

**Meeting of the Board of Directors  
Redwood Estates Services Association  
October 21, 2020 Minutes**

**Quorum** – Was met with the attendance of President Rick Swayne, Vice President Chris Goldsbury, Treasurer David Hubbard, Secretary Phillip Warnecke, and Director Philip Schuyler. Also in attendance were Operations Manager Jeff Bates, and Office Manager Mona Raby. The board meeting was held at the Redwood Estates Pavilion. Attendees observed 6 feet of social distancing and wore face masks. A Zoom meeting was additionally held for those in the community who were unable or unwilling to physically attend at the Pavilion. We've stated that this meeting was not to be recorded by anyone attending on Zoom and that we, the corporation, were also not recording this meeting.

- **Motion to approve the Minutes from September**

Motion was made by David Hubbard, with a second made by Phillip Warnecke, and with no objections

- **Motion to approve the agenda**

Motion was made by Philip Schuyler, with a second made by David Hubbard, and with no objections

- **President's Report –President Rick Swayne**

- We are still trying to replace lost income from the fire station
  - The request for direct financial reimbursement is standing
  - The request for attorney fee reimbursement is standing
  - Our attorney Lucy last communicated to us that county fire still has to get approval from the county board supervisors for the firehouse project
    - This includes approval for demolition, construction

- **Treasurer's Report**

- Why are we over our budget for total projects? Causes include, but not limited to...
  - Pool furniture
  - We are incurring extra costs from the new septic system.
  - And other pool expenses
- Why is the interest expense low?
  - This is related to extra payments on the pool loan
- Total legal fees are high as a result of Lucy's work on the fire station. We expect to be reimbursed for these legal fees next year
- There is an interest of a community member to review our financial documents

- **Electronic Payments**

- Mona is still attempting to set up our bills electronically
- There is interest from community members to pay their monthly dues electronically, such as Paypal. Mona will look into adopting Paypal. Alternatively, many members have success setting up automatic payments through their bank accounts
- **Delinquent Payments**
  - We've discovered that it is more expensive to pursue litigation for the delinquent payments than to wait and place a lien on the property
  - After 120 days we begin the lien process
  - The board does offer a path to cooperate with residents experiencing challenging life circumstances, especially during Covid
  - We do impose a \$10 late fee every month
    - This is approximately close to the 10% late fee that a community member suggested we should add to delinquent accounts.

- **Fire Wise Report**

Redwood Estates Firewise Recertified for 2020

Battalion Captain recommends improving house number visibility by adding 4 inch reflective house numbers (black lettering on white).

Cost of around \$30-40 per home

Should we use RESA funds for this, or query for interested residents who would like to add it to their bill

Batching lowers costs and reduces shipping costs

Community Google Form for tracking Brush Abatement

- There is preference to opt-in to the reflective sign proposal
  - Some residents already have signage and don't want to pay for more
  - Some residents may not even put up the signage, resulting in a waste of resources
  - The Fire Wise Certification should help lower insurance rates.
    - It also aims to achieve goals that reduce the risk of fire damage in our community
  - We should share Firewise information in the monthly newsletter
    - Include ways community members can contribute to the certifying process and towards mitigating the risk of wildfires
  - We are notifying the fire department of the location of the less-abled residents so that they may be rescued in the event of an emergency.
  - It was suggested that we keep a running total percentage of people signed up for the reflective signs as a way to set and reach a community goal

- **Operations Manager's Report – Jeff Bates**

## Managers Report

October 21, 2020

### Roads / Projects:

- Lee Dr: roadway saturation repairs completed.
- Geraldine Ct: roadway saturation repairs completed.

### Drainage:

- Lee Dr: drainage swale and inlet boxes completed.
- Geraldine Ct: drainage swale to inlet box completed.
- Woolaroc Dr. at Bayview Dr: new culvert pipe installed, added headwall to eliminate erosion around pipe and added retaining wall on outflow to widen roadbed.

### Pavilion:

- Operates under current County COVID -19 Protocol

### Playgrounds:

- Please remember that dogs are not allowed in our playgrounds or grass lawn areas.
  - Santa Clara County ordinances require that all dogs be on a leash.

### Pool:

- Pool is open under Santa Clara County COVID-19 Protocol.
  - Six persons in the pool water at one time.
  - All persons over the age of six (6) years of age are required to wear a mask when not in the pools water.
  - Reservations must be made in advance at <https://resa.skedda.com>

### SJWC: (No Update from SJWC)

- Projects scheduled to be completed in 2020:
  - Replace 3,760 ft. water main with 8" pipe serving residences of Locust Dr., La Salle Dr., Mt. View Ct., Judith Ct., Laverne Dr., and Patricia Ct.
  - Replace 1,970' with 12" pipe from Pavilion to Beatrice Circle Reservoir.
- 12" Main installation from Locust to Tank Farm (No scheduled start date).

### Misc:

- Old Santa Cruz Highway Hazardous Fuel Reduction Project (SR17 to Summit Rd):
  - Project is managed by Santa Clara County FireSafe Council
  - Project is now scheduled to begin October 21, 2020 (Red Flag Dependent)
    - Project to be completed by January1, 2021
  - Visit [sccfiresafe.org](http://sccfiresafe.org) for more information on Project
- County Fire's New Building:
  - Installed ADA parking spot for Temp Quarters.
  - Project has received County Approval.
  - Construction forecasted to begin January 4, 2021
- "Ferrellgas Propane RESA Propane Users Group" pricing discount. Contact Bryan Heath via phone (831-227-6567) or e-mail [BryanHeath@ferrellgas.com](mailto:BryanHeath@ferrellgas.com)

- Traffic management will be implemented during the hazardous fuel reduction program along Old Santa Cruz Highway.
  - This may include reducing traffic to one lane
- Jeff is still collecting bids for the extra fuel reduction near the tank farm.
  - We have not heard from Firewise regarding grants to help pay for the fuel reduction.
- There is some interest to create a community garden in the vacant lots near the tank farm.
  - Rick suggested to those interested that they put together a proposal for board review

- **Office Manager's Report – Mona Raby**

Office:

- 1 home in escrow. 2 home sold

**March 14, 2021 – Members annual meeting, 2pm at the Pavilion**

- Ordering tax roll to update owners and all properties own in Redwood Estates
- Please let me know if you are not re-running for your seat on the board as I am preparing the Annual meeting forms. At this time, we have three seats open, Rick Swayne and Phil Schuler has served 6 years and will be leaving the board. Chris Goldsbury can re-run for his seat on the board for another term
- Nomination forms to be available end of October
- Workman's comp Covid guidelines changed following all protocol

Recreation

- Reservations for goody bags for kids Halloween gift is underway.
- No Kids or Adult Halloween party this year.

Pavilion

- Covid guide lines have changed. More discussion on how to administer restrictions

**Pavilion is a Voting center – Oct 31 to Nov. 2, 9am-5pm , Nov 3. 7am to 8pm**

Pool

- Pool hours have changed to Monday, Wednesday, Friday, Saturdays and Sunday 12 to 6pm. Members still want us to keep pool open as long as we can. We are scheduled to stay open through the end of October.
- Average daily pool attendance is approx. 25 to 30 persons. Water has dropped a few more degrees on an average its 73
- Bathroom for park users is in the works. May open when pool closes.
- Workers comp is requesting that we communicate to them if any employee gets sick, regardless of it being a Covid diagnosis
- Mona will check to confirm the pool staff continues to put the cover on every night.
- We updated our pool restroom lock so it could better fit the amount of numerical codes needed.
- Can we hire a community member to do our pavilion and pool house cleaning?
  - We have tried this in the past with mixed results
- Can we add adult time slots to the swim hours?
- We all agree that Mona will send out a constant contact informing residents they may now request access codes to the pool bathroom.

- Mona will get a quote from Comcast for internet service at the pool as a service bundle with our phone lines.

#### Member Comments

- member comments and questions are included at the end of each heading and additional comments are included in this heading.
- Why don't we vote to make all properties have equal voting rights.
  - The response on this issue is mixed as it requires all community members to forfeit any votes in excess of one.
  - Our lawyer wrote a memorandum informing us that we would be breaking the law in trying to change (or vote away) our Articles of Incorporation. The communication from the lawyer is included. There is some interest in getting a second legal opinion and also some interest in not paying more money to do this.

#### Kipps's Presentation



## MEMORANDUM

**TO:** RESA Board of Directors  
**FROM:** LMA Law, LLP  
**DATE:** December 30, 2015  
**RE:** Voting Rights Tied to Original Subdivision Lots

This memorandum addresses questions raised by the Board as to whether the RESA bylaws can be changed so that the homeowners with fewer lots can be given the same number of votes as homeowners with more lots.

The answer is that this type of change cannot be made. As provided in the Articles of Incorporation, the number of votes is based on one membership interest for each of the original lots in Redwood Estates. Because the membership interests include rights in real property that "run with the land," those interests cannot be changed without the consent of every affected owner.

### 1. Original Articles of Incorporation:

The original Articles of Incorporation of RESA (previously named Redwood Mutual Water Company), which were filed in 1928, provided that each lot within Redwood Estates subdivision would be entitled to one membership interest, which would be appurtenant to the lot. Those provisions have essentially remained unchanged for 87 years, and include the following statements:

- The voting power and property rights and interests of the members shall be unequal •  
The sole qualification for membership shall be the holding of legal title to a lot within the Redwood Estates subdivision
  - Any person holding legal title to any lot shall be entitled to a certificate of membership in the corporation
  - Such certificate of membership shall be transferred to the new title holder when there is a transfer of ownership
  - Each member shall have one vote for each lot owned by the member
  - Each member shall have a proportionate interest in all of the property of the corporation based on the ratio of the number of votes to which such member is entitled to the total possible number of votes that may be voted by all the members
  - Such interest is, and shall be, appurtenant to the lots owned by such member
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**2. Original Deeds:**

Although the original grant deeds for lots in Redwood Estates are not always consistent, they typically contain the following provision which conforms to the Articles of Incorporation:

"For each lot purchased, the grantee agrees to accept a certificate for one membership and participate as a member in the Redwood Mutual Water Company, a non-profit corporation owning and controlling the recreational center, water, and road system of Redwood Estates..."

**3. Unequal Number of Votes:**

The inequalities in voting rights appear to stem from two sources:

(1) The original subdivided lots were unequal in size, so that a lot twice the size of a neighboring lot would still have just one vote.

(2) Many of the original lots have been merged by the County in connection with development applications, but the number of votes per owner is still based on the number of original lots, not the number of current lots. Thus, an owner of a single "APN" may have several votes.

This type of unequal voting rights was specifically contemplated by the Articles, which provide that the "voting power and property rights and interests of the members shall be unequal."

**4. Property Rights Cannot be Changed without Owner's Consent:**

In accordance with the Articles and the Grant Deeds, each membership interest in Redwood Estates includes both (i) a personal property interest, consisting of a share of the corporation, and (ii) a real property interest, consisting of a proportionate share of the real property owned by the corporation. Thus, such membership interests are governed by laws relating to interests in real property, as well as laws relating to corporations.

Even if corporate laws would allow the members to vote on a change in the number of memberships assigned to each homeowner, the laws governing real property rights would not allow any owner to be "divested" of an interest in real property without that owner's express consent. To be enforceable, such consent must (i) be in a written instrument that is signed by each affected owner and recorded in the County's Official Records, and (ii) include certain provisions required by California law in order to be binding on successive owners of the property.

Based on these requirements, it is not realistic or feasible to change the voting rights appurtenant to each lot.

- **Motion to Adjourn** was made by Philip Schuyler at 10:33 pm with no objections