

Agenda April 23, 2018, 7-9 PM
Location – Marcia West’s Home – 1172 Discovery Way
BOARD OF DIRECTORS MEETING ORCAS HIGHLANDS ASSOCIATION MEETING
CALL-IN INSTRUCTIONS: Dial: (641) 715-3287 Enter Access Code: 420471#

PURPOSE: To conduct a regular session of business of the Association.

Roll Call: David Turnoy, Marcia West, Harvey Aldort, Dennie Carter, Lee Goodwin, Jens Kruse, Brian Ehrmantraut, Bob Wyatt, Water Committee Chair: Ron Claybourn,

I. Call to Order: Meeting to order at 7:00.

II. Minutes of OHA BOD meeting dated 3/20/2018

MOTION: To approve the meeting minutes as submitted, approved.

III. Financial Report: \$241,000 total, \$111,000 in roads, \$85,000 in water.

A. Current Balance, A/R status

B. Budget review and final preparation for 2018 – 2019: Dennie has prepared a budget assuming the deal with WW does not go through. Marcia says format for invoices will need to be re-done so that money goes into correct accounts. Wildfire mitigation is something we would like to collect money for over time, then do a bunch at once. We agree that we should have small increases in dues each year, but not to start this year because we are expecting money from the WW sale. Also, we could keep the water fund going so that we can have more money without raising the dues. To make the income a positive figure, we can reduce wildfire mitigation for now. We will make the audit available on the website, but we have to mail a budget. If the water deal goes through, we will have to do a new budget. We should send out a note with the budget letting folks know that the budget we are sending out is based on our current situation.

IV. Committee Reports

A. Water – Update Status

- Update of easements and any needed documentation for WWSC: Ron has been in touch with WWSC about various items, WWSC will be doing a survey, Ron will review the list of easements. There is a question of wells, clarification is needed. Re: taxes on the sale, real estate excise taxes should be paid by buyer, seller pays sales and use taxes. We will be having Laura do a cross-connect survey, which is required to prove we are a “green” system. Harvey will be doing some electrical work for us related to the tank. He says we need to put an alarm on the tank, can do it by adding one float. Buddy from Cold Spring says we could put on a transmitter that uses cellular technology. Ron thinks it would cost a few hundred dollars. Brian and David asked about WWSC being willing to include other items like our dues and roads fee with the water bill. It was mentioned early on, Ron, could you ask about this? Ron’s response: “Previously, WWSC agreed to do collections for other Association fees on their monthly billing, but that may have only applied to the management and operations agreement that we previously

considered with them. I will determine if that service could also be the case for their ownership of the water system.”

- WSC APA; summarize questions/clarifications to be submitted to Leahy regarding the agreement: Ron sent us a list of questions to review, he will send that to Leahy. Bob suggested we have contract language that infrastructure is being transferred “as is”; we don’t want open-ended liability. Ron said we will have language about what is “known” and not known, if we want further language, we can ask Leahy for it. Lee says we don’t want to continue any liability related to the infrastructure. Jens suggested an intermediate course whereby items needing work can be noted, and we can consider being responsible for this. Lee wants to use “as is” or something similar. Brian says the water system sales he has been involved with were all “as is”, but they were sales for \$1. Dennie asked about the terms for the WWSC purchase of the Rosario system, Ron says that this deal was “as is” and was for almost \$1 million. A lot of the language has been boilerplate, it has been anticipated that there would be some customizing.
- Commitment by the BOD to pay for an easement for the Mirada Lane 10K-gallon water storage tank: An easement across Mehlman’s lot will be needed due to the Mirada tank, Mehlmans are OK with this.
- Official notification to Carl regarding the termination of his contract – establish end Date: We will need to notify Carl of termination of his contract, 60 days written notice is required. We don’t want to notify him prematurely in case the agreement drags on or doesn’t go through, so we will wait on notifying him.

Booster Pumps: As per Ron, “As to the upper tank booster pump electronics, and perhaps also in the pump house, Buddy Wright suggests the following: ‘..we'd probably be looking at around \$200ish for the parts, probably around \$150 in labor, \$125 for the account set-up and \$60 annually. So the total would be roughly \$500 installed, then the \$60 annual fee.’”

B. Roads – Update Status

- Finalize remaining prep work for Island Ex and cost – work needs completion late May: David.
 - Confirm dates for Doolite and confirm final cost of materials: David.
- Marcia is paying about \$16,000 to Island Ex for work done to date.

C. Firewise & Emergency Notification

- Spring cleanup – May 26th – elect point person for the project: David. When we send out a notice of the budget, we should send out a notice about the clean-up day, and Brian and David will prepare some guidelines for appropriate use of the burn pile to circulate. Or we can email these items, and we can post it by the mailboxes. We could have someone use a backhoe to break up the burn pile, which has not been treated correctly by someone (left stuff without burning, plus a tarp).
- Question from member regarding alternate evacuation route.

D. Architectural Review

- Update - Reviews upcoming – Perry (May 8th, RV approval expires): He probably doesn’t have permits yet, needs drafting done, we have not reviewed any plans, will certainly not be done by May 8. Lee says he needs to ask us for an extension, Brian says we don’t have the power to do that, we need to tell Perry he needs to move the RV. While 90 days does not really work today, it is still on the books. Bob asked if we need to do anything before 90 days elapse, perhaps a reminder. Or we can wait until the next meeting to see what has happened. Motion

was approved to remind him. Ron adds, “Also, I checked the SJC Permits and Inspections website today. Only reference to Discovery Way lot 65 (now Perry) is the permit issued (10/24/16) and expired (10/24/17) for the proposed modular (Stoney) on that lot.”

E. Nomination

- Slate for 2018 – 2019 continuing board members
- Vacancies and term rotation: Steve is leaving, 5 members will have terms expiring in 2020. David suggested Bob Burke as a possible director.

F. Insurance Renewal Update – master policy. Lee will review. Dennie suggested checking with San Juan Insurance and Madrona Insurance. Lee says this may be a good idea after selling the water system.

V. New Business

A. Annual Meeting Date and Location: Firehall, June 9.

B. Fiber: Brian says because we don’t have broadband, we are falling behind, perhaps lost a sale, we need more connectivity. We need to work on this during the next year. Ron adds the following: “Lastly, relative to Brian's comments about broadband, I spoke recently with Gerry Lawlor, VP of Rock Island Comm, regarding fiber infrastructure in the Highlands. His view, arguably somewhat self-serving, is that the Highlands ‘doesn't want to be the last community in the County without fiber infrastructure’.”

VII. Date and time for next Board of Director meeting: May 22. We will discuss possibly raising fees.

ADJOURNMENT There being no further business, the meeting was adjourned at 9:30.