

Minutes
Sun Vista/ Sunlight Beach HOA Board Meeting
November 15, 2014

The meeting was convened at 10:07 am on November 15, 2014 at the Big Red Barn.

Attendees: Tom Kraft, Boyd Benson, Bob Brown, Bill Countner, Karen Johnson, John Lovie, Joel Shrut, Ronda Skubi, and Bob Winqvist. Guests: Ed Sheets and Karen Leland.

1. Secretary's Report by Ronda Skubi.
 - a. Minutes for the September 13, 2014 Board Meeting: it was moved, seconded, and approved that the minutes be approved and posted on the website.
2. Treasurer's Report – Karen Johnson.
 - a. Cash balance: As of October 31, 2014: Checking is \$8,187; the savings/reserve account has \$44,844.
 - b. Accounts receivable and Accounts Payable Aging Report: accounts receivable as of November 14, 2014, total \$9,283. The accounts that are more than 90 days overdue total \$787; this is a significant improvement. Karen will continue to send the standard letters to those who are more than 60 days late on payments under the process approved by the Board.
3. Finance Committee: Boyd Benson
 - a. Financial Audit: Boyd will write a short message seeking additional volunteers for next year's audit committee; Karen will include it in the next set of bills. The current Audit Committee is comprised of Boyd Benson, Norm Ledbetter, Ed Sheets, Linda Henderson, and Jerry Maxwell.
 - b. Six-Year Budget: The Board will need to review the Six-Year Budget at the next meeting.
4. Operations Committee: Bill Countner and John Lovie
 - a. Filtration system/settling tanks: King Water Service is still working on drilling holes to move water from the first to the second settling tank.
 - b. Fence Closure: Once work is complete at the well house, Bill Countner will complete the fence work.
 - c. Pressure Tanks: Repairs are complete on all of the booster pumps.
 - d. Staining the generator enclosure: This project will be done in the spring.
5. Compliance Committee: Bob Brown

- a. Cross-Connection Policy: Water from hot tubs and irrigation systems can flow back into our water system and damage water quality for everyone. The State Health Department requires our Association to develop and enforce a Cross-Connection Policy to safeguard our water. Half the property owners have completed the questionnaire that was sent in 2012. Of those that were returned, 20 homeowners need backflow prevention assemblies (BPA). Bob discussed a policy with the following elements:
- i. Homeowners will be informed of the need to install a BPA; if circumstances have changed that eliminate the need, it would be documented in writing in updated questionnaire.
 - ii. Homeowners will be informed where to install the BPA.
 - iii. Homeowners will be required to install either the Wilkins 950 XLT or Apollo DC4A.
 - iv. The homeowner may use any licensed plumber for the installation.
 - v. The BPA must be inspected by a certified Backflow Assembly Tester at the time of the installation and annually thereafter. We will provide homeowners with a list of certified testers.
 - vi. Homeowner will provide a report on the installation and a copy of the certification. King Water will review this information.
 - vii. We will need to establish a system to remind homeowners about the annual inspections.
 - viii. The Board decided that it would require responses to the questionnaire from all homeowners by the end March 2015. Homeowners who do not respond will be informed that the Association will assume a BPA is required and the process above will begin.
 - ix. All homeowners will be required to install BPAs by June 30, 2015.

Action: Bob will implement the policy and then prepare a memorandum for the Small Water System Plan.

6. Planning Committee. John Lovie and Bob Winquist

- a. Kohlwes property: The Planning Committee described the process it has used to develop an appraisal and make an offer to the seller. **Action:** it was moved, seconded, and approved that a letter should be sent to the HOA membership providing a status report on the efforts to purchase the property, share the appraisal with HOA membership, and placing the appraisal on the website, pending a review by counsel.
- b. Treatment system for Well #2: The results of water quality from Well #2 show that without treatment arsenic is 22 parts per billion (ppb) and 13 ppb after going through the current treatment system; the state standard is 10 ppb. John sought an estimate for the engineering study needed for a new water treatment system and found it would cost \$20,000 and the system would be another \$20,000 to \$30,000. The current plan is to keep Well #2 as a backup system if there is a problem with Well #1.
- c. Water consumption: In general, our water system is adequate most of the time; however, we will need to address peak use in the summer. Well #1 runs at the

permitted 33 gallons per minute, so the maximum output is 47,520 gallons per day, or 1,473,120 gallons per month. Our highest month this year was July, at 1,094,249 gallons. However in July of 2012 we consumed 1,343,184 gallons.

Our highest daily consumptions (an average of 2-3 days, as King Water typically reads the source meters Mon, Wed, Fri) were in July, with 4 readings over 40,000 gallons per day over 2-3 days. In 2012 and 2013 we consumed over 47,520 gallons on four occasions.

We have a reservoir of about 3 days capacity, so there is not an immediate need for concern. We can handle a few days where we consume more than we produce. However, we do need to try to cap consumption at current levels if we are to continue avoiding the use of Well #2.

7. Conservation Committee: Joel Shrut

- a. Emergency Response: Rubye Vallat will head the emergency alert system, assisted by Suzanne Fageol; the emergency alert system will make use of phone, emails, and text messages.

8. Governance: Bob Winquist

- a. No report

9. New Business

- a. Water Utility District: Washington State policy encourages water systems to consolidate. John Lovie researched the issue and found that forming a water district would mean significant costs and a lot more work. For example, the surveys necessary to apply to form a District would be expensive. Three of the four systems that are contiguous to ours do not treat or test their water. It is unlikely that they would install treatment themselves and our homeowners would not want to pay those costs. John will explore whether there are benefits from merging with an existing Water Utility District and report back to the Board.
- b. Capital Planning: Karen reported that our current reserves are not sufficient to replace equipment that is wearing out. Our system is currently revenue neutral; costs equal expenses. We are not collecting funds to cover depreciation. She found that for every 1000 gallons delivered our revenues are \$9, but our costs, including depreciation are \$12. Long term, this will require building reserves, future assessments, or both. She will work with the Operations Committee to develop a capital replacement plan.
- c. Seasonal Rates: The Planning Committee will analyze alternatives to adjust the base rate, the rate blocks for water above the base, and the option of a higher summer rate to meet current funding needs and additional funding for reserves and report to the Board at the next meeting. This will be an important topic for the Annual HOA Members Meeting.

10. Adjournment at 12:30 am.

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

Submitted by:

Ronda Skubi, Secretary