Notice of Regular Board Meeting

Tuesday, September 29, 2020

Notice is hereby given to the Members of Seven Coves Association, Inc., that the Board of Directors calls a regular meeting of Directors to be held on Tuesday, November 26, 2019 at 6:30 P.M. The meeting will be held in the Seven Coves Association, Inc. clubhouse to consider and act upon the following agenda.

I. Executive Board Meeting (Closed Meeting)
II. Meeting Called to Order (Open Meeting)
III. Approval of Minutes
IV. Approval of Financial Report– Kevin Lacy
V. President's Report-Tim Steinmuller
VI. Reports from Board Members:

A. Kevin Lacy
B. Shelly Corso-Events report
C. Donald Chronister-Security report
D. Amy Lundy/Steve Durham-Deed Restriction & Marina Report
E. ACC Report

VII. Open Forum

VIII. Adjournment of Regular Meeting
This meeting could adjourn to an executive meeting on any topic.

IX. Reconvene

X. Adjourn

SEVEN COVES HOMEOWNERS ASSOCIATION
Monthly Board Meeting
Tuesday, February 25, 2020

Regular Meeting called to order at 6:30 pm

Seven Coves Board Members Present:
Tim Steinmuller, Shelly Corso, Neil Curlee, and Don Chronister

IMC Reps. Present:
Amy Lundy & Steve Durham

Approval of January Minutes: Motion-Shelly, Second-Neil, unanimously approved.

January Financial Report was given by Neil. Motion to approve the report-Shelly, Second-Don, unanimously approved. Neil also gave thorough report Long Range Plan for Finances. See attached report.

President's Report was given by Tim Steinmuller, President:
During our meeting this evening each board member will be giving reports on their areas of responsibilities. Neil Curlee will be explaining in depth our finances and expenditures in the future. He will discuss the status of our reserves and the general overview of our financial health. The report will be posted on our website.

The big metal plate on Kingston Cove Lane has now been removed and the road has been repaired.

SJRA has met and made their decision on lowering the lake level. Spring schedule: Lower to 200' MSL beginning April 1-May 31, 2020. Recapture beginning June 1, 2020. Fall schedule: September 1, 2020 lower to 19.5' MSL. If a named storm enters the region COH may initiate an additional prerelease to 199" MSL by notifying SJRA in writing. This is a disappointing outcome. Also, there were 1600 people that attended the last meeting.

Board Member's Reports:
Shelly Corso discussed upcoming events: April 4, 2020 Annual Garage Sale, April 11, 2020 11:00am Easter Egg Hunt and April 25, 2020 Fishing Derby.

Kevin's Report: Pool-Bill Cholewin has promised me on Monday that with the clear weather forecast they will get the last work onto their schedule ASAP. I will keep you posted.
Basketball Court/no parking zone. I sent a letter to Commissioner Meador regarding painting a red line over curb in front of playground area.
Lake Conroe-SJRA Board approved a proposal that is an improvement over the existing lake lowering program. It has to be accepted by the City of Houston and not sure when that will

occur. The Spring lake levels will be lowered to 200' msl in April and May 2020-which is the same as it has been. The improvement is in the Fall lowering in that the level in August/September will not fall below 200 ' msl until after Labor Day and then only go down another six inches to 199.5' msl to the end of September-also an improvement. We are very disappointed it was not fully cancelled based upon no technical data supporting it, but the politics involved required a compromise on both sides. The new program will be in place until 2022. Or until some of the updated studies prove it is not effective and we propose to the SJRA Board to cancel again. In the meantime, a small group will continue to work registering protests about the decision and keeping up with the studies. On a personal note, I've become the new President of the Lake Conroe Association as Mike Bleier has stepped down after serving for fifteen years. This will not affect my other responsibilities (HOA and MUD #2) and will be much less work than the last four months it has been.

Open Session:
Resident asked what is going on with Electrical company truck? The electrical company is boring 400', 4' deep under drive lowering electrical lines on Kingston Cove Ln. Road sweepers were cleaning gutters too. Homeowner shared that 2 lockers on Dock 4 have rotted out and one has fallen over. We will get maintenance to make repairs.

Neil Curlee made a Motion to accept proposal for new digital sign install at front entrance for the contract amount of $14,675.00. Second-Shelly. Motion unanimously approved.

Shelly Corso made a Motion to foreclose on three properties: Unit 1027, 1030 & 1090 and 1091. Second-Don. Motion unanimously approved.

Recap of Executive Session:
Discussed boat lift install on Dock 2.
Discussed date for Annual Meeting.
Discussed possible day care business issue.
Pine tree removal and replacement planting(s) in the park.
Discussed new digital sign install.
Discussed filing lawsuit for foreclosure on Units: 1027, 1030, 1090 & 1091

Closed Session of Executive Meeting called to order at 5:10 pm
Closed Session of Executive Meeting adjourned at 6:08 pm
Open Session of Regular Meeting called to order at 6:30 pm
Open Session of Regular Meeting adjourned at 7:08 pm
Reopened Session of Executive Meeting 7:13 pm
Closed Reopened Session of Executive Meeting 7:18 pm

Seven Coves Financial Report – End of August 2020 (8 months actuals = 67% of year)

Prepared by Seven Coves Treasurer – Kevin Lacy September 29, 2020

Due to transition the Seven Coves August Balance Statement is not yet completed – no concerns to flag to Board or Residents as the Income and Expense Statements do not indicate any cashflow problems.

Income Summary

			8 mo Actuals	12 mo Budget	Ind %	12 mo Forecast	Fc vs Budget
Revenues	Res Assmts		233000	347225	0.42	349850	1.01
	Comm Assmts		41000	61000	0.07	61500	1.01
	Subtotal		274000	408225	0.49	411350	1.01
Misc Inc	Fees		40000	30000	0.04	45000	1.50
	Franchise		14400	10000	0.01	21000	2.10
	Landing		0	6300	0.01	6300	1.00
	Subtotal		54400	46300	0.06	72300	1.56
Rental Inc	Marina		222000	308000	0.37	336000	1.09
	Clubhouse		11500	46000	0.06	17500	0.38
	Trailer Lot		22000	22400	0.03	30000	1.34
	Subtotal		255500	376400	0.45	383500	1.02
Total Rev			583900	830925	1	867150	1.04

Major Expense Summary - 84% of total expenses

			8 mo Actual	12 mo Budget	Inv %	12 mo Forecast	Fc vs Budget
Maj Exp	Trash Serv		109000	140000	0.17	150000	1.07
	IMC Services		76000	114000	0.14	114000	1.00
	Depreciation		70000	105000	0.13	105000	1.00
	Insurance		58300	88000	0.11	88000	1.00
	Mow & Landscape		38400	67500	0.08	57600	0.85
	Subtotal		351700	514500	0.62	514600	1.00
	Courtesy Patrol		35700	55000	0.07	45700	0.83
	Marina Maint		29000	50400	0.06	43500	0.86
	SJRA Fee		15000	32000	0.04	32000	1.00
	Utilities		17500	23500	0.03	26000	1.11
	Dock Loan Int		10200	18000	0.02	18000	1.00
	Subtotal		107400	178900	0.22	165200	0.92

Remaining Expense Summary – 16% of total expenses

		8 mo Actual	12 mo Budget	Inv %	12 mo Forecast	Fc vs Budget
Clubhouse Maint		6600	14000	0.017	10000	0.71
Attorney Fees		15600	13000	0.016	18000	1.38
Security System		17500	12000	0.014	19000	1.58
Pool Monitors		13000	12000	0.014	14500	1.21
Pool Cleaning		6000	9800	0.012	7000	0.71
Property Taxes		-7000	10000	0.012	-7000	-0.70
Accounting Serv		3000	9000	0.011	9000	1.00
Gen Expense		16300	8200	0.010	18000	2.20
Clubhouse Cleaning		2200	6600	0.008	3500	0.53
Phone Internet		3200	6000	0.007	4800	0.80
Subtotal		76400	100600	0.121	96800	0.96
Credit Card Fees		3600	5000	0.006	5400	1.08
Advertising		2400	5000	0.006	3600	0.72
Postage		2900	4500	0.005	4500	1.00
Member Relations		2000	4400	0.005	3000	0.68
Office Supplies		2500	3500	0.004	3700	1.06
Office Maint		400	2800	0.003	600	0.21
Event Coord		100	2500	0.003	200	0.08
Pool Maint		5800	2500	0.003	6000	2.40
Trailer Lot Maint		640	2000	0.002	800	0.40
Vehicle Maint		1400	1400	0.002	1600	1.14
Lighthouse Maint		0	1200	0.001	0	0.00
ACC Inspectors		2200	1000	0.001	3300	3.30
Pest Control		270	700	0.001	400	0.57
Tennis Ct Maint		1100	500	0.001	1100	2.20
Playground Maint		0	200	0.000	0	0.00
Subtotal		25310	37200	0.045	34200	0.92
Total Expense		560810	831200		810800	0.98

Summary – In spite of significant disruptions due to Covid-19 the Seven Coves 2020 financials at August indicate a balanced budget with the likelihood of a small surplus. Reduced revenue from Clubhouse rentals dropping 60% have been largely offset by higher Marina rental revenue and higher fee revenue due to new construction. Total forecast revenue for 2020 stands at 104% of the budget. Higher pool and general expenses have been largely offset by good expense management (mowing, patrols, some deferred maintenance) and a one-time property tax benefit the Board pursued in early 2020. Forecasted total expense for 2020 stands at 98% of the 2020 budget.

September 2020 Presidents newsletter,

This week we will have our first open monthly HOA meeting in months since this Covid thing started. We will have limited seating to maintain distancing, but it will also be broadcast for viewing online. The office will send out the link again. The meeting starts at 6:30 on Tuesday the 29th of September.

I would like to answer a couple questions that have come up from residents in this newsletter, most of them are concerning the sign at the entrance to the subdivision. If you have attended the monthly meetings in the last four to five years, the sign concept was brought up multiple times. One of our biggest complaints was timely communication and many residents in meetings expressed the view that emails were insufficient and often are not read. Placing signs and banners, often weekly or monthly, was a poor solution and expensive long term.

The final installed cost of the sign was $10,335. The Board approved a not to exceed amount of $14,000 in February for the sign but by obtaining three bids it was purchased for a significant savings. There will be approximately $500 additional expense for a permanent internet connection and minor electrical work. After a short learning curve, we believe we have determined the best hours, brightness, and font size to utilize to make the messages less obtrusive.

A question was asked why this kind of expense does not go out to a community vote? Our HOA rules do not put any expenditure to a community vote, instead residents are invited to give input into our projects as they are proposed. This underscores the importance of our monthly meetings. The Board is mandated by our bylaws to develop and approve annual budgets and make final spending decisions. This has been in place since the beginning of Seven Coves. Our internal procedures require us to acquire bids for any significant expenditure to ensure best price and to assure no conflicts in placing a purchase.

It was asked why this money did not go to the clubhouse to do updates. There are two good reasons at this time. We know the clubhouse needs some significant work but because of COVID the clubhouse rentals and use has effectively stopped. This is a significant loss of revenue creating pressure on our 2020 budget which also eliminates any confidence in spending large sums ($20-50,000) for a major remodel of the clubhouse. We have authorized to proceed with critical needed

work on the clubhouse like deck repairs, window repairs, and some painting but we need to see demand return to normal to fund any large expenditures. Up until the Covid issue the clubhouse had been rented out almost every weekend, and we are confident that when this current Covid issue is over it will be in demand again. The clubhouse does need updating and will be addressed in future meetings.

Another question was about the poor condition of the road leading to the Wave. That road is privately owned and not part of Seven Coves HOA. Also, the county is not responsible for maintenance as they are for our main roads. A final question was asked if the annual budget and funds that are spent can be provided to the community. We as a board discuss the budget monthly at the HOA meetings with residents and copies provided to attendees. All meeting records are available by requesting them from the office.

These were good questions and we will be answering them again in the meeting Tuesday evening. On another item, the road work on Kingston Cove has been completed, it was delayed a week due to the threat of the hurricane. The MUD district did a great job completing this project with as little inconvenience as possible to our residents. Finally, we encourage all residents to attend our meeting monthly. Hope to see you Tuesday night at 6:30.

Until next month,
Tim Steinmuller
President Seven Coves HOA

LED Sign Project

Sign project was discussed in the February 2020 meeting and put to a Board vote after Treasurer Curlee informed the Board that adequate funds existed this year for the project if it was under $15,000. Board approved obtaining bids and a not to exceed number of $15,000. Bids were solicited from three companies – two local and one in Huntsville. After initial quotes came in one company was eliminated as their price was significantly higher than the remaining two which were numerically close to each other. A subsequent clarification effort regarding costs and final specifications took place in April and lowest bid was reviewed and approved in a Board video conference April 28th.

Contract awarded to Extreme Signs – approximate final sign cost $10,335 – 50% deposit check issued

Held site meeting to confirm location and hook up – Kevin Laird w/ Iguana Net attended

Electrical requirements sent by Extreme Signs and forwarded to electrician

Software application link and log in details sent to Amy Lundy to be ready to test out once installed

Sign installed July 28th, initial sign messages and brightness not suitable so sign turned off until internet connection could be established, and sign reprogrammed. Initial cost estimate of less than $650 to connect to security camera internet was resubmitted and was now $2500. HOA decided to find alternative for internet service and got commitment from Tachus. While waiting on the permanent internet service Board authorized Treasurer Lacy to spend up to $200 to purchase and utilize a temporary cell signal internet router to connect the sign and reprogram. Sign tested and turned on September 15th and final adjustments made September 17th to sign on times, brightness levels, and font size. Messages can now be modified on site with 10-15 minutes of work.

Sudden Link / Tachus

Quote from Tachus - Construction is complete in sections 1 and 4. Section 2 and 3 should be complete within next 3 weeks. We currently testing fiber in the areas that are complete and working to get power to the cabinet that feeds it all. That should be done next week, and they will likely start installs the following week, so we are getting close to completion!

Status of Tachus Repairs to MUD #2 water lines

Subject: UD2 repairs by Tachus / and Inspected by UD2

7/30 - 7091 Sandy Cove
8/4 - 5038 Pleasure Lake
8/10 - 6786 Kingston Cove
9/3 - 6914 Gentle Breeze
9/8 - 7167 Lake Shore
9/15 - 5224 Shorewood (3" main repair)
9/24 - 6998 Pleasure Lake

Subject: UD2 damages to major lines and repaired by UD2
Estimated charges do not include approximately $2,200 in lost water and do not include the latest major break at Montego Cove on Sept 25th.

C. BACKCHARGE INFORMATION

Description of Backcharge	Date Invoice Submitted to Responsible Party	Original Invoice Amount	Payment/ Adjustment	Balance
6854 Kingston Cove – Damaged Service Line, repair	08/19/20	$2,085.43		$2,085.43
6835 Stillwater – After Hours Damaged Service Line, repair	08/28/20	$3,992.67		$3,992.67
5113 Pleasure Lake – Damaged 8" main, repair	08/25/20	$4,855.30		$4,855.30
6846 Stillwater – After Hours Damaged Service Line, inspection	08/25/20	$209.46		$209.46
5228 Shorewood Dr – Damaged service line	09/15/20	$333.89		$333.89
	TOTAL OUTSTANDING BACKCHARGES			**$11,476.75**

ACTIVITY REPORT
SEVEN COVES

Dates: September 2020

Calls		2
Arrests		0
Citations		1
Warnings		3
Reports		0
Suspicious Person Vehicle		8
Total Activity		14

Deed Violation Report
September 29, 2020

Violations-Categorized

24 Violations

7	Yard Maintenance; mowing, edging, weeding, pruning bushes/trees.
12	Vehicle Parking: trailers, boats, atvs, etc. stored in yard or driveway.
5	Unsightly: Misc. items, mold growing, general appearance of yard.

Violations-Activity

18	Closed: Violation Cured
4	New: first notice
2	Re-open: Violation(s) cured and closed then violation repeated

September 29, 2020

MARINA REPORT

		AVAILABLE	VACANT	
DOCK #1	COVERED	36	3	92%
	UNCOVERED	30	9	70%
	TOTAL	66	12	82%
DOCK #2	COVERED	54	2	96%
DOCK #3	COVERED	60	6	90%
DOCK #4	COVERED	28	3	89%
	UNCOVERED	48	7	85%
	TOTAL	76	10	87%
OVERALL	COVERED	178	14	92%
	UNCOVERED	78	16	79%
	TOTAL	256	30	88%