

## *Agenda*

**31 January 2017 6-8 PM PST  
Location - Funhouse**

### **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.**

- I. Roll Call: David Turnoy, Marcia West, Nathan Ahrens, Harvey Aldort, Dennie Carter, Ron Claybourn, Lee Goodwin, Chris Graham, Jens Kruse, Roxy Marck**
- II. Call to Order: Roxy Marck called the meeting to order at 6:12 pm**
- III. Minutes of OHA BOD meeting dated 1/4/2017**

***MOTION: To approve the meeting minutes as submitted - Passed***

Lee suggested that the minutes contain a date in the future.

Harvey show and tell regarding Paul Verataler regarding asphalt. Harvey dumped a bunch of rocks onto the table and explained that they represented chip seal. He then pointed to a book and explained that it represented asphalt. He believes asphalt will last longer.

- IV. Old Business:**

- A. Update to Article 9**

We stopped at last meeting at 9.5.6 on Leahy master. Lee sees Roxy's rewrite copy and has problems with numbers. Roxy asked everyone to look at Leahy's and Lee's copies so we are all looking at the same document. Copies were made. Ron suggested that Roxy look at the document for Section 9.

The two versions, Leahy's and Lee's were compared. Differences were discussed. The group agreed upon changes. Lee says that the applicant should apply to the association before going to the county for permits. Ron feels it should be an advisory. Roxy asked if it belongs in our governing documents. Chris says it might better fit within our guidelines. Roxy suggested that the advisory go onto an "application" form that the applicant submits.

Lee expressed a concern about the fact that Leahy appears to have deleted a major portion of Section 2 of the Declaration of Protective Restrictive Restrictions. Roxy suggested that Leahy only changed paragraph 2 of those re-

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strictions with the new language, the rest would remain. Chris suggested that some of the specific language might have been removed to eliminate future confusion or ambiguity because the article has some specificity yet doesn't address all specifics. He agreed to contact Leahy to obtain an explanation and will report back to the Board. Jens thinks that maybe Leahy tried to balance our need to have more comprehensive documents with the association's need to understand the new documents. Ron asked about a 1982 document which references the document we were discussing. He asked, if we amend the restrictions as we are proposing will we need to amend the 1982 document to clarify that the other documents have been amended? Chris will ask Leahy how we make sure the original master covenant documents continue to refer correctly to what's current. Jens pointed out that Lee's version of Section 2 had the words "design standards". We agreed to keep that language. We agreed that we need to change any reference to Rosario Highlands to read Orcas Highlands.

Roxy will apply changes and send the new draft to Board members.

Harvey asked if the ugly home he calls a "chicken coop" would be approved? He says he doesn't need an answer. Marcia stated that we have diversity of architectural styles. Some like the "Arnold" home design. Jens says we won't really know whether or not that style of home would be approved until an application is submitted.

Marcia asked us to think about how we plan to market the change to our governing documents. She thinks one of the first questions will be how many lots are undeveloped with potential for development and will attempt to find an answer. Lee said there are about 15 unbuilt separate lots. Roxy asked if there were any other questions we anticipate will be asked. Chris pointed out that these changes won't apply just to those proposing new construction. The changes will apply to everyone.

Roxy asked everyone if they can anticipate any other questions our members may ask about the changes to our governing documents.

How much have we spent on lawyer fees? We may not be able to completely identify how much was Springer and how much is the new governing documents but Lee feels we should be able to "ballpark" the number. Marcia will break out the numbers.

Why did we decide to do this? Lee says David's suggested cover letter should address this. Roxy pointed out that the purpose of anticipating questions is to get this information into the cover letter.

Lee says we don't want to be spending members funds to repeat this exercise when the empty lots are developed in the future.

Chris says this will also help the real estate community in terms of how they market so there is clarity right up front

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and they can tell their clients where to go for more information.

Jens suggests that most will look at these changes from the perspective of how will it effect “me”.

Chris says that currently we have to spend a lot of money to tell someone they don’t have the right to do anything they want to their property. We are protecting property values.

Jens suggested that we consider an “Executive Summary” to go with the cover letter. If we use one we will need to be clear that the “summary” is not a legal document.

Ron suggest that concurrent with the document we have a special meeting to give folks opportunity to ask questions and come to a decision without having to read through the documents. Chris says this would give them a voice.

### ***V. New Business***

**A.** CAI membership - proposal to buy a three person membership with CAI. Chris says we have one until June. The cost of a three person membership is \$285 one person \$130. Harvey believes that every Board member should be required to attend the seminar. That it doesn’t cost that much. Roxy pointed out that in addition to money it would cost attendees nearly 48 hours of their time. Time they may not have to give to the association. Harvey feels that by attending a seminar Board members will know what they are voting on. Harvey feel the Board members can share a room to save the association money. Lee says that some seminars may not be applicable to our association. Chris believes that one membership will provide the information he finds of value. Roxy pointed out that it appears that we’d spend an extra \$155 for a three person membership to save about \$52 on one seminar. That to make the three person membership cost effective all three members would need to attend three workshops per year. Motion passed to renew with one person membership.

**B.** Harvey’s report on CAI seminar - The whole presentation from CAI was pretty much just what we went through and how to avoid it. He talked to Leahy about the snow. Roxy asked for clarification. They pretty much talked about what we went through with Springer. Harvey had no specifics to share. Motion to approve reimbursing Harvey for the seminar was approved.

### ***VI. Budget and A/R***

**A.** Harvey asked about the line item regarding Utilities and Permits. Then he asked about Meter Reading. Marcia clarified that the ITRON meter reading software are in Maintenance, Improvements

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and Supplies. The Utilities and Permits is OPALCO, phone, and permit from the Health Dept. The \$700 permit which caused the variance with the budget is a permit required every three years. Denny asked if the \$1400 ITRON fee would be something we need to budget for every year. Yes. Roxy asked where repairs to the lines fits into the budget? Denny says line 26 but that sometimes it is put into line 34.

Harvey feels that when we have a leak we should replace the whole line.

Denny recap. We are at 50% of income and 50% expenses. Line 10 is catch-all. It's where we put the charge-off outstanding dues or fees owed which we cannot expect to receive because the property has sold. We haven't done a charge-off in a long time. This was a clean-up of old, uncollectible dues. Legal fees difference is the amount we reduced our operations cash balance line 32. We are billing for water at a higher rate than we are being charged by WA Water. Lee pointed out that from that profit we subtract the expense of maintaining the water system. Roxy asked if we could spend the net water line 30 to replace failing water lines. Marcia asked if we need to revise the budget for Carl. His retainer is higher due to insurance. Denny will do.

**B.** Aging A/R. Murphy large balance is related to hose left running last year. Ron contacted tenant to work out a payment plan. Tenant sent correspondence to owner. Ron hasn't heard from either tenant or owner regarding payment of the outstanding debt. Roxy asked if we are at the point where we should file the lien? Denny suggested that we wait until we are sure we've received January's payment. Marcia will let Roxy know when she has finished processed January payments. We have three working down balances and all except Murphy seem to be on track.

**C.** Audit. Denny spoke with what may be our only option for an audit. He thinks they'll do a good job and come recommended by another CPA firm. He's sent preliminary information and she'll respond with an estimate. She plans to come to Orcas in February. Marcia asked if she has an order of magnitude as to what's involved. Denny thinks somewhere around \$6500. By-laws say we need to audit every year. Roxy says that WA law says annually unless association votes to not to do so. Ron has several audit items required by WA Water for taking on the water system. He'll send the list to everyone.

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D. Mailbox upgrade. Nathan has contacted 10-11 contractors. Only one has submitted bid of \$11,500.

Roxy asked if he was talking with only licensed contractor. Yes. Motion passed to skip the requirement for licensed contractor and use handyman.

Harvey wants to buy a generator and another tank. Ron says if full we have 110,000 gallons of water. Jens suggested that we bring this matter to the water committee.

### ***ADJOURNMENT***

**There being no further business, the meeting was adjourned at: 8:15**