

Agenda

February 20, 2018, 7-9 PM PST

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, Dennie Carter, Lee Goodwin, Jens Kruse, Steve Whicher, Policy Committee: Chris Graham

I. Call to Order: Meeting to order at 7:08.

II. Minutes of OHA BOD meeting dated 1/9/2018

MOTION: To approve the meeting minutes as submitted—approved

III. Financial Report: Dennie and Marcia met this afternoon and moved some funds on the balance sheet (reserve fund, capital expense for mailbox, water capital fund). They have been told to think of reserve funds as liabilities because they will be used to pay for things eventually. Question about what we pay OPALCO for, it is for power to pump water up the hill, this will go away when WW takes over. Financial statement approved. We will institute a review policy where bank statement and reconciliation report are circulated among signers every month. Tonight we will sign a document that is a management and client representation letter to go to Vandal, our CPA; signed by Marcia, Dennie, and David as officers. It finalizes the audit transaction and the financial statements.

A. Current Balance, A/R status

B. Review of Audit questions and response: Dennie signed and filed tax return, drafted a first response on the audit. Question as to whether we want to use Vandal again. He asked us to sign an engagement letter for this next year, but we aren’t sure yet, we want to see his final product first. He almost missed a tax return due date. Dennie said there is a good firm in Bellevue we might want to consider though would cost more money.

C. Confirm filing of 2016 – 2017 fed taxes: Yes.

IV. Committee Reports

A. Water – Update Status. Board wants to recognize Ron and Chris’s contributions.

- Review of LOI and attached letter: Good job, Chris. Approved, signed, will be mailed.
- Schedule for membership notification and presentation: Steve says let’s wait 14 days, if no word from WW then go ahead and communicate with our members.
- Plan for announcement, Q&A, and “vote” options for transfer: We will send out written and electronic communication that we are moving ahead, ask for feedback as to whether a meeting is desired. Marcia suggests sending out questions with answers (FAQs). Do we have the ability to answer questions as they come in? Marcia will check on this. Our initial communication should be very detailed and convince members that this deal is in their best interest. Do we want a marketing professional? Ed Wilson could do this; David will contact him, and we can pay him. As an association member, he knows the circumstances better, and this also helps with the confidentiality issue. We don’t need member permission but we want to lay a foundation that we are fully disclosing info to our members and have gone through due diligence. Argue that this will limit exposure of association by having professional take it over. Should we have a committee to put the materials together? Marcia, David, Steve volunteered. Ron will need to be part of this. Chris can be consulted on this.
 - Update of easements and any needed documentation for WWS: Summarized by Ron’s email.

B. Road

- Update on Island Ex preparation work: Any day now, depends on weather.
- Funding review for road work and any needed traffic plans: When Paul comes up for current work, we will look at prep for chip sealing this summer. We have a contract from Doolittle, but there is a little question as to the exact amount of paving on Discovery and Lindsay. David will ask when Doolittle will be coming, also ask Doolittle how many associations he has contracted with for this summer. We have \$111,000 in the road fund. There may be a shortfall when bills need to be paid for road paving, and in order to avoid a special assessment, we may need to access other funds. We also have \$85,000 in the water fund that we won't be needing, and there is money in the reserve fund. Some who pay into the water fund may object to money in it going to roads. [Marcia says small letter mailings cost about \$60, large mailings cost \$200. Steve suggests going to electronic mailing as much as possible.]
- Outgoing mail box status: No news, need further discussion with postmaster as to what will be allowed. Lee will pursue but eventually we may need to give up. In next newsletter we need to advise people to get locking mailboxes, as there has been another round of thefts.

C. Firewise & Emergency Notification

- Spring cleanup date – Notification timing

D. Architectural Review Committee

- Reviews upcoming – Perry: Plans look great.

E. Road Naming Revision – Eric's driveway: Steve has written a memo that we no longer need to name it, voted to rescind, memo is included below.

Orcas Highlands Association Board Resolution 2/20/2018 to Rescind Prior Resolution in Support of Naming an Undeveloped Spur of Discovery Way: Having determined that the Board's previous resolution in support of a petition to name a Discovery Way spur is no longer in the Association's best interest, the Board hereby resolves to rescind their prior resolution in support until an owner on said spur intends to build.

- F. Bond renewal:** Another issue is a surety bond, which Dennie told us about. He has spoken with Darrell at San Juan Insurance, who can through a vendor get us at most a bond for three board members up to \$100,000 coverage. Do we really need a bond? Perhaps for the bookkeeper, maybe also for the signers. Cost is \$800 for three years for three. We probably only need the bookkeeper covered, perhaps cover up to our current amount of \$45,000 for three years, approved. Company is RLI Surety.

V. *New Business*

- A.** Budget setup for next year -Timing, Revisions with water transferred: We will need to wait on this due to WW deal.
- B.** We are going to have our annual meeting on Saturday, June 16. Venue is needed.

VI. *Date and time for next Board of Director meeting: Tuesday, March 20.*

ADJOURNMENT

There being no further business, the meeting was adjourned at: 8:44.