

BOARD OF DIRECTORS MEETING
ORCAS HIGHLANDS ASSOCIATION

September 12, 2014

- I. Roll Call : David Turnoy, Ron Claybourn, Roxie Marck, Marcia West, Dennie Carter, and Duffy King
- II. Ron Claybourn called the meeting to order at 7:08 PM
- III. The Minutes of 8/12/2014 were approved as submitted.
- IV. Officers Reports
 - A. President's Report

RV policy status and road sign status. Ron Claybourn said that he spoke with Ed Wilson and Ed said that he and his committee were not yet ready regarding their recommendations on an RV Policy. Ed thought that he'd be ready for the next Board Of Directors Meeting. Ron said that he'll also report on the Road Sign Committee. Marcia says that she knows of a road sign company in California that can make the signs we need and that they are really fast. Ron said that he gave Ed the names of two other sign companies, one in Portland and one in Tacoma. Lee said that the signs should read 15 MPH.

Ron also mentioned that he received a letter from Michael Medved (sp) regarding solar panels being placed on the roofs of four schools in the San Juans. The letter was asking for donations for the panels (solar units). David said that they are actually looking for larger group sponsors. Ron said that he wasn't sure that this was true. The website for more information on this is www.sjislandscd.org. Ron said that it seems like a good cause.
 - B. Treasurer's Report

Dennie passed out his report and said that it contained a two month report for this year. That is, that the report contains two months of our fiscal year. Dennie explained the layout of the report to Roxie and Marcia as they are not familiar with the format of the reports. Dennie mentioned that line 26 is of most importance as we have had a lot of repairs to the water system in the last couple of months. He also mentioned that we can dip into the Water Fund if we need to, line 32. He said that line 33 is a running balance for our water. Line 8 is for our insurance. He said that he talked with San Juan Insurance and they said that they are not interested in issuing this type of insurance. He also said that we increased our coverage for water tank replacement. Dennie said that our Road Fund is for road repair, and that we also have a Reserve Fund. Dennie also talked about our Smith Barney account and said when we opened it, it was reasonable, but said that there is a \$150.00 fee each year. There is no cost involved to cancel this account. He recommends that we close that account and find another vehicle for those funds. He did talk with Washington Federal and their 5 year CD earns 1.7%. This would have the potential for a penalty if canceled prior to maturity, but if we held it for two years we'd be ahead. David moved that we cancel the Smith Barney account and Roxie seconded. This motion was then withdrawn after more discussion and the conclusion that we need more information on alternate places to have those funds. It was also

mentioned that it could also go into the checking account that we have. Dennie also passed out the Year End Report from last year.

Ron said that he anticipates that some of the Road Fund will be used for trimming low hanging branches over the roads. He also mentioned that we may consider putting some of Road Fund in an interest bearing account. As for road repairs he said that Switchback was the next anticipated job. Marcia asked if it wouldn't be a good idea to move some of the Road Fund monies into the Reserve Fund, and Ron said that he thought that it would be a good fiduciary move.

Ron said that Mike Ireland will be here for two days, Oct. 20 and 21 and that we should meet with him.

Dennie said that when the membership sees the amounts in the General Account that it would be prudent to move some into the the Reserve Fund. He said that we also might want to consider re-allocating our member dues.

Aging A/R Accounts. We didn't get a copy for all accounts but it has gotten better and that total is now \$5,471.35. Ron talked about these aging accounts and said that only two are over \$500.00. He said that there has been no effort from the worst one and that meter has been locked off. The other troubling account has not paid anything since 2012 but she said that she would start to pay an additional \$150.00 each month. The other account that had been considerably behind is being paid off.

Ron said that First American Title has not paid what is due from a closed escrow.

Unless there is a lien on a property we may not be paid at close of escrow. David asked if after 30 days late can we give a notice, and after 60 days file a lien. Ron said that if we change to that policy we would need to tell Ann and also put the change in our next newsletter. Marcia said that 90 days is good as everything is slow on Orcas.

- C. Water. Lee said that he has reviewed the last water meter readings and that it looks like we had a water loss of 37% last month. He also said that Carl Capdeville has not found the leaks on Highlands Drive. He said that we did eliminate the one area where we made recent repairs, and that we have at least made some progress. Ron said that the EPA did a study of water systems throughout the US and the average loss is 16% and that most of that can be recovered. Lee said that we now have measurements for all 16 meters on Highlands Drive and we can now compare those to the next readings. Lee then asked why the evaluation for the water line on O'Brien's property is taking so long. Lee also said that the vault on Redwing has been full of water the last two times we tried to read the meter.

Ron said that Carl reminded him that when we have a new customer that they need to have a certificate from Washington Water. Ron felt that this was odd but that it may be legitimate. Lee said that we have 4 or 5 members who do not have Washington Water connection fees.

- D. Road Maintenance. Ron said that he met with an arborist and he made some recommendations for removing a couple of Alder trees. Ron will also contact Bob Berdan who has a "cherry-picker" to get some estimates.

Ron said that he met with an owner on Lindsay who is having tree work done and one of the trees is in our easement. The owner is trying to improve his view. Ron asked for feedback and all present said that they were okay with this.

- V. Unfinished Business. Ron said that our comments to the UTC have been written and received by them and John Cupp, in their Customer Protection Group. Ron said that he also sent the same email to others in Mr. Cupp's department. Lee said that staff member can request information but don't always ask for it. Lee feels that we have had in-equal treatment in the past and that we have been unfairly charged. Lee feels that we should receive Reasonable and Efficient Treatment. Lee said that Washington Water can ask for an exception, and suggested that we send our comments to Washington Water. Marcia suggested that we "re-jigger" the letter to one page and then supporting information on the following pages. Ron said that the date for the decision about the rate increase is September 24. Roxie said that she feels that we should notify members of the association that there is a hearing and that rates for the water could go up. She feels that this is showing the transparency of the board. Ron said that he will draft a letter to the members and do a revision of his original letter along the lines that Marcia suggested. Lee said that he feels that Ireland is entitled to know our position. Marcia said that she had a conversation with Bob Eagan for a responsible person to replace Carl Capedeville. Bob said that he'd be happy to give us a bid, but that he does not do billing etc. He said that he thought that Washington Water was our best bet. It would be an "economy of scale". Ron said that he thought that contacting Bob Eagan to evaluate our water system leaks. Marcia said that she also talked with Paul Kamin and that he thought that we'd benefit with joining Washington Water.
- Lee said that he thought that Mike Ireland would want a per diem while here. Ron said that he'd check and see, and that his main reason for coming was to assess our situation. David said that there is a proposed fire exit through Eric Younggren's property and that we should go and have a look as the weather is changing. David said that he'll arrange it with Eric.
- VI. New Business. Mike Ireland will be here and Ron will ask him about compensation. Ron will also contact Carl to see if he wants to be present.
- Quarterly invoices at the end of the month and David and Geri will stuff envelopes.
- Jim Hennessey will update the map.
- It was mentioned that Washington Water will not collect debts, but they will collect for other fixed items other than water.
- Documents signed for the checking account.
- The next meeting after Mike Ireland is here and Ron proposed Oct. 23. David complimented Ron on all of the work that he's done, and also ending this meeting in less than 2.5 hours.
- Meeting adjourned at 9:23

Respectively submitted by Duffy King, secretary.