

BOARD OF DIRECTORS MEETING ORCAS HIGHLANDS ASSOCIATION  
Sept. 11, 2018

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

Roll Call: David Turnoy, Marcia West, Lee Goodwin, Jens Kruse, Brian Ehrmantraut, Bob Wyatt

I. Call to Order: Meeting to order at 6:05.

II. Closing of Sale of Water Service Assets

A. Summary of sales wrap up – financial summary: Thanks to Ron, we should buy him a dinner, Marcia will get a gift cert. at Rosario for \$200, board members will chip in \$25 each, BE SURE TO GET THAT TO MARCIA. We spent \$1,354 for permits, easements, fees, etc., also \$9,660 in legal costs for us for this whole year, WWSC picked up another \$7,000 of our legal fees. There is also a REET tax of \$3,497 to be paid in October. Marcia created a packet summarizing the numbers, she will include it with the minutes. Lee suggests not rushing into a refund without knowing if all costs have been paid. Brian suggests waiting until our tax return is done for this year before distributing the refund. We can tell folks in our newsletter that we are waiting on this. Leahy says, though, that we need to refund Otters Lair money sooner, that money is not comingled. There is no B&O tax to pay.

B. Identification of remaining tasks and actions

- Tax payment – REET: It will be paid in October.
- Confirm utility transfers: Marcia will do this.

III. Water System Billing Close Out

A. Refund of Water Capital Fund: Three possible dates to use: July 31, date we signed documents; Lee's calculations look at June 30, the last day fees were collected: or we could use Aug. 15, the day WW started billing. It only matters to people who have bought since 2012. Brian moved we use July 31 and also pay off OL now, voted on and passed. Anyone in arrears will have their debt taken out of the refund. Only Naumann has a bill larger than the refund.

B. Close out / transfer of Water Operating Account

C. Authorization to contact WWS to install a setter and meter at the pump house for an OHA water connection for use at the burn pile. We would need to set up a new account for the OHA. Do we need to do this, or could we just use our existing certificate? Roy and Ron may have discussed this but it hasn't been confirmed. We will ask Ron to go through back channels to make this happen.

IV. Old Business

A. Proposal for new billing cycle and payment options: It will be \$120 per quarter for dues and Road Fund (60/Qtr Dues + 60/Qtr Road Fund). Question about setting it up for credit cards. We will continue to bill quarterly. First bill will be sent the 1<sup>st</sup> of October. We will have credit card payment available.

B. Revised 2018 – 2019 operating budget: Dennie prepared a new budget that no longer has the water system. Marcia suggests moving some money to reserves and for maintenance.

C. Fire Protection clearing contract

- Scope of Work
- Chair for fire clearing work
- Timeline
- Contractors interested – Harvey Logging (Rich Harvey), Rain Shadow Consulting (Carson Sprenger), The Orcas Woodsmen (Monty Coffey), Others? We have a bid from Harvey, he breaks it down very well. The others will give us bids. Harvey has given us a very reasonable bid, he uses the wood on the back end which allows him to bid less, WE WILL ALL LOOK AT THE BID AND TELL MARCIA IF WE WANT TO GO AHEAD WITH HIM. We have other potential clearing to do but will wait for another year.

V. New Business

A. Pet issues in Highlands

- Cats – missing and overfed: We will mention in the newsletter not to feed other people's cats.
- Dog attacks – problem of uncontrolled dog attacking others: Brian talked to the sheriff, the sheriff will place restrictions on the particular dog that will make it onerous to continue to keep this dog. The dog had attacked Suzy's dog and Sally's dog, it could injure a person too. The sheriff will suggest a muzzle, eventually there will be a hearing. Brian gave the owner names of trainers. Lee suggests that we send a letter to the Thorsells. Brian will write a draft and send it around.

B. Insurance Coverage – proposed additional policies: Our brokers say we don't need Errors and Omissions Insurance as we are not professionals, we just need D&O, which we have. Question as to whether we would need cyber insurance, as long as we don't have credit card numbers we don't need it. Lee says the insurance figure in the new budget is a little low, will raise it.

C. Approach for how to spend or invest the water system sales funds: We can use the money for capital improvements. The only suggestion has been fiber by a number of people. We will ask again for suggestions, tell the people how much money we made. Brian says we could put the money toward fire safety so we can lower our insurance rate. Once we decide what to spend the money on, how do we gain approval, or do we need to? Tell people that fiber will enhance property value, we could say that we are intending to invest in a manner that will enhance property value. We will get a newsletter out with the first bill. We should get the fiber committee to start meeting with the fiber companies to get some estimates. Send anything else to Marcia for newsletter. Remind people to fill out the form for WW, a few sentences on dogs.

- Committee chair
- Input from members

VI. Date and time for next Board of Director meeting: 2<sup>nd</sup> Tuesday in November.

ADJOURNMENT: 7:34.