

SMCA Annual Association Meeting MINUTES for January 21st, 2023

Time: 10:00 AM

Location: Coupeville Library Conference Room



Board Members Present: Ron Henley (President), Dave Shellenbarger (Vice President), Roberta Percy (Treasurer), Richard Goldstein (Member-at-Large), and Clay Miller (Secretary)

1. RH called the meeting to order at 10:06AM

- a. Establish quorum – (requires 20% (7) of number of owners/members to be present, including the number represented by proxy); CM stated we had 21 Members (Lots) present plus 8 more proxies held by these members, for a total of 29 (of 35) Lots represented, or 83%.
- b. Proof of Notice of Meeting – RH reminded the members that two notices of this meeting were emailed out to all members on 12/1/22 and 1/3/23 per our Bylaws.

2. Opening remarks by Board President – RH welcomed everyone and introduced our new members who were present, Denis Titus and Hal & Susan Hovey...and reminded us that the Schultze's moved on this past year, and we lost Barb Schmucker.

3. Report by SMCA Water coordinator (Todd Albi)

- a. TA read his report which is attached. Scott Fox was concerned that by having SMCA exercise the hydrants, it might shift the liability for a possible broken hydrant during this testing to SMCA, rather than to a contractor. RH suggested future discussion on this topic be made with the new Board. Steve Gorgas suggested creating a plan in writing on how to do this test so in case something happens to TA someone else could exercise the hydrants and flush the system.

4. Introduction of King Water representative and their report to the membership (Todd Albi)

- a. The King Water Representative – Ron Bodamer, arrived at 10:30 AM on behalf of his sick wife, Sandra and went over the attached Water Report. DS asked how water usage was calculated, since his per-lot usage estimates were much higher than ours. Ron Bodamer said King Water included flushing and backflushing totals. DS asked him to only include the actual meter readings to yield a more accurate account of member's actual (average) usage. Chuck Coffey asked if his workers could please start using a hydrant wrench and stop using "pipe wrenches," and Ron said he just bought new hydrant wrenches for all his workers. He thanked us for our continued business. DS asked Ron Bodamer about the Potassium shortage caused by a fire in Chicago. Ron Bodamer said it was affecting supply and we are in the process of ordering more at this time. RH asked Ron Bodamer for updates on how this may affect recharging our filters.

5. Reading of Minutes of 2022 Meeting

- a. RH moved we wave this reading, and DS seconded. All voted in favor.

6. The Board's annual report on the State of the Association (RH)

- a. SMCA Annual Report for 2022
 - i. It is appropriate to start off with a thank you to the many volunteers that take care of our association business throughout the year. These "thank you comments" are an important part of the annual meeting because people stepping up is vital to maintaining the pleasures and benefits of living in this beautiful community.
 - ii. The original 2022 board started us off in January. I want to thank Dave Bernardy, Scott Fox Dave Shellenbarger, Roberta Percy, and Todd Albi for stepping up to serve the community. In March, events led to a change in the board configuration and Clay Miller, Richard Goldstein, and Ron Henley volunteered to return to service on the board. With these changes Todd moved to the water coordinator position.

- iii. I want to make a special thanks Todd for his flexibility in moving to the WC position and for the great job he has done. And for his overall support to the community. Todd is a can-do guy. If we had a volunteer of the year award it would go to Todd! Thank you, Todd.
 - iv. With two lots being developed our ACC had a busy year. Thanks to Lucy Gorgas for leading the committee and to Bev Miller, Dick Graham Linda Albi for participating in this very important responsibility.
 - v. Another important function that takes place is reading our water meters and water usage billing. Debra Paros provided leadership to this team with Dave Shellenbarger doing the billing. Meter readers this last year were Debra, Linda Albi, Todd Albi, Robin Bernardy, and Robert Roessler. Debra tells me we need additional volunteers for 2023. Please see Debra today if you are interested in helping. Thank you, water usage team!
 - vi. Website...Marsha Rowell continues to do a great job as administrator of our website. Thank you, Marsha! Please remember to keep your contact information current on the website by communicating with Marsha or the SMCA secretary when you have changes or corrections.
 - vii. Picnic...We held our annual community picnic for the first time after the Covid shutdown and it was a great success! Thank you to the Albi's for hosting and Kristina Paulsen for overall coordination and to the cooks and clean uppers who made this possible. This is an important event in maintaining friendships, cooperation, and mutual support in our community.
 - viii. The Board... The SMCA board is critical to the function of our HOA. It was not always fun, but it helped a lot when the team pulled together to accomplish the business of the community. Our current board met the challenges of the year by affectively communicating, being flexible and finding consensus, when necessary, to achieve the communities' desires while trying to operate in accordance with our governing documents. I want to offer my thanks to each of my fellow board members. Vice president Dave Shellenbarger, Secretary Clay Miller, Treasurer Roberta Piercy, and our "at large" councilor Richard Goldstein. Thank you!
- b. 2021 Highlights:
- i. The 2022 budget was approved after some initial process hick ups. The 2023 budget will be reviewed and approved at today's meeting.
 - ii. Early on the Board approved and ordered a reserve study to be conducted. This started the process of evaluating the associations need to establish some kind of reserve fund to meet future financial requirements that would be beyond are current funding process. This kept the board busy off and on for most of the year. We will be discussing this more later in the meeting.
 - iii. The gravel road project was approved, and a contract was awarded. This project was completed in May.
 - iv. In the spring we welcomed two new member families: Titus (Angela and Dennis), and Dilley (Christina, and John). They immediately started working with the ACC on site preparation plans.
 - v. In the summer we received and reviewed the requested financial audit from Northwest Bookkeeping Service. No significant issues were identified.
 - vi. The backwash water drainage system extension project was completed in July. This was a 60-foot pipe extension at the east end of Skycrest Drive. It was done to move the outflow into the existing rocked drainage ditch running into the gully. Work was done with community labor. TY to Steve Gorgas, Todd Albi, and Todd's son Keegan.

- vii. Also in August, the board conducted a survey of the community concerning establishing a savings or reserve account to meet future financial requirements. The survey results were very helpful to the board in moving the process forward.
- viii. In October our Sky Meadows entrance sign blew over in a windstorm. The sign had held up pretty well over the past 34+ years but the posts were rotten and the painting on wood was beginning to be weathered. Todd Albi rescued the sign and is working on rebuilding and getting it reinstalled. Debra Paros is in the process of restoring the painted wood sign. Todd and Debra thought the sign overhaul would be completed by this summer.
- ix. SMCA record storage. The Board worked throughout the year to find a proper method and place to store our historical paper and media-based records. The decision was made to purchase a used lockable fireproof cabinet (\$100) to be kept in the well house. Clay and Ron went through the files and removed duplicate copies and outdated records to streamline the files. Some working files will be kept by board members until no longer needed and then they will be placed in cabinet. The SMCA President and Secretary have keys.

7. Report by the Chairman of the Architectural Control Committee

- a. RH reviewed the 12 requests the ACC processed in 2022. Five were Category A's: one solar panel, three site prep projects, and the Miller's dining room addition.

8. Savings Plan assessment Validation Vote (RH)

- a. **Savings Plan:** As the community overwhelmingly indicated they wanted, the board developed and approved a reserve savings plan. The board committed at the beginning of the process that any such plan would be taken to community for approval. This vote was conducted in December. 29 of 35 members responded. 79% of those who voted, voted to approve and implement the plan. However, because several members interpret the governing documents to require the vote to be at a membership meeting, (the Board doesn't agree), we have scheduled a validation vote for later today. This will keep the process moving forward to achieve what the community wants.
- b. RH opened it up to discussion. Todd Albi stated that now that we had done a Reserve Study we were stuck having to repeat it every three years. Steve Gorgas asked if this savings Plan was just for water system repairs, or for everything. RH said it was for everything and that this was spelled out in the 12/14/22 email which read "The savings account will be used for needed repairs, replacements, or upgrades to our existing water, road, and drainage systems for which sufficient funds do not exist within the SMCA operating/checking account. SMCA bylaws will be updated, after ratification, to reflect this change." Chuck Coffey asked where the old \$50/qtr assessment goes? RH said it goes to water system maintenance. Chuck said there needs to be a specific line item dedicated to this new savings plan assessment. Jan Graham said she thought we should (1) Call it a Savings Plan, and not a Reserve Fund; (2) understand that the purpose of the Savings Plan was never just for water; (3) move the \$7,000.00/qtr out from the Water System line on the Budget. Christine Hill said that a "Savings account" does not require a reserve study. Lynn Coffey said that the parameters of where and how this fund would be used in the future should have been written down first. Debra Paros said that we need a document to describe how this account should be used. RH reminded everyone that the Board already stated that if the savings plan was approved that after today's vote the Bylaws are going to be changed by the new Board. Steve Gorgas said the Board should have made it clearer. Helen Kinsella asked the Members to give the Board a break since they were all doing the best they could. Hal Hovey said if we paid for a Reserve Study we should use it since it has valuable information.
- c. RH called for a motion. RG read "I move the membership vote to validate the previous electronic vote concerning the Board's SMCA Savings Plan Assessment of \$50.00 per quarter, per lot starting in the first quarter of 2023." Lynn Coffey called for discussion of the motion and asked that the

term “electronic” to be removed. RG revised and read the new motion, “I move the membership vote to validate the previous vote concerning the Board’s SMCA Savings Plan Assessment of \$50.00 per quarter, per lot starting in the first quarter of 2023.” Jan Graham 2nd the motion and RH called for a vote: there were 26 YES votes, and the motion was passed. **RH called for a 10-minute break at 11:47AM.**

10-min break: while RG & 2 member volunteers (Susan Hovey & Dennis Titus) counted ballots and proxies
12:02PM RH reconvened the Meeting.

9. Results of the election of 2023 Board of Directors (RH): Marsha Rowell, Hal Hovey, Steve Gorgas and Clay Miller all received at least 21 votes each and are approved to serve as Directors for the next two years. CM announced the first meeting of this new Board to meet immediately after this meeting ended, and invited the Members to attend.

10. Report by the Treasurer of the financial status of the Association (RP) - RP read the attached 2022 Financial Report; then she went over the features of the proposed 2023 Budget.

- a. **Call for Association Approval of 2023 budget (RH)** – DS moved to accept and approve the 2023 Budget.
 - i. Lynn Coffey called for discussion and pointed out that we are not part of a Common Interest Community and proposed changing RCW 64.90.550 on page 2 of the new Budget to 64.90.545. Hal Hovey said that .550 is the correct RCW section for this part of our budget.
 - ii. Jan Graham moved that we move the Savings Fund from the Water Line to a separate Line and Steve Gorgas 2nd this.
 - iii. RH asked the Membership if we could make this a “positive” vote by identifying if we had a majority “in favor” of this Budget. Nobody objected.
 - iv. RH then called for the vote FOR the budget: **27 voted YES** and RH said the motion was approved.

11. Open discussion period for questions, suggestions, comments, and announcements of general concern (Ron Henley)

- a. RG said he would like to visit the new Board in the Spring with some recommendations for SMCA water conservation and invited the new Board to invite him to share his thoughts.
- b. Bev Miller called upon the Association to seek unity and be neighborly. RH thanked the Millers.
- c. CM asked Andreas Wurzrainer about his quarterly Community Dinners he provides (as the school chef) at Coupeville High School cafeteria to benefit the community; he said information would be coming out soon and all are invited and the cost is by donation.
- d. Jan Graham shared that he also helps her provide an annual Scholarship Dinner at the Elks Club to be held this year at 5-8:30PM on 2/25/23. See <https://www.coupevillelions.org/#/> for more information.
- e. Robert Roessler proposed that the new Board create a usage fee for large trucks which use our roads to help pay for their repair. Debra Paros said that Grasser Hill Rd was damaged by a large truck many years ago.
- f. Marsha Rowell shared that the **New Password** for 2023 is: **XXXXXXXXXX**

12. RP moved to adjourn, RG 2nd. Meeting was adjourned at 12:43PM

Next 2023 SMCA Board Meeting was held immediately after annual meeting adjournment at the Library.