

# BOARD OF DIRECTORS MEETING ORCAS HIGHLANDS ASSOCIATION

29 April 2015

I. **Roll Call:** Dennie Carter, Ron Claybourn, Lee Goodwin, Duffy King, Roxy Marck, David Turnoy, Kristen Wilson (remotely are Lee, Roxy, Duffy; Marcia ill); RV Committee members: Ed Wilson, Gayle Benton, Bea von Tobel; also present Connie Luerkens.

II. **Call to Order:** Ron Claybourn called the meeting to order at 5:00.

III. **Minutes** of OHA BOD meeting dated 1/5/2015 accepted.

## IV. **Officers Reports:**

### A. **President's Report**

1. State Department of Health documents of OHA water system 1989-2005 projects and plans – Ron purchased a CD with info related to our water system containing this, includes correspondence 1981 through 2014.

2. Islanders Bank loan offer for the installation of Rock Island middle mile cable, financing being offered for the middle mile (Olga Rd through our roads), estimate is about \$187,000, fixed loans available, can also borrow this money for roads and water systems. Question as to whether if we did the infrastructure but not everyone participated, and later others opted in and paid a fee, would that fee paid later be used to help offset the extra that the original purchasers paid? Some homes can get 25MB DSL from CenturyLink without the fiber broadband. Ron will contact Mt. Baker Cable about OPALCO purchasing Mt. Baker Cable's space in the ground being used for their cable.

### B. **Treasurer's Report**

1. Financial report (D. Carter) – nothing out of the ordinary; halfway through the month of April, all of money that will be collected this fiscal year has been billed.

2. Aging A/R status 4/15/15 (R. Claybourn) – Ferguson property sold, over \$2,144 received on this overdue account, \$201 still owed, lien on property. Marilyn Naumann has made some payment, she is chronically late and behind, her church keeps bailing her out, long term solution needed, Ron will talk to her, can't use a lien unless house being sold; two other owners much in arrears, one is only a lot, the other had a leak. If there is a foreclosure, OHA is junior as far as recovering money owed, is not in first position. Total of \$3600 is currently 90 days past due.

3. OHA Directors indemnity and liability coverage (L. Goodwin, D. Carter) – Lee discovered that our liability coverage is not complete, only covers water-related issues, the company changed our coverage without advance warning, Dennie is pursuing new policy with new company to cover all of our risks (SSK in Bellingham, who sends application to Philadelphia Insurance Co.). Application has been filed. Might we also contact the Leahy firm to recommend an insurer? We have also contacted CAI. You can only contact one at a time with an application, otherwise fees will go up. We need Errors and Omissions (E & O) coverage for directors.

### C. **Water System Maintenance and Operation**

1. Washington Water Service Company UTC-approved rate increase – 17.5% or more was granted to WW. Ron suggests that we have a small group to come up with increase of amounts in tiered structure, perhaps weighted more heavily to charging more for the higher users. Bea suggested we do the increase at a lower consumption time of year. Lee thinks we can wait until end of June to increase rates,

but we need to do it. As our water meters age, they tend to under-report. Mike Ireland and Carl are each preparing estimates for replacing our water meters with automated meters. If we end up going to WW ownership, they would ultimately take care of upgrading our system, we would have a lot of money in the water account that we could use for something else. If WW takes over only management, they will ultimately require us to replace the meters. Financially this favors moving to ownership. But we will get quotes.

2. Maintenance report - Currently our water loss is about 14%, an improvement.

i. Switchback Rd. leak testing results – no leaks.

ii. Monthly meter reading comparisons

#### **D. Roads Maintenance**

1. Mirada Lane restoration reimbursement request \$905 (+ tax) – Mehlman, Ehrmantraut, Kruse/Kunk had their driveways re-graded and resurfaced, asked for reimbursement of ¼ cost of staging, OHA portion of road, total is \$905 plus tax. We will chip-seal that section of road next time we chip-seal. Board approved paying this share.

2. Highlands roads tree project status (D. Turnoy) – Austen Ater of Eventide will do pruning on Highlands, Colorado, Switchback, and upper Lindsay starting May 20. Judy Cook and Sara and Jim Hennessey have labelled trees to be pruned (green) and those to be cut (red) on Switchback and upper Lindsay. Question as to whether we want to wait for liability insurance to be in place, Kristen asked if we could just get the E and O sooner as it is fairly cheap, but apparently the company insists on a more comprehensive policy. OHA BOD agreed must use licensed and bonded company. If we cut beyond right of way, there could be liability. Pavement is not always in center of right-of-way.

#### **V. Unfinished Business:**

A. **WWSC Management Agreement draft review** – Ron has provided draft, will be put on website.

Board has power to agree to management by WW. Kristen suggests we give membership a chance to ask questions. We will want to have a meeting separate from the annual meeting. We will want to have this agreement examined by a lawyer after members get to look at it and board agrees to pursue it.

1. WWSC Asset Acquisition Agreement option – this was sent by WW off the record. Lee suggests that we do a management agreement first, see how it goes, then think about WW acquiring our water system; Ron expressed agreement. Purchase would require a vote of the membership. WW can provide us a lower rate when we become owned by them.

B. **RV policy** document submittal to OHA membership for comments – Question about doing anything until liability policy is in place. Version 3 from Allison of resolution and policy are the documents being considered. Ed asked who will receive the comments from the members. Those making comments on these documents should provide their mail or email address to avoid lengthy phone calls. Members can send to directors or post on OHA's website. We should limit the time to respond. Kristen suggested we mail these documents out as soon as we get liability policy in place, hopefully get comments before annual meeting, members could comment and ask questions at annual meeting.

#### **VI. New Business:**

A. **Road Sign Committee** status report (M. West, K. Wilson) – Signs are on Marcia's table. Ed suggests putting signs in temporarily to look at how they will work out to find the best places. The committee will work on placement and whether we need to hire workers to install.

B. **CAI** membership expiration 5/31/15: renewal fee \$225 for two memberships. We will seek only one membership.

C. **Scotch Broom** eradication – Ed and David will identify properties that need work, look to do it on Firewise Day.

D. **Boat Trailer** parked on Highlands - David will call Ahrens to see about removing boat trailer.

VII. **Next Meeting:** Ron will send out an email to start setting a regular day for meetings, perhaps every other month.

**ADJOURNMENT**

There being no further business, the meeting was adjourned at 7:30.