

PORTSIDE HOMEOWNERS ASSOCIATION ANNUAL MEETING MINUTES



July 4, 2009

Call to Order: The Portside Annual Homeowners Association meeting was called to order at 9:00 A.M.

Introduction of Guests and Administrative Announcements: Mr. Paul Spruill, Beaufort County Manager, and several guests from Portside Two were welcomed. Everyone was reminded that sausage dogs were available.

Introduction of Guest Speaker: Mr. Paul Spruill, Beaufort County Manager, was introduced as the guest speaker.

Mr. Spruill thanked everyone for the opportunity to address the Portside property owners on the feasibility of sewer extension to Portside. He gave an update on the current construction project of extending sewer service to Beaufort Point. He reported that the Beaufort Point developers have all the sewer pipe in the ground, but they have not completed the lift station. The developers are trying to have all the construction work completed by October 1, 2009. If for any reason the developers do not complete the sewer project, the County holds the developers performance bond and will have the project completed.

According to Mr. Spruill, the average cost per property owner to extend sewer service to Portside could run \$12,000. If Beaufort County is able to receive grant funds, this amount could possibly be cut in half.

Mr. Spruill discussed two possible sewer design options:

1) a central lift station that allows each unit to independently pump their waste water to the force main through the use of a grinding pump.

2) fill in the existing septic tank and install a tank with a grinding pump that would force the waste to the force main.

Mr. Spruill stated that this is not a Beaufort County sewer extension project. It is a City of Washington sewer extension, and they would be the approving authority for any design and any subdivisions that are added to the force main.

Mr. Spruill indicated that the density of Portside Subdivision and the other subdivisions along Whichard's Beach Road should be a favorable factor in extending sewer service. Portside has a total of 53 lots that could be connected to the force main once it is extended to Beaufort Point.

“Take Pride In Portside”

Mr. Spruill indicated that in order to extend sewer service to subdivisions along Whichard's Beach Road, a participation of 90% or more of the property owners will probably be required. He stated that before the fiscal crisis hit the State of North Carolina, there were many good opportunities to apply for Clean Water Management Trust Fund grants. The Clean Water Management Trust Fund is interested in helping clean up the water quality impact that our neighborhood now has on the Pamlico River. Mr. Spruill indicated that funds may again be available 3 or 4 years in the future. If Portside Subdivision is organized in its efforts to obtain sewer service and is willing to participate in the cost of sewer extension with a large percentage of property owners participating, the County will be in a better position to seek such grant funds when they become available.

Mr. Spruill stated that he has not witnessed any municipality extend sewer service to an unincorporated neighborhood which would benefit from that service without requiring the residents to sign a voluntary annexation petition. For example, Beaufort Point signed a voluntary annexation petition. Mr. Spruill stated that it does not mean the City will annex the neighborhood, but it does mean that the City **could** annex the neighborhood without any legal difficulties. It is a trade-off that the neighborhood makes in exchange for municipal sewer service. To summarize, Mr. Spruill indicated that in order for property owners to receive sewer service, they can expect a cost of approximately \$12,000 per home, with the cost hopefully subsidized, a recurring monthly sewer bill and a potential for annexation.

Mr. Spruill indicated that it will take multiple meetings with residents of all subdivisions along Whichard's Beach Road over the next couple of years to discuss sewer extension. In closing, Mr. Spruill stated that it may take up to 3 years to get funding for any subdivision to be connected to the City of Washington's force main. He believes that this will happen when the state can provide funds to the Clean Water Management Trust Fund.

Questions:

Mr. Spruill opened the floor for questions. He indicated that the first question he is usually asked is how can the County provide sewer service so the residents do not have to deal with annexation. He stated that the County does not own a waste water treatment plant and does not have the ability to provide sewer service. The City of Washington has the capacity to serve the Whichard's Beach Road subdivisions with sewer service. The City will have to be involved in any extension of sewer service.

Tim McCarter inquired about an alternative method to a grinding station of putting in a holding tank for solids and a pumping station which would be less costly. Mr. Spruill indicated that Cypress Landing has that type of system, but the Clean Water Management Trust Fund does not want the solids held back in the river area they are trying to protect. The City of Washington will have to approve the design, and the State Department of Water Quality will probably not approve such a design.

Mr. Spruill was asked about the total cost per property owner for sewer service. Mr. Spruill estimated that the cost is approximately \$12,000 per unit. He stated that hopefully the County will be able to apply for a grant to subsidize about one-half of that cost.

Mr. Spruill was asked what would happen if 90% of the property owners requested sewer service and 10% did not want sewer service. Mr. Spruill indicated that in reality the County would not be able to get the project funded without 100% participation. If 90% of the property owners requested sewer service, the County could pursue the project funding and this would take several years. During that time, the County could try to get the other 10% of the property owners on board with the project.

Mr. Spruill was asked if the grinding pumps would be installed by contractors. Mr. Spruill responded that the grinding pumps would be part of the public utility contracting process.

Mr. Spruill was asked whether there would be any additional costs above the estimated \$12,000 per unit for each homeowner to connect to the sewer system. Mr. Spruill stated that homeowners would also be responsible for the cost of running their main plumbing line from their residential structure to the grinding pump. All the septic tanks will be destroyed or filled in, but that cost would be included in the construction cost. If the septic tank is located under a driveway, the concrete would be removed by the contractor, but the property owner would be responsible for replacing the concrete.

A question was asked if one or more homes could be connected to a grinding pump. Mr. Spruill indicated that you may have a situation where one central lift station would pick up 25 homes on one side and 25 homes on the other side and force waste to the force main, but that would be a design issue. However, grinding pumps will be required for each home.

Another question was asked about the recurring cost of sewer service. Mr. Spruill advised that there would be a monthly sewer bill, and the City of Washington currently charges double the sewer rate for unincorporated customers. If Portside was annexed, residents would pay the same sewer rate as other City of Washington customers, but there would also be City property taxes. Mr. Spruill estimated that if Portside remains unincorporated, the average monthly sewer bill could be \$80 to \$120. If residents do not live in Portside fulltime, their usage will be less and they could possibly pay just the minimum monthly sewage bill.

President Meeks read the following proposed wording on the Portside petition to the Beaufort County Commissioners:

“We, the undersigned property owners in Portside Subdivision, hereby respectfully request the Beaufort County Board of Commissioners to explore funding sources to extend sewer service to the 54 lots in our subdivision. There is a critical need for sewer service in our subdivision as many of the septic tank systems are old and are failing resulting in unsanitary conditions. Your assistance in exploring funding options for the extension of sewer service to our subdivision will be greatly appreciated. We understand there will be a cost per property owner associated with extension of sewer service and that there will be requirements, as yet to be determined, to connect Portside properties to the public sewer system.”

Mr. Meeks stated that the petition does not commit property owners to pay a set amount for sewer service. The petition requests the Beaufort County Commissioners to begin searching for funding to extend sewer service to our subdivision. If a majority of property owners sign the petition, it will increase our chances of getting grant funds.

Mr. Spruill was asked about each property owner’s commitment if they sign the petition. Mr. Spruill advised that the petition is only a request that the County try to put the project together and then the County will come back to the property owners with all the details before the County proceeds. The County’s willingness to pursue funding opportunities will depend upon the number of property owners willing to participate.

A question was asked about how property owners could pay for their share of the cost of sewer service. Mr. Spruill stated that he could not make any commitments, but he could imagine if it is a County capital project, the County could structure payment over a two-year period. The 24 month collection cycle would probably begin before the County started the project.

There being no further questions, President Meeks thanked Mr. Spruill for attending the meeting and updating Portside residents on sewer service.

Secretary's Business: Evon DiGregorio

Record of voting members present: All Portside Homeowners were asked to sign a sign-in roster so we will have a roster of who attended the annual meeting. **Action Item 22 closed.**

Confirmation of a quorum. There was a quorum present.

Other Business of the Secretary:

Approve minutes for July 5, 2008 Portside Annual Homeowners Meeting: Copies of minutes for the July 3, 2008 Homeowners meeting were available at the meeting for review. There were no changes noted.

Portside Address Directory: Homeowners were asked to review the Portside Homeowners Directory to ensure their address, telephone numbers and email addresses are correct. Only one change was received, and it was a new email address.

Portside Homeowners Proxies: President Meeks advised that according to the Portside Bylaws, all homeowners can submit a proxy in case they cannot attend a special call meeting or the Portside Annual Homeowners Association meeting during the 2009-2010 fiscal year. Only two homeowners signed and submitted their proxies. **Action Item 2**

Portside Board of Directors Proxies: President Meeks reported that according to the Portside Bylaws, new proxies are required from all Board members in case they cannot attend a Board of Directors meeting during the 2009-2010 fiscal year. At the April 11, 2009 Board of Directors meeting, it was proposed that the Bylaws be amended regarding the Board of Directors proxy requirements. The Board of Directors requested that the Bylaws be changed to reflect the proxies for the Board of Directors to be valid for 24 months instead of 11 months as stated in the Portside Bylaws. This change would allow the proxy to be valid for the two year terms of Board members. The timeframe for the Homeowners proxy would remain at 11 months as stated in the Portside Bylaws. After some discussion, a motion was made by Tommy Poe and seconded by Stuart Elks to change the Bylaws to reflect the proxies for the Board of Directors to be in effect for 24 months instead of 11 months. Motion passed unanimously. **Action Item 1**

Treasurer's Business: Mark Cutler

Portside Income Tax Form: Mark Cutler reported that the Portside Homeowners Association paid \$8.83 in 2008 income taxes due to interest from money invested in an ING account.

Review of Quarterly Treasurer's Report for the Period April 1, 2009 - June 30, 2009: The Treasurer reviewed the financial report for the last quarter in fiscal year 2008-2009 which covers the period April 1, 2009 – June 30, 2009.

Review of Fiscal Year Treasurer's Report for the Period July 1, 2008 – June 30, 2009: The Treasurer reviewed the fiscal year financial report covering the period July 1, 2008 – June 30, 2009.

Review Portside Projected Budget for July 1, 2009 – June 30, 2010: The Treasurer presented the projected budget for the Portside Homeowners Association which covers the period July 1, 2009 – June 30, 2010. The first page covers projected income and expenses. The second page of the projected budget lists some projected capital improvements for the Portside subdivision. Motion was made by Bill Brown and seconded by Gene Powell to approve the Portside projected budget for July 1, 2009 – June 30, 2010. The motion passed unanimously.

2009-2010 Homeowners Dues (July 1, 2009 – June 30, 2010): The Treasurer is now using the QuickBooks accounting program to prepare invoices for homeowners dues and track the payments of property owners. The invoices for July 1, 2009 – June 30, 2010 were mailed to property owners the first week of May 2009. As of July 4, 2009, dues have been received from 36 homeowners.

Review Portside Financial Audit for Period of July 1, 2008 – June 30, 2009 (Andy Barnette): Mr. Barnette presented an oral report on his audit of the Portside financial records. He explained that with the files printed from QuickBooks, it was easy to do the audit. All of the income and expenses were in order and there were no discrepancies noted. **Action Item 21 closed.**

Unfinished Business:

Capturing email addresses of all Portside Homeowners: President Meeks reported that by using the email addresses of homeowners to email the Board of Directors minutes, it has reduced the expenditure in the budget by about \$100.00 since July 2008. As of July 4, 2009, we have email addresses for 31 of the 53 Portside property owners. **Action Item 7**

Sewer Petition: Based on Mr. Spruill's comments, President Meeks reminded homeowners that the Secretary has a petition available on sewer service for property owners to sign. Once we have received the necessary signatures, it will be presented to the Beaufort County Board of Commissioners to request sewer service for Portside subdivision. During the Annual Portside Homeowners meeting, 19 property owners signed the sewer petition.

If you would like to sign the sewer petition, Frank Meeks has the petition. Call him at 252-258-5330 or stop by his home and sign it. We would like to get the sewer petition submitted to the Beaufort County Board of Commissioners in the next 45-60 days. **Action Item 8**

Amendment to the two Portside Covenants: President Meeks reported that in the January 2009 timeframe, 18 Amendments to the two Portside Covenants (which cover 20 lots) were given and/or mailed to the Portside residents whose owners did not sign the original two Covenants in 1992. As of March 9, 2009, 9 property owners have signed and returned the Amendments and the Amendments were recorded at the Beaufort County Register of Deeds Office on that date. As of July 4, 2009, nine property owners (covering 11 lots) have not signed the Amendment to the two Covenants. **Action Item 15**

Portside Web Site: President Meeks reminded homeowners to view the Portside web site. The web page has been expanded to include a web page of individuals who have their homes for sale or lease in Portside. If property owners would like to add pictures of the inside of their homes, please provide the digital pictures to the web master. Here is the web site address: <http://www.portsideonthepamlico.com/>.

Any other unfinished business: There were no additional items of unfinished business.

New Business:

Keys to Portside Boat Ramp: President Meeks advised that at the April 11, 2009 Board meeting, a motion was made and approved to establish July 31st of each year to have the Annual Homeowners dues and/or special assessments paid in order to retain a key to the lock at the Portside Boat Ramp. If property owners still have outstanding dues and/or special assessments after July 31st, they will be asked to surrender their key to the lock at the Portside Boat Ramp.

Portside Social: President Meeks advised that a suggestion has been received to have some social events over the summer months.

After some discussion, it was agreed to have Portside socials on the 2nd and 4th Saturdays of the summer months from 6:00 to 8:00 P.M. The first Portside social this summer will be held on Saturday, July 11, 2009, from 6:00 to 8:00 P.M. Residents are asked to bring their favorite hors d'oeuvres to share and their own beverages. Future dates are: July 25, August 8, August 22, September 12 and September 26.

Chairman of the Nominations Committee (Alton Baldree): Mr. Alton Baldree, Chairman of the Nominations Committee, announced that the term of office for 5 Board members was expiring. He presented the slate of new Board members up for election - Scott Lang, Frank Meeks, Mitch Manning, Charlie Speight and Stanley Wainwright.

Election of the New Portside Board of Directors Members: The President called for any additional nominations for Board members from the floor. With no other nominations from the floor, the nominations were closed. Bill Brown made a motion to accept the slate of new officers and the motion was seconded by Andy Barnette. Motion passed unanimously. Scott Lang, Frank Meeks, Mitch Manning, Charlie Speight and Stanley Wainwright were elected to a 2 year term.

Any Other New Business:

Metal Roofs: Mr. Jack Cutler asked for clarification on the first Portside Covenants on page 3 where it states the following in 1. F: "All boat house roofs must be covered with shingles." Mr. Cutler stated that he had a quote to install a metal roof on his home, but he wants to be in compliance with the Portside Bylaws and Covenants.

After a lengthy discussion on metal roofs including the type of metal and thickness, there were a total of 3 motions made.

1) The first motion was for the Board of Directors to see what process is required to modify the Portside Bylaws and Covenants that were approved in 1992 and to develop the appropriate wording to allow metal roofs subject to certain specifications. The motion was made by Ashley Leggett and seconded by Tommy Poe. Tommy Poe asked for input so the Board would have some background on the specifications for the metal roofs. It was recommended by Floyd Wiggins that the metal roofs be of a galvalume coated steel material, of at least 26 gauge, painted with a lifetime guarantee not to chip and with at least 20 years warranty not to fade. With no other discussion, the motion passed unanimously. **Action Item 23**

2) Ida Wiggins made a motion for the Board of Directors to have the amendment to the Covenants to allow metal roofs completed by July 29, 2009. Bill Brown seconded the motion. With no further discussion, the motion passed unanimously. **Action Item 24**

3) The third motion was for the Portside Homeowners to vote on giving Mr. Cutler a waiver on installing the metal roof. A motion to grant a waiver to Mr. Cutler to install a metal roof on his home was made by Tommy Poe and seconded by Scott Lang. With no further discussion, the motion passed unanimously.

Bulkhead Problems: Floyd Wiggins asked if there was any authority in the Bylaws or Covenants that could authorize the Portside Homeowners Association to require property owners to repair their bulkheads. He was advised that currently there is no authority in the Bylaws or Covenants that requires property owners to install and/or repair their bulkheads.

Action Item Updates: Please refer to the list of action items on the last page of the minutes.

Information Items:

Schedule Use of the Picnic Shelter: If any Portside property owner would like to reserve using the Picnic Shelter during the upcoming summer months, please let the President know. Currently the rules for using the Picnic Shelter only allow reserving the Picnic Shelter 60 days in advance.

Special thanks was extended to:

Gene and Nancy Powell for their support in preparing and cooking the breakfast food.

Louise Lewis for providing onions and peppers for the sausage dogs.

Randy and Eleanor Spain for donating fertilizer and lime for the Portside Picnic and Boat Ramp lot.

Andy and Judy Barnette for donating the vinyl siding for the Portside Picnic Shelter.

Frank Moye, Jack Dixon, Bill Brown and Larry Lewis for donating their time to put the centipede sod by the bulkhead on the Portside Community lot.

Gail Moye for donating time decorating the Portside sign for Memorial Day and the 4th of July.

Reminders:

With the summer months here, please remind everyone not to allow children under 16 years old to drive golf carts within Portside without a parent or guardian and to observe the "No Wake" within the water ways inside Portside. If you have pets, please be courteous of others and clean up behind them. Please keep your pets on a leash when you are out walking them. In order to keep Portside looking good for family, friends and visitors, everyone is asked to keep their grass mowed year around as needed. Please observe the posted 15 MPH speed limit within Portside subdivision.

If any homeowner has a death in your immediate family, please contact the President or one of the members of the Portside Board of Directors.

Call for Any Other Business, Announcements or Items for the "Good of Portside": LouJean Manning reported that the light on the Portside entrance sign was not working. President Meeks advised that he will check the light.

Members of the Portside Board of Directors were asked to meet immediately following adjournment to elect new officers for the Board of Directors.

Call for a motion to adjourn: Andy Barnette made a motion to adjourn, and it was seconded by Charlie Speight. Motion passed unanimously.

With no other business to discuss, the meeting adjourned at 10:25 A.M.

Respectfully submitted,




**Evon DiGregorio
Secretary**

**Frank Meeks
President**

Portside Action Items			
Action Item #:	Topic:	Suspense:	Completed:
1	Portside Board of Directors Proxies	On-going	
2	Portside Homeowners Proxies	On-going	
7	Master email listing for Portside property owners (28 email addresses as of July 3, 2009)	On-going	
8	Portside Property Owners petition for Sewer Service	9/1/09	
15	Signatures of those homeowners whose original owners did not sign the two Portside Covenants in 1992	On-going	
21	Portside Financial Audit July 1, 2008 – June 30, 2009	7/4/09	7/4/09
22	Sign-In roster of those attending the Portside HOA meeting	7/4/09	7/4/09
23	Modify the Portside Bylaws and Covenants	7/31/09	
24	Rewording Covenants on metal roofing to be completed by July 29, 2009	7/29/09	