

**Sun Vista/Sunlight Beach
Home Owners Association
Board of Directors Meeting
February 11, 2012**

Board Members Present: Tom Kraft, Sharon Vanderslice, Karen Johnson, Bill Countner, Boyd Benson, Joel Shrut, Bob Winquist and Bob Brown.

Guests: John Shepard and John Lovie

Secretary's Report: Minutes of the September board meeting were approved previously by email. Reservations have been made at the Bayview Senior Center for the Annual General Meeting on June 23. The PO Box for the HOA has been changed to the Freeland Post Office. The new box number is 1398. The mailing address on quarterly statements needs to be changed.

Treasurer's Report: A draft of the financials for 2011 was reviewed. The net loss for the year was \$11,495, but \$21,000 of the loss was due to depreciation and not cash. The cash position is actually up almost \$10,000 compared to this time last year. Payment has not yet been made for the relining of tank # 2 however, so the Association is effectively operating at a break even point. The capital account has \$44,760 in it and the cash account will have about \$5,000 in it after paying for the relining. Capital improvements for 2011 were \$20,239.

Current accounts receivable are \$12,306. In addition, \$7, 238 is overdue from the fourth quarter billing and \$769 is more that 90 days overdue. Phone calls were made to patrons who are in arrears on their payments and statements included with their current bill. A first notice will be sent to one seriously overdue account. This will be followed by the second notice in 10 days if the customer does not respond. Water service will be shut off after all required steps are taken. The process will be applied to everyone in a non-discriminatory manner.

An unrefunded deposit for a cross connection device on a property that was subsequently sold will be credited to the account of the current owner. The association will continue to encourage customers to sign up for electronic invoicing to further reduce operating costs. Two small assessment balances were written off due to misunderstandings with the customer.

In comparing actual 2011 revenues to budgeted, revenues were greater than forecast due to water use overages. Operating expenses were about \$5000 less than budgeted. Cash on hand is \$4,000 less than projected. Capital improvement expenses were \$6,000 less than projected.

Committee Reports:

Finance: In the 6 year budget for 2012 which was approved by the membership, it was forecasted that the quarterly rate would increase by \$20 due to projected maintenance

issues. Due to reduced costs, the association only increased the quarterly rate by \$10. The next 6 year budget will be revised to include projected maintenance, compliance and well head protection expenses. The new 6 year budget will be reviewed by the board at the April board meeting.

To date, no members of the association have volunteered to do an internal audit of the association books.

Reduction of the quarterly water allowance covered by the flat fee is part of the association's water conservation plan. The committee will review average water usage per customer and develop a rationale for water allowance reduction that has the least impact on customers, but yet provides an incentive for water conservation. They will present their recommendation to the board at the April board meeting.

Operations: Tank #2 has been drained, cleaned and relined. The lid to the tank has been coated to prevent contaminants from entering and two vents were added to it as well as a new hatch for security and easier access. The propane tank has been moved which makes room for security fencing around it and the generator. The cover over the well house generator has been completed.

The water operator has recommended that we obtain a video inspection of the wells in order to have a bench mark for their condition. More quotes are needed for the cost of cleaning the well pump. Bids will also be solicited for reroofing the well house. A bid has been solicited for the maintenance of the two generators. The bid obtained for landscaping and installation of a water system is over the budget for the project, so the project will be put on hold for the time being. The bid for fencing the well house has been accepted and work on it will commence February 27th. Bids for extermination of the rats in the well house will be solicited. The water operator needs to remind his employees to turn off the heat in the well house unless temperatures go below freezing for an extended period.

Compliance: The cross connection survey yielded responses from 98 accounts and of those 33 have noted equipment warranting a cross connection device. In addition there were 10 accounts from the 2008 survey requiring a cross connection flow device. Follow up by email and phone calls with those accounts which did not respond to the survey will be done. The committee will discuss further appropriate follow up with those accounts which indicated a need for a flow device and those who did not respond to the survey.

The Small Water System Management Guide is now on line which makes it easier to fill in the information. The committee chair will meet with board members who have the requested information in order to complete the guide.

A letter has been sent to the Department of Ecology requesting an extension until February 2017 to fill our unused water allowance from the current 163 hook-ups to the allowed 194. The water facilities inventory has also been filed. The renewal application

for the directors and officers liability insurance policy has been filed with the Western World Insurance Group.

State law requires that a Class A water system such as SV/SLB HOA secure a Source Control Area of a minimum 100 feet around its well for the purpose of protecting it from existing or potential threats of contamination. Hydrological data is necessary to determine if the buffer area should be larger than 100 feet. Furthermore, where portions of the control area are in possession and control of another party, the system shall obtain a duly recorded restrictive covenant restricting the use of the land. Inasmuch as the SV/SLB HOA is not in possession and control of the minimum required area, the following resolution was proposed:

Resolution 021112-01 (see attachment)

It was resolved, seconded and unanimously approved that the SV/SLB HOA obtain control of the area within the SCA either through ownership or a duly recorded restrictive covenant which shall run with the land.

The Health Department could provide guidance in the safety of permitting for development on the hillside above the wells.

State law also requires a Class A water system to develop and maintain a Well Head Protection Program. Evergreen Rural Water Services has advised monitoring and charting of chloride levels and well water draw down in order to better understand the threat of salt water intrusion and/or excessive draw down of well water. The following resolution was proposed:

Resolution 021112-02 (see attachment)

It was resolved, seconded and unanimously approved that:

1. SV/SLB HOA institute a well monitoring program for both wells that continuously monitors and records the water level draw down and
2. SV/SLB HOA monitor and chart chloride levels, recovering any historical information available and that the information is incorporated as part of the Well Head Protection Plan.

The well water draw down equipment will cost approximately \$700. Data from this would be included in the Well Head Protection Plan and alert the users when conservation measures need to be taken.

Conservation: Data needs to be obtained to determine if the campaign to save 5 gallons a day per account in 2011 was successful. The committee wishes to continue the program.

The Emergency Call List now includes contact information for most renters as well as property owners. There are 18 people who will be contacted as the primary callers on the phone tree in the event of an emergency. Each of those callers will contact 10 people. A board member is needed to contact Suzanne Fageol in the event of an emergency or alternatively, Joel Shrut to activate the call list.

Old Business: None

New Business: All resolutions will be numbered from here on. They will be numbered by order, date and year and recorded separately.

Resolution 021112-03 (see attachment)

It was resolved, seconded and unanimously approved to appoint John Lovie to fill the board position vacated by the resignation of Stephanie Ryan.

A committee to handle the election and organize the Annual General Meeting was formed. Length of terms of office of current board members needs to be researched to determine who is up for reelection. The association calendar needs to be updated. Use of the Google calendar was suggested.

The HOA is not being informed when properties in the system change ownership. Escrow companies will be contacted and told to alert the secretary when water service needs to be transferred to a new owner.

Adjournment: The next meeting will be April 21, 2012 at 10 a.m. in The Big Red Barn on Sunlight Beach. The meeting was adjourned at 12:45 p.m.

Submitted by:

Sharon Vanderslice
Secretary