ratify our board activities for last year and Billy Weaver seconded, motion passed.

**Nomination and Selection of New Board Members**

Wes Jackson asked Mary Wright to give a status of the Board. Mary indicated that the President, the Vice President, the Secretary, the Treasurer, and one Member-at-Large position needed to be filled. Jaime Pulaski's term as Member-at-Large ends in 2025. Wes encouraged homeowners to volunteer for Board positions. There was a question on how much time it takes to serve on the Board. Wes estimated about 4 hours a month as President, Victor estimated about the same, Cathy Reed said it took about 8-10 hours a month and she said she would sit with the new Treasurer and show how to do some of the tasks. Mary Wright said she spends at least 10 hours a month when there are Board meetings and Barbara Long confirmed and said it is more time when preparing the notices at the end of the year. Mary Wright said she would also help the new secretary to transition duties. Members-at-Large vary greatly depending of what they are doing, but it is generally not a large time commitment.

Victor Delgado agreed to remain on the board for another term. Jaime Pulaski has one more year to serve. Mike Lawhorn agreed to stay on the board for another term. Volunteers for the other positions were Mary Lawhorn, Barbara Stevens, Thomas LaFrenz (Cecilia LaFrenz had communicated with Thomas and he volunteered to serve).

All of the positions will be elected in the Post Membership Board Meeting immediately following the Annual meeting.

Mary Wright volunteered to audit the financials as required.

**Proposed Changes to SWR Covenants and By-Laws:**

Wes Jackson indicated we had covered this topic previously in the meeting.

**Call to Adjourn:**

Fabi Jackson made a motion to adjourn the meeting and Dewey Stevens seconded the motion. Meeting was adjourned at approximately 12:52 p.m.

Wes thanked everyone for coming.