

Minutes
Sun Vista/ Sunlight Beach HOA Board Meeting
May 14, 2016

The meeting was convened at 10 am on May 14, 2016 at the Big Red Barn.

Attendees: Tom Kraft, Bob Brown, Bill Countner, Karen Johnson, Norm Ledbetter, John Lovie, Ronda Skubi, and Bob Winquist. Guests: Ed Sheets, Richard Townsley.

1. Secretary's Report by Ronda Skubi.

a. Minutes for the January 23, 2016 Board of Directors Meeting:

Action: it was moved, seconded, and approved that the minutes be approved.

2. Treasurer's Report – Karen Johnson.

a. Cash balance: As of April 30, 2016: checking was \$21,690; the savings account was \$44,869, and the filtration assessment account was \$27,226.

b. Accounts receivable and Accounts Payable Aging Report: accounts receivable as of April 30, 2016, was \$22,583. Total accounts receivable over 61 days is \$2,741.

c. 2015 Draft Financial Statement: Karen discussed the draft financial statement for 2015. It showed a net income of \$9,593. The new rate structure has resulted in the association beginning to cover the depreciation of equipment. This is an improvement over 2014 when the association had a net loss of \$25,089.

d. Update on automated billing for expansion of bookkeeping support and services: O'Brien Bookkeeping is preparing invoices, and providing deposit and accounts payable support. Karen is exploring moving to the desktop version of QuickBooks.

e. Accounts assessment fees. The Board decided that no action will be taken with regard to the 2 Kohlwes accounts that have been billed for the quarterly assessments. This will result in Karen writing off \$270 that has been billed; and not billing as she goes forward.

3. Finance: Norm Ledbetter

a. Norm Ledbetter reported that the audit committee had reviewed most of the invoices and payments for 2015 and the draft financial statement and issued a letter stating that the committee was not aware of any material modifications that should be made to the financial statement. The audit committee also reviewed the restricted filtration assessment account and confirmed that no funds had been expended in 2015—the purposed of this assessment fund it to build sufficient funds to pay for a new filtration system for pump #2.

b. Six-year budget: the Board discussed the six-year budget.

Action: It was moved, seconded, and approved that the six-year budget be approved by the Board and recommended for adoption at the annual meeting.

4. Operations Committee: Bill Countner and John Lovie

- a. Generator service: the service work was successful. The generators worked during the storm and the pumps served Sun Vista and Dassel Street.
- b. Reservoir cleaning: Tom will talk with King Water to schedule the cleaning.
- c. Pump cleaning: John will check the pressure and follow up.
- d. Water meters: the plastic covers have been left open on several meters; Bill has notified King Water to remind meter readers to close them.
- e. Water use: John reported on water use. In the summer, 40 percent of the water is used by 24 water users. Irrigation systems have increased, non-irrigation water use has decreased.
- f. Account #9052: high water use in the first quarter; Bill checked and there is not a leak. Tom will contact him.
- g. Filtration system: John is exploring an application to get state funding for a study of the filtration system.

5. Compliance Committee: Bob Brown

- a. Cross connection: Bob Brown reported that all questionnaires have been returned and back-flow prevention systems have been installed. Bob is instituting the annual testing system and will begin planning for the next round of surveys in 2017.

6. Planning and Conservation Committee: John Lovie

- a. 2015 water losses: leaks in 2015 increased distribution leakage to 13 percent—this is above our goal.
- b. Lateral water lines on Dassel Street: Given recent leaks, the Board needs to consider replacing the lateral water lines on Dassel Street; John will provide parcel numbers.

7. Governance: Bob Winquist

- a. Directors' terms expiring: John and Bob agreed to serve another term. Ronda will retire as secretary and leave the Board in July. Cathy Ledbetter has agreed to seek election and serve as secretary.
- b. Preparation for annual meeting: Each Board member needs to find a volunteer to assist with counting the ballots. Ronda has rented the Senior Center for the Annual Meeting on Saturday, July 9, 2016. All materials for the Annual Meeting mailing are due to Ronda by June 1st so she can mail the packets with sufficient time before the meeting.

8. Finance Committee: Norm Ledbetter

- a. Financial Audit: Norm reported that the audit committee would review the operations and assessment activities. Norm is working to convene the audit committee. The 2015 committee was comprised of: Norm Ledbetter, Ed Sheets, Randy Wilcox, and Doug and Karen Leland.
- b. WUE Report: Norm will complete it and send. John will provide Norm with some numbers.

9. Old Business: Tom is working on the letter for the Annual Meeting.

10. New Business:

- a. Leaks: The Board has confirmed the Association's right to enforce the Rules and Regulations related to a ban on automated water systems. A resolution will be presented to the Membership at the upcoming Member Meeting to reaffirm the Association's right to enforce this regulation should it be deemed necessary by the Board of Directors.

Further, the Board has determined that requests for credits related to leaks in irrigation systems will be denied. Members assume the responsibility of charges related to metered water consumption. The Board has the authority to provide relief in cases where leaks in property owners' systems dramatically increase consumption. However, leaks in automated watering systems will not be eligible for relief.

11. New Business:

- a. Resolutions: the Board review and discussed five resolutions.

Action: It was moved, seconded, and approved that the five resolutions reviewed at this meeting be approved by the Board and recommended for adoption at the annual meeting. The resolutions were:

- Resolution 16.05.14.001 (Retain right to restrict automatic watering systems)
- Resolution 16.05.14.002 (approval to forego 3rd party audit for 2015)
- Resolution 16.05.14.003 (approval of 2015 financial statements)
- Resolution 16.05.14.004 (approval of 2016 Six Year Budget)
- Resolution 16.05.14.005 (seasonal increase in consumption charges)

12. Adjournment at 1:08 pm.

Action: motion and second to adjourn the meeting. Motion passed unanimously.

Submitted by:
Ronda Skubi, Secretary