

Orcas Highlands Board Meeting at Lee Goodwin's house July 30, 2013

Present: Lee Connie, Ron, Denny, and Duffy

Lee called the meeting to order at 7:35 PM

Water system. Ron said that he spoke with Carl Capdeville about the system and Carl said that he has looked into the Highlands Dr. leak and the loss is about 1 gal. per minute. Carl believes that the leak is closer to the Colorado Blvd. end of Highlands, but that there is no obvious evidence of the leak. On Aug 7th a fellow from Evergreen Rural Water will come with his leak detection device to try to find the leak. Ron also said that Kevin O'Brien thought that he had a leak midway up his driveway. It is near the junction of two water lines, however this may be due to ground water rather than a leak. At least the valve at the junction should be replaced and Ron talked with John Thompson about the possibility of excavating the area and the estimate is between \$800 and \$1,000. Ron said that Carl also discussed the lining for the upper water tank and said that the cost of about \$3,600 including taxes and delivery but does not include the cost of installation. This liner is needed as the interior of the tank is flaking. Ron said that he looked at the interior when it was being cleaned. Carl did tell Ron that the flaking doesn't affect the water. The liner would come from Mt Baker Silo. Carl said that this is not imperative at present. This Thurs. Carl will be doing some tests on the water checking for THM (Trihalomethane) and Radionuclides that are a by-product of chlorination. Lee mentioned that the valve at the junction on Kevin's property is old and can't be closed. Carl is waiting for approval from OHA Board for approval on doing this work. Lee reminded that we had previously given Carl approval to proceed with work up to \$500 without board approval. Ron said that he did go to the Pump-house put up a new sign for contacts in case of emergency since the recent changes in the board. Ron also looked at information for a control system that may be able to send out responses in case of a problem. Lee said that we discussed with Carl a system to shut off the water pumps when a leak is detected. Connie asked if the only known leak is the Highlands Dr leak, and Ron said yes. Lee said that water costs the association 6/10th of a cent per gal. Ron mentioned that there is still a very small leak at the pump-house.

Lee mentioned that those present represent a quorum.

Financials. Denny passed out the full year financials. There was a balance of \$34,000 at the end of the June 30th Fiscal Year. He noted that on line 29, water was \$5,618 short due to repair work. Lee asked if these numbers are substantially different from those handed out at the Homeowners Meeting, and Denny said yes, as there were more water expenses. Plus we paid Washington Water \$2,600 additionally. Denny also said that Revenue changed a little and was up about \$100. Denny also pointed out that the water reserve fund is about \$22,000. Ron said that the budget may be a little high but said he wasn't suggesting that we change it. Lee said that there weren't large variables as most are close to fixed costs. It was noted that the association has 121 payers. Lee said that when we get the Sept numbers on water we'll then know if we have a surplus. Connie asked if we know what needs to be done in the future to the

water system including valve replacement. Lee said that the oldest section of the water system is that near the O'Brien property. Lee also said that Carl suspects that this section may have some leaks. Ron mentioned that the capital funds will help to cover costs of future repairs, and that we collect about \$20,000 per year. Ron said that one year of that fund would cover replacing all water meters and also upgrading the system at the pump-house, and he feels the key now is to provide a reliable system.

Attorneys. Lee talked about the attorneys that he has interviewed as possibilities to review our CC&Rs (Bill Weizinger in Friday Harbor, and Terry Leahy in Kirkland. Lee said that he also talked with Hugh Lewis yesterday and that he is a HOA specialist. Lee was impressed with Mr. Lewis but after asking if he knew Bobbick and hearing that they were friends, Mr. Lewis said that he wouldn't be available, but that he recommended Leahy over Weizinger for our situation. Ron suggested that we use some of our legal reserves to have our community documents reviewed. Ron also said that our articles state "single family" and he thinks that is defensible. If we establish ground rules and Mr Bobbick is in violation we can go to the homeowners to get approval to go after him. Lee said that he and Jim Hennessey did go into the property several years ago and the electrical was Rube Goldberg. He said that it's a dangerous situation, and that he's been trying to get something going on this since 2006 (Judy was the one that spearheaded it in 2006-7 and various times since then, all to stone indifference from San Juan County. Ron said that this is why we need an attorney. Denny asked what the CC&Rs say about motor homes. Mention trailers in 2 places. Lee asked for a vote to hire an attorney to review the CC&Rs and give us advise about both issues (Bobbick and Jordan/Strauss). Denny said that we'll need a quote of approximate costs of the attorney's work. The vote was unanimously approved. Ron suggested that we go to Leahy and ask how much this will cost and to zero on those areas we want him to look at.

Ron said that section 6 of the Bylaws say that an officer may resign in writing to the board and that subsequent vacancies can be filled by the board. This gives the board a little latitude in appointing members and electing officers. Article 5 talks about how people are elected to the board. Denny said that in the past this is how we've filled partial positions. Ron said that he has a couple people in mind for board membership. Lee said that we need someone with business experience (someone who understands numbers). Lee said that he asked Roxie Marks if she'd like to be on the board and she said that she'd think about it. Several other possibilities were discussed like Ed Wilson. Ron said we should notify the membership of the need for members. Ron also said that we need access to the management of the website. The site is no run by IPOWER at \$4.99 per month. Denny and Connie are authorized to sign checks at present. We will need another person to also be able to sign check who is available during the day. Connie suggested that we pay for training for Ann so that she could do other things that would help us. Ron said that at some time we should initiate auto-payments for the members. Denny said that this is complicated as payments come in at different times.

The last thing discussed was Fire Wise. Lee gave a brochure to Connie that was written by Judy 10 years ago showing recommendations of what to do to avoid and escape fires. He said that for some reason it was never distributed. Ron said that Jack Cowan will come on Aug 8th and give a talk on Orcas.

Lee said that he'll contact Mr Leahy in the morning. He also passed out an old legal opinion of the CC&Rs.

The Boot Sale was discussed and Jim wants to change the tim to 12 to 5 on the 18th. Just for Highlands owners to sell. The change was agreed to and Ron said he'd call and let Jim know.

The meeting was adjourned.

Attachments 2

Submitted by Duffy King, Secretary