

## Orcas Highlands Association Board Meeting, 5/18/2011

Board members present: Bea VonTobel, Judy Cook, Lee Goodwin, Duffy King, Dennie Carter and Jim Hennessey

Potential board members present: Ron Claybourn and Connie Luerkens

Guests: Carl Capdeville, Carl Silvernail (Otters Lair), Mike Ireland (WWS), and Roy Stanton (WWS)

Judy opened the meeting at 7:00 p.m.

### WATER

Carl talked about purchasing a chlorinator. He said we have to take more tests for by-products mixing in the water as the mixing can produce carcinogens. He contacted Derrick at the Washington Department of Health, who is Steve Deems' boss, and Derrick said that we OHA must chlorinate. He talked with John Hat with an engineering firm, who is in Mexico at present. John will come to study the water system for \$1000-1100. He also talked with Mike Ireland about upping the chlorine. His plan is to flush the system once a month for the next few months. Lee asked if the system at Four Winds Camp is comparable to our system. Lee also said that chlorine is needed, as it dissipates as water is stored.

Carl also reminded us that Otters Lair (OL) does not get fed out of our system. Jim asked Carl if the tanks have been cleaned yet, and Carl said no as he is waiting for summer weather.

Mike Ireland and Roy Stanton of Washington Water Service Company (WWS) arrived. Mike presented his vision for our system and how to make it operate the way it should and said he would make a computer model of how it works. He said that we can add another 15 connections to our system without doing anything to the existing system. Jim asked how many property owners are waiting. Mike said 5 owners in Rosario and 6 in the Highlands. He also mentioned that the "Ready to Serve" fee has

been ended for WWS interests on Orcas Island. Lee said that since we are an existing customer of WWS, we did not need a "Ready to Serve" charge. Jim said that the Highlands is unique and acts as only one customer, through one meter. Mike said that this is true. Ron said that we now have 108 users, plus the additional 11 that WWS made available. Carl asked that, since Orcas Highlands is a bulk buyer, why does it matter the number of connections and why does WWS care how many connections we have? Mike said that the state is requiring WWS to run a computer model of our system on a peak day. Carl asked if we read the meters monthly or quarterly, and Judy said quarterly. Mike asked if we have the usage numbers for 2010. Judy said we do. Mike said those number are all he needs to finish his computations. Carl mentioned that a "big leak" down the hill, and also the usage for OL should come off the numbers. WWS' responsibility ends at the meter that feeds both OHA and OL. Carl Silvernail said he is seeing rust in the water in OL. Carl mentioned that flushing the system more frequently is needed. Lee said that the state is studying peak utilization. Mike said that the Dept of Health is looking at the whole system. Carl mentioned that we installed the meter about 8 years ago, and we made guest houses separate meters. Explaining the chlorination system Carl said that the problem is once we chlorinate the water it is pumped up to the big tank but supplies homes on the way up. It also "backfeeds" at Mirada. Mike suggested that we fill the big tank from the bottom rather than the top. He related that Vusario re-plumbed their tank to feed at the top so it circulates; there is no residual chlorine at the top when the tank is filled from the bottom and draws from the bottom as well. Carl mentioned that our big tank feeds at about 3 feet off the bottom. Mike said he built the fittings for the change at Vusario piping to fill from top. Bea asked if there is enough water capacity for all customers? Mike said yes, and the only thing to stopping it is the State stamp. Carl said that he'd talk with Mike later regarding the radio controllers used at Eagle Lake. Judy asked if Mike would like to see our system. Mike said he would as

then he could better see how the system works. Carl asked Mike that, once we clean and flush our tanks, can WWS up our chlorine. Mike said that it is normally up to Roy. He said that they could up the chlorine to between .4 and .6. Bea mentioned that we have a 10% loss in our water system each year. Judy suggested that early June would be a good time for Mike to view our system. Carl said that any day after 4PM is good for him, and after next weekend. Judy thanked Mike and Roy for coming and said that she was sorry that they got lost on the way. Judy asked if there were any other water issues. Jim asked if they had opened up memberships. Judy said yes. Carl and Carl Silvernail leave the meeting.

Judy asked for approval of the minutes. Bea moved approval and Jim seconded.

### Budget

Dennie will give the main numbers at the annual meeting of homeowners. He did not have the balance of receivables. Lee sent emails that were helpful in the guidelines on the accrual basis. Dennie suggested that when we bill the property owners we put an entry to accounts receivable. Dennie said that Ann Lister, the bookkeeper, thought that she could get by with \$500-600 per month so he put \$600 per month in his budget. In the past the water system generated profit, but no longer. Last year we spent approximately \$9,000 on water, about what we took in. Judy said that we now have to do something about chlorinating the water so we'll have expenses in that area as well. Bea said that WWS is not no longer charging a "Ready to Serve" fee. Shall we still continue to charge for "Ready to Serve" so property owners with water certificates contribute to the system overhead. Judy said that it is appropriate to charge. Bea moved to change the name from "Ready to Serve" to "Non-metered Base Rate". Judy asked if we should reduce Wild Fire Mitigation to \$3000 from \$5000 per year. This would cover mowing and any additional could be used for chipping and clearing. Denny said line 11 is for insurance; the

OHA has not yet paid its premium this fiscal year. Judy said that it is due in July and that it was \$3500 last year. Denny said that he may shop the policy to get a better rate. He said that our policy is a water policy but it covers much more than we need. Bea asked when was the last time we changed any of our dues structure. Jim said that several years ago we reduced a fee. Bea said that we need a reserve---a rainy day fund. If we raised the dues by \$12.50 per quarter for 2 years we'd have an additional \$5,200. Jim said if we upped it to \$15.00 per quarter then at the end of 2 years we'd have \$6,300. Jim moved that we instate a \$15.00 per quarter increase including OL. Bea seconded and the vote passed.

### Roads

Bea said that she hasn't heard from Dylan yet. He was going to walk roads and count culverts and look for corner posts. She said that the law reads that we have the ability to find the center point and measure from there to each side. Highlands Drive needs culverts. This should have been done when the roads were put in. Upper Discovery Way needed a lot of shaping, while Tall Trees was a complete road reconstruction. This year we hope to complete as much of Highlands Drive as possible. Dylan is an engineer in training and will do the study for future work. All culverts and chipseal need to be done every 7 years. Judy talked about billing for culverts. Historically the association has paid for road work and homeowners have been assessed for any culvert work adjacent to their property. Owners on Tall Trees paid for their culverts. Judy read a letter from Peter Bohr and asked the board to think about how to respond. Ron said that if the intent is to keep water off the road surface, then the homeowners should bear the responsibility. Highlands Drive is the worst road, which is why we are doing it next. Ron suggested that we leave the culvert matter until the HOA meeting.

Judy said that she hoped that Dennie and Bea would re-up for the board. They agreed to do so.

The HOA Resolution regarding excess income being transferred to replacement funds is to be included in minutes.

The map will be circulated at the HOA meeting in order to collect possible changes that have occurred.

Dennie asked if the board recommends budget as presented. Lee said that this is usually done at the annual meeting.

Ron suggested a locked mailbox for the exchange of checks. Connie said that the post office is not placing new single large mailboxes unless the volume of mail warrants it.

Judy asked for adjournment of meeting. Jim seconded and all voted in favor.

Respectfully submitted,  
Duffy King  
Secretary  
Highlands Association Board