

# Minutes - Orcas Highlands Annual Meeting

June 4, 2011

**Opening: 1:37pm** - Judy welcomed everyone and asked the board to introduce themselves.

**Board members present:** Judy Cook, Bea vonTobel, Dennie Carter, Lee Goodwin, Jim Hennessey Absent with permission: Duffy King (Connie Luerkens)

Judy then asked those present to introduce themselves.

**Homeowners present:** Carlsons, Walkers, Wilsons, Jordans, Ron Claybourn, Jackie Daigle, Jens Kruse, Winers, Wolfs, Sally Eastland, Anne Hoagland, Munoffs, Jim Newland, Clarks, Ron Ambler, Sara Hennessey, Bob Cook.

**Volunteers to approve the minutes:** Kristen Wilson, Jens Kruse, Don Carlson

**Snow removal** announcement. Norm Flint did our plowing. Not much removal needed this year, but when he was needed, he was there for us.

**Mailbox pilfering.** Ron Claybourn provided a link to a lockable mailbox if people were interested in buying one. Lee asked if everyone would like to have a postal box for outgoing mail. Most seemed interested but were not sure if there are enough pieces to warrant a box (70 pieces per day). Don Carlson asked about having a bank of ganged lockable mailboxes and would be willing to research that. Judy said the board will also look into the possibilities.

Judy presented the **Noxious Weed** pamphlet to inform homeowners. Ron Ambler expressed concern that renters don't care. Bea mentioned the Land Management pamphlet as well.

**Changes in the board:** Jim is leaving. Two new members have been nominated: Ron Claybourn and Connie Luerkens. Judy asked for a motion to elect these people to the board

**Don Carlson made the motion, Ed Wilson seconded. All approved**

Dennie presented the **Budget for the year.** The first discussion was about the Budget sheet (color-coded, three columns). He talked about the need for a reserve fund and the board's intent to use \$20k for that purpose this year. We hope to have a surplus by the end of the year. Denise Wolf asked for further explanation between columns 2 and 3. The new bookkeeper costs were mentioned as well as the reduction in Firewise Mitigation. Arthur Winer asked about wood-chipping. Judy explained that it was an occasional thing, funded by DNR and that we can't count on it every year. It was agreed that it would be good to have it often.

The discussion turned to the Financial Balance sheet. Don Carlson asked about receivables and how much was still delinquent. Judy explained the current situation and outlined six particular property owners who are having trouble. One of those (the highest owed) is going into receivership and we hope to recoup our money from that. Dennie praised Judy for her efforts to greatly reduce this deficit. Everyone applauded.

Judy asked for a motion to adopt the budget.

**Ed Wilson made the motion and Don Carlson seconded**

Jim presented the **Water Issues**. First was a timeline regarding Annexation, Wells and our agreements with Eastsound Sewer and Water District. **See Addendum A** for the complete presentation.

Jim further presented the current situation with **Washington Water Service**. About two months ago the board received a somewhat surprising letter from WWS indicating that, due to improvements in their plant, they are able to increase the number of ERU's and open up some new water memberships. This is good news for some folks who have been waiting for years to obtain a membership. (San Juan County will not allow anyone to build unless all utilities are in place.) The cost of a WWS membership is \$3,100 and a Highlands membership is \$2,500 so the total cost for a new membership in the Highlands is \$5,600. There are not quite enough memberships to go around, of course, but at this point everyone who has responded has received one. As of this date, WWS has issued nine new certificates, leaving two of the original eleven unused so far.

Jim also discussed the need for additional **Chlorination** in the Highlands. Carl Capdeville, our water system manager, has indicated low or no Chlorine levels at the extremes of our piping system. WWS water is chlorinated and is pumped up to our upper tanks. By the time it gravity feeds down to the lower levels of the Highlands, the chlorine is reduced or lost. The board has talked about purchasing a chlorinator to install at the upper tank. However, in our last discussion with WWS, recommendation was made to first clean the system and change the inlet pipes on the tanks...from the bottom to the top. This should provide a better mix of chlorine in the system. Secondly, WWS might be willing to up the chlorine output at the plant slightly as a way to boost our levels. In the event that these procedures fail to deliver sufficient chlorine, then we will have to buy and install an additional chlorination system.

Bea discussed the **Roads** and talked about snow days and parking below by the mailboxes. She mentioned our focus on safety on our roads. Therefore we chipseal and maintain sweeping for continued road improvement. She suggested we drive on the edges of the road to help sweep debris off and prevent ruts and build-up.

Clearance is another issue. Tree cutting and mowing is done so Fire trucks can access our remote areas. Each of us puts in \$240 a year toward roads and this is the budget she works with. This year we are focusing on Highlands Drive. Russ Harvey came and gave a free assessment of the road regarding engineering and restructuring. This was done with the intent to improve the drainage and width of Highlands Drive. Bea showed an aerial map of the road. There will be a 30ft. right-of-way established in order to widen the road. One concern is how the driveways intersect with the new road. So drainage channels and culverts will be necessary in many instances. Dylan Parker who is an EIT (engineer in training) will design the roadwork. (Russ Harvey will look over the final plans for us but cannot oversee the project because of a conflict of interest with his position as head of roads for SJCPW). Most concern is at the end of Highlands Drive by Sauer, Carlson and Parks houses. We need to get a double-shot of chipseal in place by winter. This also includes drains and culverts. We will be as economical as possible but the digging must be done carefully because of the utilities that are buried along the roadway. We hope to have Doolittle Construction do the chipsealing, based on our past experience with his work.

Ron Ambler asked how the snow plowing roadwork is funded...if there was a retainer made for the work. Norm Flint who we currently use, didn't want one. Nonetheless he was extremely dependable and we were more than satisfied with his work this year.

Don Carlson asked if we would discuss options with him about the roadwork in front of his house and was promised that discussion and advisement would be given to all the homeowners affected.

**The "Culvert" issue** was discussed regarding who pays for them. Judy read the new rules. " Adequate roadside ditching and culverts are an integral part of the road infrastructure as they help to provide safer conditions for all users and less damage to the hard surface from water runoff. Should an owner construct a new driveway or access to his/her property, that owner is responsible for ensuring and installing adequate ditching and culverts as needed to handle the runoff resulting from the building and driveway.

When the Association conducts road maintenance projects that include re-ditching and cleaning out of culverts, culvert expenses will be born by the Association unless an owner's property is clearly contributing significant runoff to the ditching system. In that case, the property owner will be contacted prior to the project and given the opportunity to dig his/her own culvert or be billed for the construction of the same."

Jim presented the **Map** and asked for updates or corrections so a new version can be distributed in the next billing (July). Richard Jordan asked about the index and the four lot designations. Jim explained how they were derived.

Judy discussed additional **get-togethers for homeowners**. Next Saturday, June 11, will be a sign-washing day. People will meet at the mailboxes at 10:00. The Firewise mitigation day will be on June 25th. At 10:00. Work will again begin by the mailboxes. Judy encouraged homeowners to bring green waste to either of the two burn piles. There will be a picnic at the top of Discovery later on the same day at 5:00pm.

Having finished with the business at hand, Judy asked for a motion to close the meeting.

**Ed Wilson moved to adjourn the meeting, Don Carlson seconded.**

3:05 pm - Duly recorded on this date by Jim Hennessey

**Addendum A** - presented by Jim Hennessey at the Annual OHA Meeting, 6/4/11

## **The Annexation and ESWD Timeline**

### **December 21, 2007**

San Juan County Council Adopted Resolution 55-2007 regarding the Annexation of the Rosario Water Service Area to the Eastsound Sewer and Water District. The purpose of the Annexation was to change our water system to a non-profit, public utility that was Orcas-based. We were tired of the constant increases and profiteering from private water companies having fought many battles with Rosario Utilities and the WUTC.

### **February 22, 2008**

Annexation was approved by all the voters in the Rosario Water Service Area by a 72.4% margin - (Rosario, Vusario, Otters Lair and Highlands).

### **August, 2008**

Telephone conversation with Ed Sutton (Eastsound Sewer and Water Board member). They are considering strategies for the ultimate purchase of the Rosario water system from WWS but, apparently Mike Ireland is not giving in easily. One of the strategies Ed has considered was to find alternative sources of water for the Highlands so we could remove ourselves entirely from WWS and subsequently make the system less desirable to them.

He has had discussions with Tom Burg who has property in Tomihi - apparently with a water well that could be used to feed our water lines directly. The well was subsequently tested.

Result: The Burg well proved to have insufficient capacity to provide water to the Highlands and the idea was abandoned.

### **December, 2008**

ESWD discovered that there were old OHA wells in Tract A in the Highlands and turned its attention to us. These old wells provided water to the community when the only houses in the Highlands were on Highlands Drive.

Result: The wells were inspected and tested but were determined to be too shallow and without sufficient capacity. So this idea was abandoned. ESWD then decided it should drill for wells in the common tracts of the Highlands.

## **October, 2009**

To allow ESWD access to the Highlands, and to protect the interests of our homeowners, a **Memorandum of Understanding** was created in which it was made clear that all costs would be born by ESWD. Further, the memorandum set forth the guidelines for the quality and quantity requirements for a well. Lastly it made clear that any switch over to a well system would have to be voted upon by the OHA homeowners in a special meeting. This MOU was our legal safeguard.

## **January, 2010**

The first well was drilled in Tract B, near the upper tank at about the same elevation as Youngren's spring. A roadway was cleared in and drilling started.

Result: The drilling was stopped at 600 feet, hitting nothing but solid rock.

## **February, 2010**

A second well was drilled in Tract A near the corner of Olga Rd and Vusario Rd. An access road was cut in from Vusario Drive.

## **March, 2010**

This well hit a considerable amount of water at 608 feet (50+ gal/min). Preliminary water volume and water quality testing was encouraging. Water rights and a water source approval were applied for.

However, subsequent testing showed traces of E-Coli in the water. To purify the water sufficiently would require a huge investment in a filtration plant. ESWD wanted OHA to help fund such a project. The OHA Board was not interested in spending money for such a project and felt that the well issue, in fact, was detracting everyone from the real purpose of the Annexation.

## **December, 2010**

A letter from the OHA board was sent to ESWD in response to a meeting in which both parties attended. The letter stressed that the well drilling was diverting us from the original premise of the Annexation. Quote: "The premise was that ESWD *would convert our present profit-based water system into a public-owned, non-profit system.* The annexation undertaking was *entirely* about regaining local Orcas control of the Rosario plant and infrastructure, not at all about substituting the source of water from Cascade Lake to new wells."

In short, the Board decided not to participate further in any well development.

## **January, 2011**

ESWD tried to get OHA to pay all or part of their \$90k investment costs. After a second meeting with ESWD, our position was made clear that we could not be held responsible for the costs of drilling the wells...that the original idea originated with ESWD and the MOU protected us from any financial involvement. For some of the new ESWD board members, this was new information.

## **January 25, 2011**

ESWD replied with a letter to the OHA Board indicating that they had no intention of spending more money on the well development for now. They also said they had no intention to take formal legal action against WWS.

Result: The entire process is stopped and shelved. I note with some disappointment that this means the idea of a locally-owned, public, non-profit water utility is a far way off and may never be achieved.