

Orcas Highlands Board meeting 9/12/2013 at Ron Claybourn's home

Those present: Lee Goodwin, Ron Claybourn, Dennie Carter, Duffy King, David Turnoy, and Phil Turner

Lee called the meeting to order at 7:40. He mentioned that he didn't have the previous meeting minutes but related that they primarily dealt with obtaining an attorney to review the CC&Rs. He also said that it would take 65% agreement of the association to pass any changes to the CC&Rs, and that it could be an expensive process, and that we have a lot of members who take no interest in the association. He discussed the annexation to Eastsound Water and Sewer and how hard it was "to sell". Lee said that "history now shows that we shouldn't have gone with them". Ron mentioned that he found an "after the fact" permit application for the basement conversion to an ADU on the Bobbink property, and that the permit has not been issued as there were several items needing attention, including certification from the county Health Dept. which will need a signature from the water company. He had a long talk with Chris Laws and asked how the permit was initiated and Chris said that it was a code enforcement action. The permit is dated Jan. 22, 2013. It appears that our letter to the attorney may now not need to address the Bobbink property as this matter may resolve itself through the county action.

Ron nominated Phil to be a new member of the board and Lee nominated David to be a new member and both passed unanimously.

Dennie said that it is possible to set up an on-line payment system for the association, but that there are costs. Lee said that we should also discuss this with Ann Lister. It was brought up that we need a couple of new members to sign on association checks as Connie, Bea, and Judy are no longer members. David and Phil volunteered to be added and Dennie mentioned that we need a resolution disclosing this that will be given to Key Bank in Eastsound, and that this resolution must be signed by the secretary and president. David and Phil also completed forms required by the bank to authorize them to sign for the association.

Financials. Denny said that he had a couple of comments regarding the financial documents that he recently sent to board members. This report is for 2 months of our fiscal year as our year goes from July 1 to June 30. Lee mentioned that our balance is earning very little and that we may need to look into other possibilities like CDs. Denny said that our present Water Fund is \$20,750 and that the Road Fund will now build for a couple of years. Our Insurance is already funded for the year. It was also mentioned that Carl Capedeville is on a fixed retainer. Dennie said that line #24 should be \$5,400 for Carl's retainer. Ron mentioned that Bart Curtis is working on the excavation of the valve on the O'Brien property that was discussed at our last meeting. Lee said that we should expect more water leaks in the winter months. Ron said that the state requires that our system operate within a 5% efficiency and that we are over that amount. It was also mentioned that Evergreen Rural Water Association received some monies

from the Federal Government so they offer a service to small water companies to come out and help detect leaks. A representative was here a few weeks ago.

It was mentioned that we need a new president since the several resignations. Dennie asked who was willing to be president. Lee said that he'd continue as Vice President. Ron said that he'd consider being president in collaboration with another, such as David. It was then agreed that Ron would be President, Lee, Vice President, Denny, Treasurer, and Duffy Secretary, and David would act as an assistant to the President. Lee offered to change the sign on the pump-house. It was mentioned that the combo for the pump-house and the chain at the lower burn site is 1996.

Lee said that we have a newsletter coming out soon and asked if any of us had an addition. David suggested that we ask for volunteers in the newsletter. He also said that we have the snow removal guy on retainer.

Ron said that Jackie will take care of mailing the newsletter.

Phil said that he can do some mapping work for us and also check "as builts" and hopes to obtain the ages of the different parts of our water system.

Ron mentioned that in our last meeting we authorized the money to pay for the attorney.

Ron said that he has had contact with a professional management company that has an office in Kirkland and also Mt Vernon and that the estimated cost is \$12,000 to 14,000 per year. He will get more information on this.

Meeting was adjourned.

Submitted by Duffy King, secretary