

**Agenda**  
**BOARD OF DIRECTORS MEETING**  
**ORCAS HIGHLANDS ASSOCIATION**  
**19 April 2016, 7PM PST**

MEETING CALL-IN INSTRUCTIONS:

Dial: (641) 715-3287

Enter Access Code: 420471#

PURPOSE: To conduct the regular business of the Association.

I. Roll Call: Nathan Ahrens, Dennie Carter, Ron Claybourn, Lee Goodwin, Roxy Marck, David Turnoy, Marcia West, Kristen Wilson

II. Call to Order: Ron Claybourn called the meeting to order at 7:04.

III. Minutes of OHA BOD meeting dated 2/4/2016

MOTION: To approve the meeting minutes as submitted. Approved.

IV. Officers Reports:

A. President's Report

1. Water meter upgrade project status: Ron received document from Herron Island Water Department, the folks near Gig Harbor. Ron is asking them for a spreadsheet, will work on this over the next several weeks and hopefully use it starting at the end of May. They are using a system by Orion, we use Itron, but we both use QuickBooks for importing data. Ron is hoping to get a solution to get Itron to work with QuickBooks. This won't cost us anything, they have offered to share. Marcia is doing a lot with QuickBooks and offered to help. We now have 13 customers who are being billed electronically. Ron has also put in a call to Roy Stanton to see about setting up a visit with Scott Bailey, the general manager of Washington Water Service Company.

2. Are there any seismic requirements for above-ground water tanks? Steve Deem of state department of health, specifically drinking water, says there are no specific requirements as to seismic. He is willing to provide any help as needed.

3. Question as to boot sale, Jim Hennessey identified Sunday, Aug. 13, from noon to 3:00

B. Treasurer's Report through April 17

1. Financial report (D. Carter) – our last payday was April 1. We are over budget on insurance, fees/dues/web/miscellaneous due to new computer and charges for new meters but a lot of this is water-related so not really over budget as moved down to water, legal fees, taxes (excise) based on our income, administration and professional expense, wildfire mitigation (tree trimming), Carl's retainer; but overall still in the black for net operating income/expense. Kristen brought up that amounts on the different financial sheets don't necessarily align, wondering if Ann can make it easier, Dennie explained

that his report is a summary and therefore different than Ann's. Ron suggested noting line numbers to make it easier to match up, Dennie thought it would be a lot of extra words and lines but might be a possibility. Ron suggested a simple key to help folks for cross-referencing, Dennie thought that would work. Expenses reflect John Thompson's work for a new valve on Highlands for isolating leaks. Kristen asked about interest on the more than \$200,000 we have in the bank, it is minimal, maybe we could keep a smaller reserve and put more in a higher interest account, especially money in water fund and reserve fund. KeyBank's 10 month CD is about one quarter of 1%. If you do a 2-Year CD or longer, even if you pay an early withdrawal penalty, you will usually come out ahead.

Still in the black on water. Kristen says her water bill is lower than it has ever been, possible that the old meters were counting too much. We would like more details on Carl's charges/retainer. Kristen wonders if our arrangement with Carl has him charging against his retainer, or does he get a retainer and then get paid for anything he does? His retainer covers the testing he does of our water system, which is frequent. Everything else is billed for his time. The only thing he doesn't charge us for is trouble-shooting for a customer, which he bills the customer. We want him to submit invoices with details, we haven't seen them yet. Kristen says we need a written agreement with Carl: he should express what he thinks our arrangement is, and we should express what we think. Ron will contact Carl to see if he has copies of other retainer agreements, use it as a model. Ron will have a contract with Carl by next time.

2. Insurance policy renewal (L. Goodwin) – We are wanting to combine our two policies, company is working on it, we have about two months. Lee is on top of this. Lee would like our insurance broker to come over to visit so he can understand our system.

C. Water System Maintenance and Operation

1. Maintenance report

i. Monthly meter reading comparisons – No one has analyzed the whole system recently, but losses from leaks have been minimal. We are billing over twice as much as we are paying Washington Water. After two or three quarters of water usage since WW's increase, we can look at possibly reducing the rates. Ron looked at department of health's website for reports on our water system. In 2014, according to this, we had about 15.3% leakage. But they show a 3-year average of a 10.4% loss. So our leakage may be going down. The state considers us to be adequate. We have 117 connections and approval for 8 more.

ii. Highlands Drive leak isolation – New valve and pressure meter installed as mentioned above. There may be a leak on Brewer or Pinardi's property. Some new pipe may be needed.

D. Roads Maintenance

1. Island Excavating Bid No. 6213 revisited – Ron met with Paul Vierthaler and resident Bob Burke (civil engineer), walked Discovery Loop, looked at rest of Highlands for other problems, problems on Switchback (Paul suggested bringing in fill). Bob suggested widening places on Highlands so cars can pass more easily. Ron contacted Doolittle to see about chipsealing, Ron will contact a few other areas (Buck Mountain, Raccoon Point, Westin) to see if they want some chipsealing too so we could join with them. Doolittle is booked after July 1. We may get another bid from Paul. \$4.70 per square yard for Doolittle, also some staging fees unless in concert with others. Doing Discovery Loop is about \$20,000. Lee says we need double chipseal, that is what was done on the rest of Discovery Way and it has held up well. Question as to whether the wear on Discovery Way is due to one coat or inadequate preparation.

Both Doolittle and Paul recommend widening to at least 12 feet, perhaps more. Paul and Tom are reluctant to go much further until there is a little more commitment. Kristen argues against re-doing Discovery Loop right now, and she doesn't want to do a big job without approval of members. She says narrowness isn't a problem, people slow down. Lee agrees that no reason to re-do Discovery Loop, but we should do the repair on Switchback, Paul can do this. Kristen says the damage on Switchback is due to the rain, ground next to road is higher, no place for water to go, needs drainage. Ron will ask Paul to improve Switchback problem. Paul recommends ripping up Discovery and chipsealing, Lee asked for a lesser remedy, only other remedy is patching. Lee says we should look to tag on when County is getting chipsealed done, Ron will see if anything is planned. Larson in FH can do asphalt, Nathan asked about using asphalt and later doing chipsealing, apparently these two processes can't be mixed. Marcia says asphalt is cheaper than chipsealing.

V. Unfinished Business:

A. Leahy recommendations for 249 Switchback and Youngren easement – Allison suggested grandfathering, Lee has grave reservations, will open Pandora's Box for other waivers. Also, we think Vis is living in a trailer, CCRs say 90 days during construction is allowed, otherwise a permanent structure is required. Lee wants to know about the cases Allison is relying on. Kristen thinks we need to go with Allison's recommendation because our policy was not enforced for almost 40 years. It should be written into the deal that this does not provide a precedent. There may be something coming down the road that will require a minimum of no more than 650 square feet. Ron says that maybe we should have Allison draft a letter to Vis, include that the grandfathering would only apply to Vis and no subsequent owners, and we should include that he is not allowed to live in his trailer under CCRs. Ron will ask her to do this and ask for cases to look at. Letter will be run by us first before sending.

Eric Youngren will be talked with regarding easement. He apparently is paying \$200 per year, we currently pay \$60 per quarter. Marcia and David will meet with Eric, bring copy of 1977 easement, we would like something in writing that is fair. We could create a memorandum of understanding that if the property is subdivided, the owners should pay the same as the owners in the Highlands. Also a surcharge (30%) for log trucks coming through and for a new owner building. Ron will forward documents needed for Marcia and David.

B. Directors nomination committee and proxy ballot – Nominations are due by mid-May, board will send out proxies for ballots and any other items to vote on around June 1. This will bring secret ballots and better organization. Ron and Roxy need to communicate about this, will send out info to the rest of us. Ballot will have room for write-ins.

C. Mailbox structure refurbishment (member survey) – Nathan created a letter to send to the members to get feedback on what they want done. Post Office will deliver to individual residences as long as we have at least one per quarter mile. If we can get some folks to accept home delivery, this could free up room for others who want to be on the neighborhood mailbox. Perhaps we then wouldn't need to build a whole new structure, just re-do old one. Maybe invite PO to have a rep attend our annual meeting to inform us what we need to know, then do a survey on Survey Monkey. Could include a note about this with the June 1 mailing (ballot). Nathan will contact postmaster.

VI. New Business: OHA records and documents trustee or guardian – Where should we keep the records and documents? Could be with president or secretary. Or perhaps we could digitize all the documents, suggests Roxy. Dennie asks how much of it we really need to save. Ron will ask Allison how long we need to hold these records and financial records. Dennie has some financial records too.

VII. Next Meeting scheduled: Thursday, June 2, 2016, 7:00PM

VIII. Member Access

IX. Executive Session

A. A/R Aging Summary 4/17/2016 – Naumann is actually in the black now, her daughter is now hopefully helping get the water bill paid. Two properties are overdue: Kobayashi and McGinnis are over \$500 and over 90 days, received liens. Kobayashi's tenant asked about the water bill, Ron told her that she needed to be in contact with landlord (Kobayashi), we don't have good contact info for Kobayashi now.

ADJOURNMENT

There being no further business, the meeting was adjourned at 9:28.