

AGENDA, Feb. 19, 2019  
BOARD OF DIRECTORS MEETING ORCAS HIGHLANDS ASSOCIATION

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; special guests from FOSE committee Ron Claybourn and Chris Graham for FOSE part of the meeting.

Meeting is telephonic due to weather conditions

I. Call to Order at 6:35

II. Water System Funds – Reinvestment Project

A. Review of FOSE (Fiber or Something Else) Committee – Marcia

At our first meeting, we voted that our funds would go toward fiber. We now have a draft (done by Theo and Judy) to go out to the membership explaining the program. We have costs per foot done by Cindy and Susan, but now Alan and Dan have provided a unit pricing worksheet, there is no special deal to be had, pricing is standard. FOSE committee is comfortable with the bid.

B. Summary of Legal Teleconference – Chris Graham

We have to amend the budget to put the line item in for fiber, we will need to take a loan, will require an assessment, don't need a vote for fiber at the membership level. This can only be rejected if more than 50% of owners show up and reject it. We don't need a quorum. Notice needs to be adequate. There should be notification/education/marketing immediately. Ron suggests that we might have Leahy look at any of the documents from RI to make sure there is no problem for the board. Chris says we may want to be added as insured on each of the policies for the term of the project, should be an easy rider. Moved and seconded and approved to send the agreement to Leahy for review and to have him prepare the budget notice. Brian says we should notify RI we are going ahead so we can let them know we want them to do our project, putting us on their calendar; moved, seconded, and passed.

C. Summary of Fund accounting and funding options

We will need to borrow about \$70,000 or \$80,000. For this we could do a lumpsum assessment of \$700, or we could add it to quarterly dues at about \$40 per quarter for about 5 years. Or we could divert some of road fund to pay for this, but not recommended. We need to get on Rock Island's (RI) schedule, educate the members, borrow the money for the balance from Islanders Bank. We have to make it clear to members that the last mile is paid by members, also the \$1500 is a loan and not a gift. No discount for middle mile if a bunch of neighbors work together, but might be a discount for the last mile if a bunch of members work together.

III. Financials

A. Current Account Balance – Marcia sub for Dennie

Lots of people are using electronic payment, some members were confused. What do we do with late payers? We can't turn off water anymore. We can use liens and reminder letters. Or we can adopt a punitive late fee that escalates just before the lien is filed. We can make up a fee schedule. Lee says we have tried this before, but it didn't work too much if a tiny amount, Brian suggested the \$17 fee used by one association, Marcia mentioned another that is \$50. Water funds have been zeroed out.

B. Update of audit and income tax filing

We have one form that needs to be signed by three of us to finalize the audit. There was nothing in particular that we need to change. We may want to do another audit this next year because of the water sale, then we can move to doing an audit every three years. We have the engagement form, we will use Vandal again this time because of his familiarity, then we may think about switching. Marcia did the income tax filing.

IV. Old Business

A. Fire Protection clearing contract – starting soon as weather permits, will cost \$10,000. This is our only outstanding bill except for snow plowing.

B. Connection at pump house and billing account is supposed to happen this week. Our meter will be in the pumphouse, combination will be the same. Marcia will pick up a cable for the lockbox.

C. Roadside ditch and culvert extension – only cost \$3,500.

V. New Business

A. Snow Plowing – 2 or 3 rounds plus one deicing

B. Well head notice from San Juan county health dept - These were dug by Eastsound Sewer and Water, Bob Egan suggested instead of decommissioning (which dept wants) he will try to get health dept to allow these to continue as monitoring heads.

C. Storm damage – tree cutting and brush removal

Brian says we have some trees in our right of way that may need to be dealt with, we can get Rich Harvey to take care of these while he is here. Brian and David will take a look. We might want to have an early clean-up day in addition to our regular one.

D. Vacation rental and home sale signage – The one sign we had has been removed.

E. Deer removal from Discovery Way – Eagles took care of it, still some bones.

F. Other Business

VI. Date and time for next Board of Director meeting: March 19.

ADJOURNMENT

There being no further business, the meeting was adjourned at 7:40.