

**Sun Vista/Sunlight Beach
Home Owners Association
Board of Directors Meeting
March 12, 2011**

Board Members Present: Tom Kraft, Boyd Benson, Bill Countner, Bob Brown, Joel Shrut, Stephanie Ryan, Bob Winqvist, Sharon Vanderslice.

Secretary's Report: All previously written minutes have already been approved.

Treasurer's Report: The financial statement for 2010 was compiled by the CFO and reviewed and signed off on by the Finance Committee. Revenue is as expected and operating costs are down.

The Federal tax forms for the association were completed and filed. No taxes were due.

The association checking and savings account balances are consistent with our budget and accounts receivable are not significant at this time.

Motion: A motion was passed to increase the liability insurance coverage for directors and officers.

Committee Reports:

Finance: The six year budget will be presented to the membership at the annual meeting.

Motion: A motion was passed to approve the six year budget as corrected.

The comparative water operating expenses for the past 8 years was reviewed. Expenses for 2010 are down 22%.

Operations: The Committee discussed the need to clean and line tank #2. Our Certified Water Operator believes that the cost would be between \$15 and \$20 thousand dollars. The cleaning and application of an epoxy liner would take about one week.

Concerns were expressed about the potential health hazards of harmful chemicals should the epoxy leak into the water supply. Final approval of the project will be based on research of the safety of the use of the epoxy. The Committee will obtain bids.

The problem with the overflowing of tank #3 appears to be resolved at this point. No further action is required at this time.

The Association obtained a bid to rebuild the commercial grade cyclone fence around the pump house and a bid to build a 6 foot high residential grade cyclone fence around the well house, generator and propane tank. The Committee was directed to proceed with the installation of the fences following notification of the Kohlwes family.

The Association obtained a bid to re-roof the well house and extend the roof line to protect the generator. The roofline, however, needs to be stepped down for aesthetic reasons. This project is already in the budget and will be approved at the Board's May meeting. Both generators are now operable and set to operate if there is a power failure.

The Association recommended that the pumps be cleaned and maintained on a regular basis. This ongoing expense is at the discretion of the committee. The cost of cutting the grass around the facilities will increase slightly this year.

Compliance: The Committee described the steps to be taken prior to shutting off water to a home where payments for usage and/or assessments is past due. This should be finalized prior to the next meeting so it can become part of the Association's policies and procedures manual. The ramifications of having a Home Owners Association versus a Property Owners Association need more legal research.

The Committee reported that they are working on completion of the Small Water System Management Guide, but has flagged some portions for other committee chairs to complete. The Operations Committee will be responsible for the Operation and Maintenance Program section and the Component Inventory Assessment. They will work with the Directors to compile a list of improvements required. The Sustainability Committee is responsible for the Emergency Response Plan and Water Conservation. A draft version of the guide will be submitted at the next meeting for approval.

We need to submit a report by July 1 regarding the annual amount of water pumped versus the amount of water actually used.

The current service map does not indicate lot numbers or addresses. The President authorized the Compliance Committee to utilize an hour of one of our service provider's time to assist her in determining which lots are within our system.

Conservation: The committee reported that the emergency call list is nearly complete except for contact information for homes which are rented. The board felt that it is the property owner's responsibility to provide this information. The committee will format an email for the CFO to send out to the membership with the 3rd quarter invoice to obtain this information.

The committee has been in touch with a member of the Whidbey Island Conservation District who is willing to come to our annual meeting and speak to members regarding conservation strategies. The board is in favor of having this presentation on the annual meeting agenda.

Governance: The committee has been reviewing the by laws which are in need of revision. The following critical changes in the bylaws will be presented to the membership for their approval:

Motion: Motions were passed to have the By-Laws revised to be more clearly worded, correct areas which are not compliant with RCW's, and will help the Association run more effectively and efficiently.

The board will ask the membership to approve the changes to the By-Laws at the annual meeting in June.

Elections: The Election Committee is developing the Proxy Statements and Ballot forms.

Old Business: None.

New Business: The President reported that one of the previously severely past due account is current on payments for water usage and assessments.

Motion: A motion was passed to remove the legal expenses from this account. The motion passed unanimously.

The President reported that an account in arrears primarily due to overage charges from the malfunction of a water purifier was a one time event which was immediately corrected.

Motion: A motion was passed to waive 50% of the overage charges and 100% of the lien legal fees, disconnect and reconnect charges for which this account had been invoiced.

Adjournment:

Motion: A motion was passed to adjourn.

The meeting was adjourned at 1:07 p.m. The next meeting is May 7th.

Submitted by:

Sharon Vanderslice, Secretary