

DRAFT
Minutes Special Board Meeting
December 4, 2021

Present:

John Lovie
Tim Hillman
Bob Winquist
Cheri Fillion
Richard Townsley
Norm Ledbetter
Karen Johnson

John Lovie called this meeting to order at 10:03 am. It was held via Zoom. VP Lovie noted in scheduling the meeting that it was pursuant to the following:

The board is in receipt of a letter From President Thomas Kraft in which he requests that the board consider adding property he owns with Property ID 133509 (Geo ID R32919-347-5050) to our water system service area. This property is located at the top of Sunlight Beach Road on the south side. As the intent is to subdivide the property into three lots, the result would be the addition of three lots to our service area.

The property in question falls within the 5-year zone of contribution in our wellhead protection area.

As President Tom Kraft has recused himself, it falls to John Lovie, as Vice-President, to call a meeting of the association board.

The letter From Thomas Kraft reads as follows:

November 29, 2021

Request to include property in the Service Area of Sun Vista/Sunlight Beach HOA

Dear John Lovie,

I am requesting that the Board of Directors consider and approve my request to include my property (Prop ID 133509) at the top of Sunlight Beach Road, on the southern side, in the service area of Sun Vista/Sunlight Beach HOA. This property will be divided into 3 lots, each to allow only 1 residential dwelling unit. Currently this property is not included in any service area and is located very close to the Sun Vista/Sunlight Beach HOA service main.

I am willing to pay all costs associated with the engineering report to be submitted to Island County for their approval, as well as necessary fire hydrants and other costs necessary. The engineering study will include a review of the well capacity, storage capacity, usage, pressure system and distribution system. Any costs associated with requirements around these would also be at my expense.

Currently the system is operating well under 25% of legal capacity, and the engineering report from Davido Consulting Engineers LTD of Freeland, WA would review the system to determine the capacity increase and its impact, if any, upon the system.

The State is supportive of water systems, with sufficient capacity, to include other properties in their service areas and the engineering study will determine any capacity issues related to the potential inclusion of this property within the scope of the entire service area and available properties to be potentially serviced. Of course, any hookups would be at my expense as well, in addition to these other costs.

I would like the Board to meet for a Special Meeting, soon as possible, and I will recuse myself from that meeting, so that this can be discussed and voted upon without my influence. However, I can be available to address any questions or concerns that come up during the meeting, by phone or other means.

Sincerely,

Tom Kraft

Property Owner

John Lovie presented a slide show with information that is attached below. Discussion followed the slide show. After discussion, Resolution 21.04.12.001 was submitted:

We (SVSLB HOA) will place a moratorium on expansion of our service area beyond properties already served and/or listed in Water Right Permit G1-26066P.

The Resolution was unanimously adopted.

Following the motion, it was determined that

1. John will notify regulatory agencies,
2. We must notify property owners and will need to do overlay analysis. Karen, Richard, and Bob will help. John will do the GIS part.
3. Cheri to notify Tom of the decision of the board.

List of links and attachments

- Presentation on Wellhead Protection Plan and service area (attachment)
- Letter from Tom Kraft requesting addition of parcel R32919-347-5050 to the service area of the Association (attachment)
- [Water Availability Verification Form](#) (link)
- [Wellhead Protection Program Guidance Document](#) (link)
- Report regarding Kohlwes Property available for sale. (Letter from Tom Kraft to Association members - Attachment)
- [Water right document G1-26066-P](#) (link)
- [Bylaws of the Association](#) (link)
- [Connection Count DOH](#) (link)
- Resolution 21-04-12-001 (attachment)

Sun Vista/Sunlight Beach HOA

Special Board Meeting, December 4th, 2021

The Request

- We have received a letter to add Property ID 133509 (Geo ID R32919-347-5050), subdivided into three lots, to our service area
- Our decision will be officially communicated by issuing or declining to issue a Water Availability Verification form (“WAV”) for each of the three potential parcels.
- We will need to communicate our intent earlier.

Issues and Concerns

- Our Wellhead Protection Plan
- Expansion of our service area

DOH Wellhead Protection Program

[Wellhead Protection Program Guidance Document \(wa.gov\)](#)

Our Roles and Responsibilities – Water System




1. Susceptibility assessment
2. Wellhead Protection Area delineation
3. Inventory of contaminant sources
4. Notification to regulatory agencies
5. Notification to property owners
6. Contingency plan for potable water
7. Coordination with emergency responders

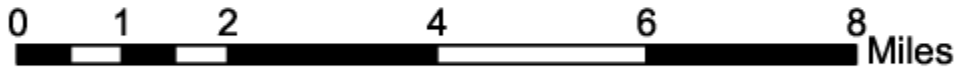
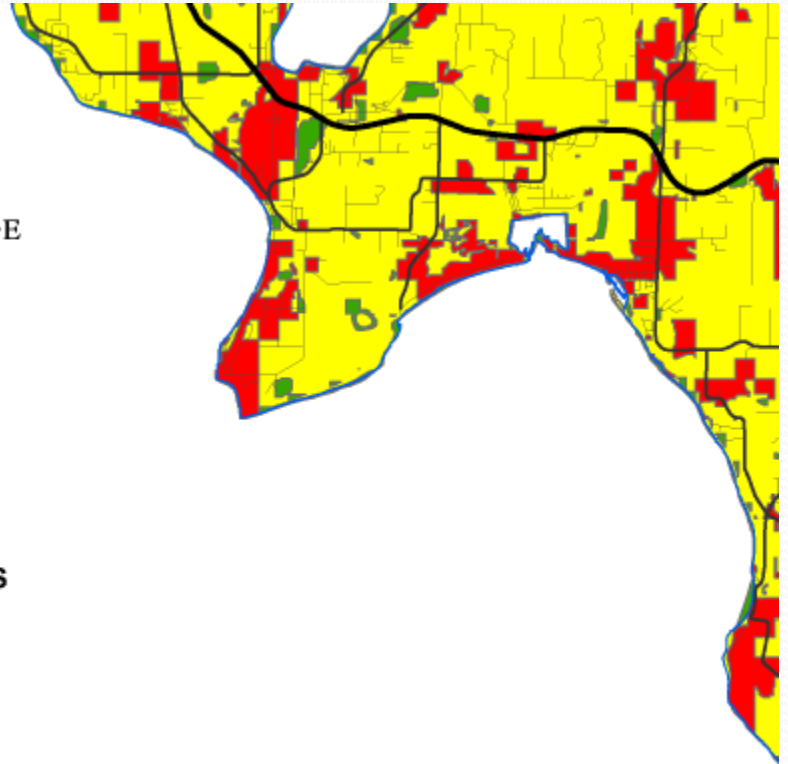
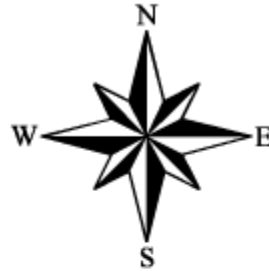
History

- 2012: 16 acres Kohlwes property listed for sale for \$3,000,000 advertised as suitable for 48 lots (zoned Rural Residential at 3 lots per acre)
- 2013: Relisted at \$1,900,000 and 29 lots (lower part is wetland)
- 2013: Hired a hydrogeologist to carry out a Wellhead Protection Area delineation
- 2014: Made an offer to purchase the property. Listing removed.
- 2021: Request to expand service area boundary to include subdivided Property ID 133509 in our water system service area

CARA Map

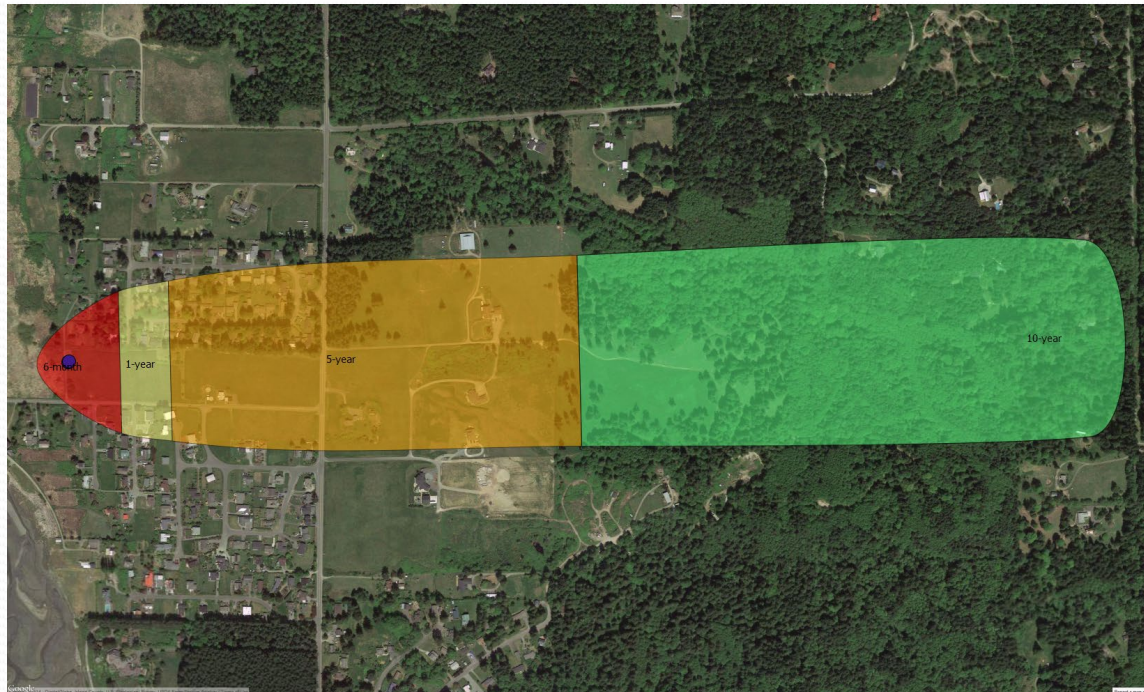
Aquifer Susceptibility

-  Low Susceptibility
-  Moderate Susceptibility
-  High Susceptibility

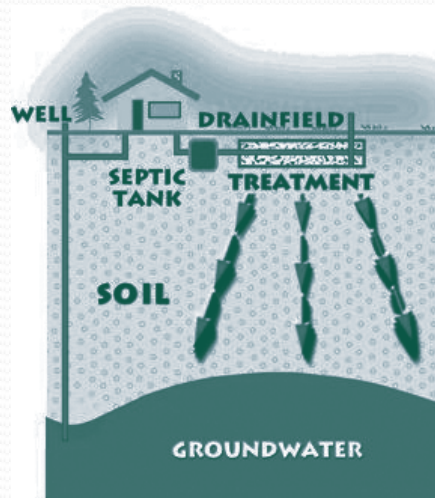


Island County Critical Aquifer Recharge Area Map

WHPA Delineation

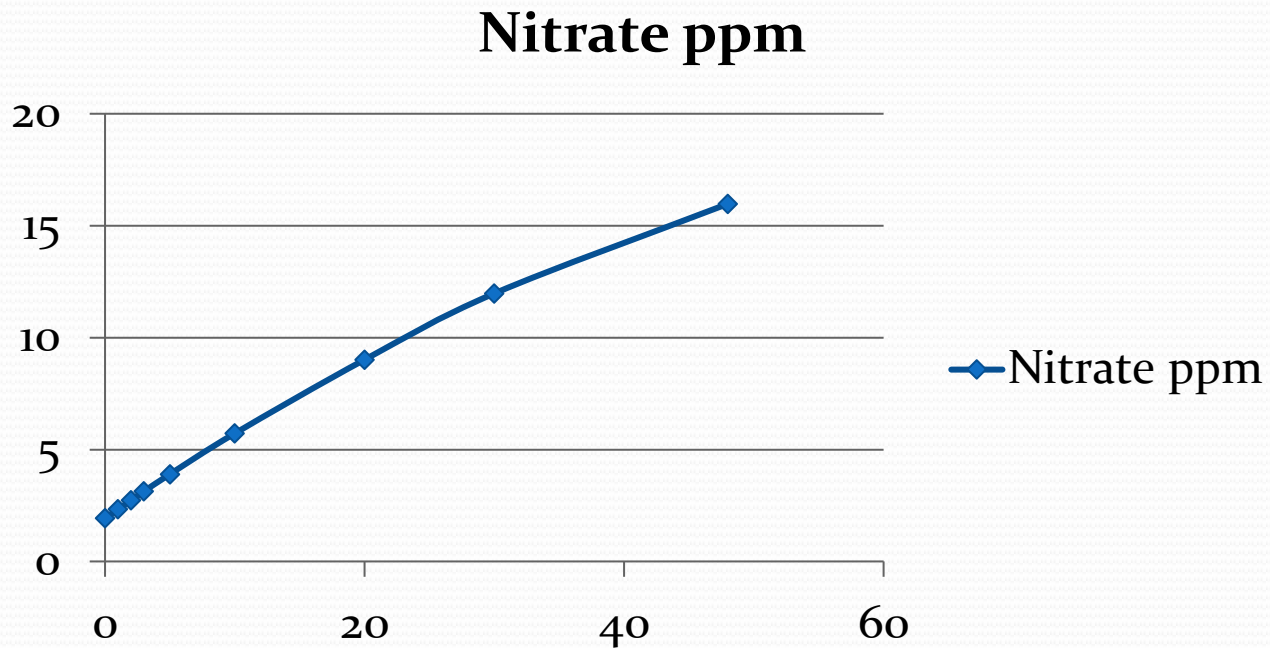


Septic Tanks



- Potential development of hillside above well
- 48 additional septic systems?
- DOH tool for nitrate balance

Nitrate ppm vs Number of Septics



Potential Development

- Installation of 48 septic tanks would raise nitrate to 16 ppm (currently 2 ppm)
- Limit is 10 ppm
- Increase of 2 ppm is a red flag
- Max number of new units to keep increase below 2 ppm is <5

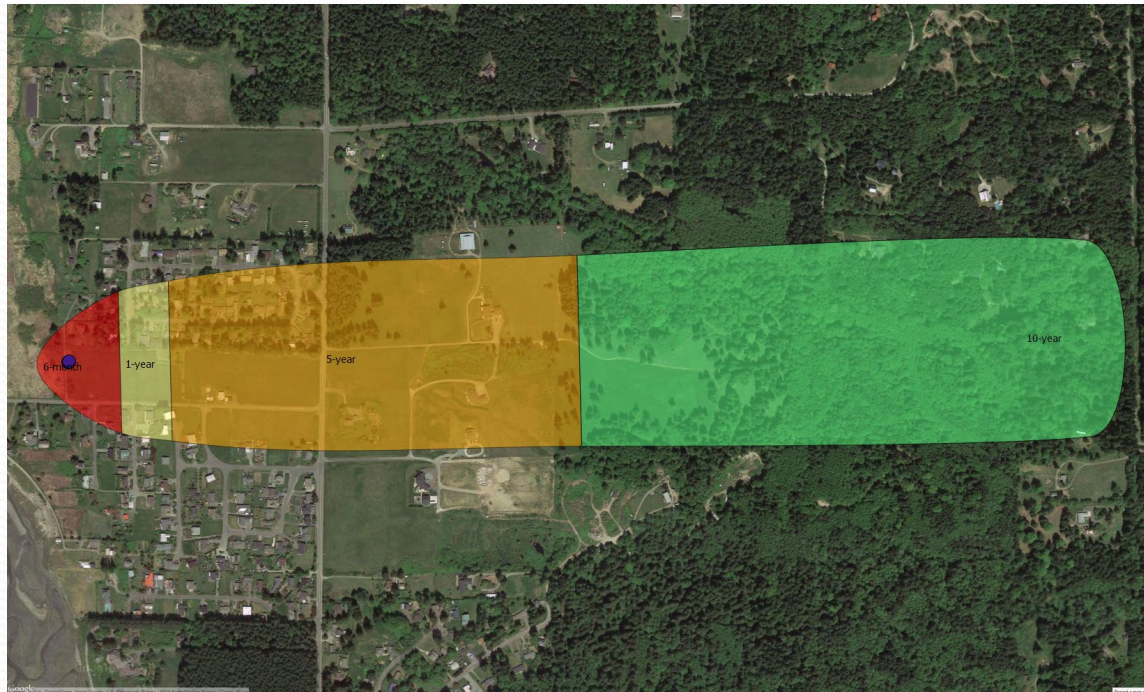
Attempt to Buy Kohlwes Property

- The board reasoned that the best way to foreclose on future development and protect our water was to buy the property
- We hired an appraiser to look at fair market value at “best and highest use” of four 2-2.5 acre lots
- We made an offer based on that number, with approval from the membership
- Our offer was rejected, but listing was withdrawn
- With the current market high, we must be prepared for further market action
- Reference: “Report regarding Kohlwes Property available for sale”

Notification to Regulatory Agencies

- We had the hydrogeologist's work and our nitrate results officially reviewed by the State Office of Drinking Water regional engineer
- We registered this work as the Wellhead Protection Plan component of our Small Water System Management Plan with the state Office of Drinking Water
- We reviewed it with the county hydrogeologist
- We presented it to the Island County Water Resources Advisory Committee, to Whidbey Island Water Systems Association, and to Evergreen Rural Water of Washington's 2014 annual conference.
- Staff at Island County and to a lesser extent at State Office of Drinking Water have turned over, and we need to resubmit

WHPA Delineation



Property ID 133509

- This property is within the five-year zone of contribution of our wellhead protection delineation area
- Addition of three septic systems on this lot would contribute to raising the nitrate level in our drinking water
- Allowing a subdivision resulting in a lot size of less than one per two acres would set a bad precedent and make our position on the Kohlwes property hard to defend
- Our members approved spending \$800,000 to prevent this density of development on the Kohlwes lot

Service Area Expansion

- Bylaws (SV/SLB)
- Water right (Ecology)
- Capacity (water right, Ecology)
- Connection count (DOH)
- Service area boundary (County)

Bylaws (SV/SLB)

Article 1 Membership

1. Qualifications: Membership in the Sun Vista/Sunlight Beach Home Owner's Association (the "Corporation"), shall be limited to owners of real property included in the Washington State Department of Ecology Permit to Appropriate Public Waters #G-26-066-P for Island County, State of Washington and who are a paid water patrons of the Corporation. Where property is held as joint tenants, or as members of a legally declared partnership for tax purposes, the parties shall be entitled to a single membership in the Corporation. Owners of property within the service area who are not water patrons of the Corporation can become members of the Corporation by first obtaining water service from the Corporation. A member's membership in the Corporation shall automatically terminate without any formal action by the Corporation whenever such member ceases to be a water patron of the Corporation.

Article 3 Board of Directors

2. Powers: The management of this Corporation shall be vested in the Board of Directors, which Board shall be empowered to take any action not inconsistent with applicable law, or with the Articles of Incorporation as amended, or with these By-Laws, which the Board by majority vote recorded, deems to be in the best interest of the Corporation's members.

Article 8 Amendments

These By-Laws may be amended at any Special or Annual meeting of the members by two thirds (2/3) of the votes cast by the members present or represented by proxy. Members voting must be present in person or represented by a proxy duly and timely delivered to the Secretary of the Corporation.

Water Right G1-26066 P (Ecology)

LEGAL DESCRIPTION OF PROPERTY ON WHICH WATER IS TO BE USED

Sunlight Beach Addition: Lots 2-6, 14, 15, 28-30, 34-36, 41, 43, 48-50, 58, 59, 63-66.

Sunlight Beach: Lots 1-11, 13-24, 29-32, 36-38, 40-42.

Kohlwes 1st Addition: Lots 1-33.

Sun Vista: All lots.

Olympic Marine View Division No. 1 & 2: Lots 1-7, 8-27.

Also that portion of unplatted or short platted land lying west of the plat of Olympic Marine View Division No. 2, east of the plat of Sunlight Beach, south of Sunlight Beach Road, and northeast of Useless Bay; Government Lot 4; all within the north half of Section 19, Township 29 north, Range 3 east Willamette Meridian, Island County, Washington.

Property ID 133509 is not included in our water right

Capacity (water right)

PUBLIC WATERS TO BE APPROPRIATED		
SOURCE A well		
TRIBUTARY OF (IF SURFACE WATERS)		
MAXIMUM CUBIC FEET PER SECOND	MAXIMUM GALLONS PER MINUTE 78*	MAXIMUM ACRE-FEET PER YEAR 18.1*
QUANTITY, TYPE OF USE, PERIOD OF USE		

Community domestic supply - year 'round.

*These quantities are in addition to Ground Water Certificate #4684 for 33 gpm and 41 acre-feet per year. Total allocation to Sun Vista/Sunlight Beach is 111 gpm and 59.1 acre-feet per year.

Document	Acre ft/year	Cubic ft/year	GPM	GPD
Certificate #4684 (well #1)	41	1,416,960	33 (25)	47,520 (36,000)
Permit G1-26066 P (well #2)	18.1	625,565	78 (10)	116,640 (14,400)
Total	59.1	2,042,496	111 (35)	159,840 (50,400)
Consumption		~1,000,000		
Peak				60,000

Connection Count (DOH)

Connections	Number
Current	169
Committed (Giswold, Greene, +1)	3
Vacant lots	~14
Kohlwes lots	10-2?
ADUs	1
Future subdivisions	~0
Total	~195
Approved (DOH)	194

All our connections are accounted for
Property ID 133509 is not included in this connection count

Service Area Boundary Changes (Island County)

- Boundary change decisions default to the BoICC



Service Area Expansion

- Should we have a moratorium on service area expansion?

November 29, 2021

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Sincerely,

Tom Kraft
Property Owner

Sun Vista/Sunlight Beach HOA

PO Box 1398, Freeland, WA 98249 Business: (206) 328-5157 Fax: (206) 328-5280

February 2, 2015

Report regarding Kohlwes Property available for sale.

Dear Member(s):

Your Board of Directors wishes to update you on the Board's efforts to protect your supply of fresh drinking water.

Your Board was authorized by the Membership on June 28, 2014 to work toward securing, through purchase, the property under which our aquifer is located. The Board's Planning Committee reviewed the Well Head Protection Plan (WHPP) that was approved by State Department of Health and met with the Island County Planning Department, Water Department, and Hydro-Geologist.

These meetings further informed the County of our approved WHPP and confirmed their approval and support for our efforts to protect our drinking water.

The Well Head Protection Plan shows that the maximum number of dwellings with septic systems that could be constructed on the property consistent with maintaining the integrity of your water supply is four. In contrast, the owner's asking price is consistent with the zoned density of three houses per acre for a total of 29 properties, a number incompatible with maintaining the integrity of your water supply. A copy of the Well Head Protection Plan and water quality analysis presentation from the member meeting is available on the HOA website.

The Planning Committee then met with the Whidbey Camano Land Trust as part of our due diligence to locate the most experienced and professional land appraisers familiar with Island County, vacant land, and the issues related to the WHPP and our water rights.

The Planning Committee interviewed these firms and selected the most qualified to perform an appraisal toward determining the "highest and best use" valuation of this property taking into account the maximum density of development consistent with maintaining the integrity of your water supply, values of comparable properties, and site development costs. The Planning Committee also retained a second qualified independent firm to perform additional independent research and analysis and to review the first appraisal to ensure the use of appropriate comparable properties and to provide analysis of all approaches and methodologies utilized by the first Appraiser. The second Appraiser concurred with the first Appraiser's valuation of the property.

The Planning Committee then researched and selected an experienced and highly qualified real estate agent to represent the Association and to present to the property owner the valuation findings of the Appraiser, the review of the Appraisal, and the Association's offer to purchase the property at the full appraised value. The property owner rejected the offer stating the valuation significantly undervalued the property.

The Board of Directors you have selected to represent our Association continues to work diligently toward all our best interests, both in the present and our collective futures.

Sincerely,

Tom Kraft

Thomas Kraft
President
Sun Vista/Sunlight Beach HOA