

ORCAS HIGHLANDS ASSOCIATION
ANNUAL HOMEOWNER MEETING

Eastsound Firehall Meeting Room

June 9, 2018, 1 p.m.

- I. OHA Board Member Introductions
- II. Call to Order at 1:18 after board and member introductions.
- III. Volunteers to approve the contents of the minutes as submitted: Madie Murray, Arthur Winer, Cara Cohn.
- IV. Special recognitions – Members who have passed this last year: Ron Ambler, Richard and Diane Jordan, Peggy Cranick, Jim Newland.
- V. Reports:
 - A. President's Report (Marcia)
 1. Summary of major board activities for this year: Tremendous team members, committee chairs have made things happen, roads, water, only two plowings of the roads this year.
 2. Addition of the outgoing mailbox coming. Locking mailboxes recommended. For people who have PO boxes, if it is something for which a physical address is needed, put the street address and then hashtag PO box number.
 - B. Treasurer's Report (Dennie):
 1. Review of 2017 audit: A CPA performed a review of our books and prepared our tax return.
 2. IRS Tax resolution (Association Resolution for Revenue Ruling 70-604 Election-Excess Income Applied to the Following Year's Assessment): Motion for resolution that we approve each year for handling of excess funds. Moved by Carol Owens, seconded by David Selwyn, motion approved unanimously.
 3. Financial report and 2018 – 19 Budget review and motion for acceptance: This was prepared as of April 30. Jackie asked about a high amount of accounts receivable, Dennie says the report was generated soon after a mailing so that receivables were high, currently we are at about \$6,600 which is mostly four members on whom we have placed liens. Jackie Daigle asked whether 50% of budget is required to be in the bank, not aware that it is required in Washington state. The budget will change if the water deal goes through, we will no longer pay a water fund or water maintenance fund. Duffy King asked if the current road work is reflected in the documents, the asphalt and prep is, the chip seal will be in the upcoming year. Both Carol Owens and Bob Wyatt commented on the good way the board has organized the financials, very responsible. Bea von Tobel wants to see more money in fire fund, we will make that happen.
 4. A/R Aging status: importance of clearing the A/Rs prior to the transfer of the water system
 - C. Water System Report (Ron) –
 1. Update on system maintenance, transfer status, brief summary of how this will impact individual home owners: We had a problem with the upper 10K tank, we are replacing some faulty wires. The 90K tank drained, the circuit had to be replaced. We currently have a leak on Colorado Blvd, affects Cohns' property, Carl Capdeville will work on it. Meter readings are taken monthly, we analyze. We currently are only losing 6% of our water in transmission, 16% on Highlands where there is a little leak. A letter will be going out to members to give an idea about cross-connect requirement, for instance, a check valve to prevent backflow if you have an irrigation system, please return the letters as quickly as possible. We are negotiating the sale of our water system to Washington Water (WWSC). We had an agreement back in 2015 with them to run/manage our system, but it was not cost-efficient. A new president took over WWSC, we met with him in July, 2016, and we then pursued purchase. Ron submitted all the due diligence information, we then met again in October, 2017. Ron has been working with the head of their small business development, we have a binding

agreement as of May, 2018. Ron Claybourn has worked with our attorney and their attorney. Easements have been provided to WWSC, we still have a few easements outstanding. Mehlmans are allowing an easement to the tank near them, we are giving an easement to the big tank. Signing date has been extended to July 31, but it shouldn't take that long. We will no longer have to collect the \$40 quarterly fund for water maintenance, about \$90,000 is in that fund, we can roll that over to other areas. We are also likely to see a decrease in our water price of 25-35%. OHA users will be billed monthly, WWSC will deal with delinquent accounts accrued after the closing date. We will have separate metering and access to the pumphouse for our burn pile needs. OHA's water rights will be protected under the contract. Purchase price they have offered is \$196,500. Ron has doggedly pursued this for 5 years, tremendous change from previous president of WWSC offering us \$1. WWSC has agreed to pay for some of our attorney fees, we have also paid our attorney Leahy \$3600. WWSC won't need to hire anyone else, Roy Stanton can simply call hq for extra help. Madie asked about purchasing water rights for a lot that currently doesn't have them, Ron thinks it is about \$3,200. The purchase includes Otters Lair users. WWSC has owned Rosario and Vusario for ten years with no complaints. We will have much quicker and better service, no liability. Cindy Carter mentioned that the chlorine level had doubled in the last year, we don't know why. Ed Wilson asked who will be the contact if a problem is spotted, there will be a hotline 800 number to WWSC directly. We will get a detailed chemical report on the water each year, which OHA has been getting all along. We will no longer have the option of shutting off water to force payment of dues. We will have to come up with a new way of enforcing payment. Owners will continue to be responsible for anything on their side of the meter, WWSC will be responsible for their side of the meter. Ron will find out if WWSC will charge just for coming out to see where a leak is. We will also have a reduction in insurance cost once WWSC takes over. WWSC has a mechanism for leak adjustment to regain some of the water cost if you have a major leak. WWSC has lots of info on their website.

2. Addition of separate meter and hydrate for fire control at the pump house: see above.

D. Road Report (David Turnoy)

1. Status of scheduled repair and paving work: roads are currently being chip sealed. David will check with Island Ex about the rock at the bottom of Colorado.
2. Roadside vegetation and Scotch Broom / Tansy Ragwort removal. We will have a work party on June 26 or 28 to continue what was started last week. Arthur talked about Scotch Broom, how it crowds out natives, bad for animals. Arthur Winer and David Turnoy took out a stand on Discovery. Roxy is willing to help. We will lop them off, pour a poison on the roots. Bag it, take it to the dump, no charge. David will send out an email to organize a work party. Carol mentioned that Master Gardeners may help. Sarah Morgan mentioned problem of tansy ragwort also.
3. Question of speeding on the roads asked by Carol. It is a challenge. We have asked the sheriff to sit on the county road as a deterrent. If these are vacation rental people, owners need to have a permit, we can complain to the county and ask that the permit be denied. Also, Eric Youngren's people need to drive slower. Marcia said she would talk with Youngren about it..

E. Nominations Committee (Jens):

1. Current board terms and plea for volunteers esp. for committee work: Lee has agreed to stand for re-election, moved, seconded, voted unanimously. We need more women on board, need to stagger the terms more, need more people from the lower part of the neighborhood.

F. Welcome Committee (Carol):

1. New member welcome: Rebekah Selwyn is also on the committee, Carol would like some folks from the lower area to also join, would be nice to have neighbors nearby to welcome people moving in. They want to give information to new folks. We will invite them to our potluck.

G. Firewise Committee (Marcia for Brian):

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1. Planning on upcoming work to clear area along Olga Road, OHA Area A: Bea helped us dig out the 2005 plan to control fire. We will also be mowing the shoulders shortly. Question about an alternate evacuation route in case of fire. You can walk through Youngren's property. An alternative is hardening in place so that your house is hardened against fire. The fire department is aware that we have no other way out, they may or may not come up here if we have a fire that may put their volunteers' lives in danger. There is a firebreak trail maintained by OPALCO. There is a trail that goes from Colorado down to Olga Road. Susan and Brian had met with Dave Halloran at the fire department, hardening is not the way to go according to him, the firefighters would feel bound to go up and protect people in hardened houses, which puts them at risk. Susan Kunk talked about signing up with the county to notify you in case of emergency, Susan will get the info for signing up to Marcia to put in the next newsletter. Roxy Marck says not everyone agrees with Dave's assessment of hardening, but everyone can clear combustible materials, make your property as hard as you can against fire. We can add the Colorado foot path and the Youngren path to the map, trail from Winers down to Highlands, any other trails. Carol moved to improve the Youngren drive, also suggests clearing more in the common area. Jackie says the best thing to do is to get out and go downhill, fire goes uphill. Carol moves that we have the firewise committee look into investigating exits, seconded, passed. Ed suggests each of us figure out the best way to get out for us. Susan and Rollie Sauer are willing to join the firewise committee. We need notice about where the fire is coming from. Judy Winer suggests signing up for NextDoor at nextdoor.com.

2. Emergency Notification Plan: Susan will be updating, filling out the member information form is key to this effort.
3. Use of burn area and member responsibilities: if you bring it, you burn it, gate will be kept locked.

VI. New Business

A. Member input to a dues and fees adjustment with the transfer of the water system: Question as to whether we need to return all the monies from the water sale to members, or whether we can roll the money over into other accounts.

B. OHA consideration of fiber and the middle mile: It would increase property values, help with sales. Ron will organize a committee on this, interest in it by Judy, possibly Bob Wyatt, Phil Cohn, Brian Ehrmantraut. Centurylink may share some cost with us if we go with them, they now have a rural program. Dan Burke is now doing Rock Island broadband, Ron contacted him, has new numbers for cost, about \$186,000 to do middle mile, also has numbers to do from middle mile to houses. Each lot's middle mile is thus about \$1920. Rock Island would provide a \$1500 loan per household that is amortized over time to help with the cost of connecting the middle mile to the house, individual cost would depend how far you are from road, could be up to a few thousand dollars. Do all of us need to sign up? Not necessarily but would be helpful. Cindy said she thinks that there is already fiber all the way up Lindsay. Ron is getting numbers from both companies to see what kind of deal we can get for services if we put fiber in the ground. There is an option for phone through this internet system as well, also the potential of TV streaming. Using fiber would be faster and more reliable, speeds are same for upload and download, this is better than other methods. 10 megabits is probably enough for good service, unless you are doing TV and internet at same time. You can get up to 1,000 megabits per second for a price.

VII. ADJOURNMENT at 3:58.