

SMSA ANNUAL MEETING

November 15, 2025

DRAFT MINUTES

ATTENDEES

Board Members

In Person: Co-President Eric Sauder; Treasurer Tom Gannon.

Virtual: Co-President Jim Jahoda; Directors Adam Bergan and Irene Szopo.

Members Present: Andy Gentile, Gail Carter & Gerry Garino, Matthew & Merridith Doyle, David Corkran, Russell Lloyd, Sander & Cathleen Schultz, Walter & Cherie Leisersohn. **Members Virtual:** Michele Thomas, Kelsey Bergan and Adam Rezk.

Represented by Proxy: Garrett Buxton, Carly Buxton, Angela Groves, Cathy Gregg, Sue McFall, Ben Takagi, Craig Jamieson, Sue Keplinger, and Jeff Fox.

CALL TO ORDER

Co-President Eric Sauder called the meeting to order at **12:35 p.m.** and welcomed the members.

QUORUM: A total of **23 members**, including proxies, was represented. A quorum was declared present.

APPROVAL OF 2024 ANNUAL MEETING MINUTES: A motion was made, seconded and approved.

ROADS COMMITTEE REPORT

Heavy spring rains resulted in additional road repairs and maintenance beyond normal annual work.

Two culverts now require replacement: one near the entrance to Sundance Mountain Road and one near the intersection of Sundance Mountain Road and Blue Smoke Road.

Blue Smoke Hill required additional maintenance due to increased traffic and speeding. Heavey rains have caused washouts along the ditches narrowing portions of the roadway.

The Committee also reported discussions with the property owners at the end of Blue Smoke Road regarding the creation of a secondary emergency access route. The owners expressed their willingness to allow emergency access provided it is not used as a regular entrance. SMSA will evaluate whether trees and brush should be cleared in preparation for this project.

The Board also noted that drainage from several private driveways has caused damage to Association roads. Consistent with past practice, owners whose driveway or culvert drainage causes road damage will be notified and requested to repair the problem.

The Roads Committee proposed the following projects for 2026:

1. Replace the collapsed culvert near the entrance to Sundance Mountain Road.
2. Repair the drainage ditches along Blue Smoke Hill to prevent further erosion.

Funding for these projects was deferred for discussion during the Finance Committee Report on the 2025 Expense Report and the proposed 2026 Budget.

WELLS COMMITTEE REPORT

The Wells Committee reported that Wells 14 and 17 experienced several leaks and failures during the year. Both systems required replacement of pumps that were more than 20 years old. It was noted that the shared well systems are aging and that additional repairs should be expected as equipment reaches the end of its service life. The Committee further noted that maintenance records, equipment information, and warranties are maintained for each well and that protective padding is installed whenever underground water lines are replaced.

During general discussion, one owner described the location of a septic system on the Rockingham County side of the Association, noting that distribution lines may cross multiple properties before reaching the drain field. It was noted that this arrangement is common in Rockingham County but not in Shenandoah County.

GOVERNANCE COMMITTEE REPORT

Credit Card Processing:

The Committee reported that new banking and Payment Card Industry (PCI) requirements required the Association to adopt a written security policy and complete an annual 14-page compliance report for credit card processing. The required policy was adopted, and the compliance report was completed.

Meeting Guidelines:

Due to the difficulty in securing a location for the Annual Meeting, the Committee recommended amending the Association's Meeting Guidelines to reflect current Virginia law permitting fully virtual membership meetings. If a fully virtual meeting is held, a physical location must still be available for members who cannot participate electronically, with at least two Board members present at that location. The Board adopted the amendment, and the revised Meeting Guidelines were published on the Association's website.

Property Sales and Construction:

The Committee reported that six properties were sold during 2025, including two vacant lots on which new homes, wells, and septic systems are planned. In addition, substantial construction is underway on a previously foreclosed property, and one owner connected to a shared well plans to install a private well. The Committee noted that these projects will increase construction traffic, heavy equipment use, and noise, resulting in additional wear on Association roads.

To address these impacts, the Governance Committee drafted a Construction Policy requiring owners to coordinate construction activities with the Board, comply with applicable building requirements, and assume responsibility for damage caused to Association roads or neighboring properties. The Committee noted that similar policies and construction fees are common among other homeowners' associations in the Shenandoah Valley. The Board adopted the Construction Policy, and it was distributed and published on the website.

A motion was made and seconded to establish a **\$2,000 construction fee** to help offset anticipated road damage from construction activities. Following discussion, during which some members suggested a \$2,500 fee, the motion was restated at **\$2,000**. The motion passed.

Membership Directory:

The Committee reported that only twenty (20) owners expressed interest in a printed membership directory. However, the Committee also noted that Virginia law requires the Association to make the membership list available upon request, provided it is used only for purposes related to Association membership and not for financial gain. Accordingly, the directory will be made available to owners upon request.

Legal Actions:

The Committee reported that judgments were obtained against certain delinquent owners and released for others after their outstanding balances were paid in full.

FINANCE COMMITTEE REPORT

Short-Term Rental (STR) Assessment Proposal

The Committee reported that a separate assessment for Short-Term Rental (STR) properties has been discussed for several years. The Board recommended an annual **STR Assessment of \$250** to help offset expenses associated with STR activity. If approved, the assessment would be included as a separate line item in the annual budget.

Members discussed the proposed amount. Some felt the fee should be higher, with suggestions of **\$500** annually. The Board stated that the assessment would be reviewed every six months to determine whether a higher adjustment is warranted. Discussion included the potential impact of STRs on the Association, including increased road usage, delivery traffic, hot tubs, additional signage, and insurance costs. The Board reported that documented STR-related expenses exceeded **\$3,300 in 2024** and were approximately **\$1,100 in 2025**.

Following discussion, a motion was made and seconded to approve an annual **STR Assessment of \$250**, with a semiannual review of the assessment amount.

Vote: Motion carried, with one opposing vote.

BUDGET

2025 Expense Report and 2026 Budget

The Finance Committee presented the 2025 Expense Report and the proposed 2026 Budget.

Revenues: Regular assessment income was **\$1,148 below budget**; however, increased collections of prior-year assessments and income from property transfers resulted in total revenues exceeding budget by approximately **\$1,400**.

Expenses: Road maintenance expenses exceeded budget by approximately **\$5,300** due to repairs resulting from heavy spring rains and increased traffic. Additional increases were reported in administrative, insurance, and operating expenses.

To address rising costs, the Board proposed a **10% increase in annual regular assessments for 2026**. The Board noted that previous assessment increases had generally ranged from **3% to 5%** and that there had been no increase since **2021**. Well electricity assessments will remain the same.

A motion was made and seconded to approve the proposed **10% increase in annual regular assessments**. There was no further discussion.

Vote: Motion carried.

RESERVE FUNDS

The Finance Committee reported that the Association's Reserve Fund balance had reached **95% of the annual operating revenue**, exceeding the Board's reserve goal of **75%**.

The Committee recommended funding the following road improvement projects:

Project	Cost	Funding Source
Replacement of the collapsed culvert near the entrance	\$4,500	Reserve Funds
Repair of the drainage ditches on Blue Smoke Hill	\$2,500	2026 Budget (funded in part by approximately 23% of the new STR assessments)
Total	\$7,000	

A motion was made and seconded to approve the two road improvement projects and their proposed funding sources. There was no further discussion.

Vote: Motion carried.

BOARD ELECTIONS

Kelsey Bergan was nominated for election to the Board of Directors. The nomination was approved by the membership.

As there were insufficient nominations to fill all Board vacancies, the remaining Board members will continue serving until the next annual election or until successors are elected.

CRIME REPORT

The Board reported three incidents during the year:

- A truck break-in in which nothing of significant value was stolen.
- An unlawful entry into a cabin with minimal damage and no significant theft reported.
- The theft of a canoe from a property within the Association.

Outdoor security cameras captured images of the individuals involved in the cabin incident, and those images were provided to law enforcement. No updates have been received from law enforcement.

OPEN DISCUSSION

Speeding

Members discussed the continuing problem of speeding throughout the Association. The Board recommended installing two speed bumps near the entrance to help reduce vehicle speeds. The estimated cost was approximately **\$80 per speed bump**, plus installation. The Board noted that the speed bumps would need to be marked so the snowplow operator could raise the blade during snow removal.

A motion was made and seconded to purchase and install two speed bumps. Following discussion, the motion was approved.

Members also discussed additional speed limit signs, traffic cameras, and other traffic-calming measures. Some members expressed concern that cameras could be difficult to maintain, might require a Wi-Fi connection, and may not consistently capture usable images. Another member noted that some camera systems do not require Wi-Fi. It was agreed that additional research is needed before pursuing traffic cameras.

It was also noted that enforcement of speeding violations would require clear identification of both the vehicle's license plate and the driver. In response to a question, the Board confirmed that speed limit signs are installed throughout the Association but acknowledged that some signs are too small and that additional signs may be needed. Funding for additional signage would likely come from Reserve Funds.

Mailboxes

Members commented that many of the community mailboxes are in poor condition. The Board reported that, although Association records indicate SMSA repaired the mailboxes once in the past, the mailboxes are individually owned and are not the responsibility of the Association.

ADJOURNMENT

There being no further business, the meeting was adjourned at **2:30 p.m.**