

MINUTES SKY MEADOWS COMMUNITY ASSOCIATION BOARD MEETING
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Date and location. January 5, 2019; Coupeville Library Meeting Room

Present. Jim Seccombe, Christine Hill, Dave Shellenbarger, Debra Paros, Jan Graham

Guests. Judi Shellenbarger, Robert Roessler

Meeting called to order. By Jim Seccombe, 2018 Board President, at 11:50 am

Jim facilitated the meeting using a detailed agenda. Electronic copies of this agenda were sent to all board members in advance; and he provided printed copies at the meeting. The agenda will serve as a reference for the 2019 Board since it describes how the Board will communicate, email, conduct approval/append process, handle minutes and reports, communicate with secretary about website updates, and make use of email meetings if any.

Organization of the 2019 Board: The newly elected board discussed preferences for the positions. Jan Graham indicated no preference; Christine Hill preferred to be Vice-President; Dave Shellenbarger and others wished that he continues as Treasurer. Jim Seccombe stated no preference. Debra Paros said she would serve as Secretary.

Process for Filling Board Positions				
Motion for person in position	Motion made by	Seconded by	Opposed	For
Jim Seccombe, President	Christine Hill	Dave Shellenbarger?	none	all
Christine Hill, Vice President	Jim Seccombe	Jan Graham?	none	all
Debra Paros, Secretary	Jim Seccombe	Christine Hill	none	all
Dave Shellenbarger, Treasurer	Jan Graham	Jim Seccombe	none	all
Jan Graham, Member At Large	Jim Seccombe	Christine Hill	none	all

Board Meetings were planned for the year: Though the minimum requirement is two meetings per year, the Board's goal is to hold five. The dates set for the remaining four meetings are listed in the table below. A meeting is recommended in December in part for preparation of the 2020 Annual Meeting and establishing Board nominees. This meeting will need to occur early enough to allow for required timing of notices to the community.

Date	Time	Location
March 29, 2019	10 am	Home of Jan Graham
July 1, 2019	10 am	Home of Jim Seccombe
October 1, 2019	10 am	Home of Jim Seccombe
December - to be decided	To be decided	To be decided
Annual Meeting January 11, 2020	10 am	Coupeville Library Meeting Room

The "2019 SMCA Calendar of Events & Deadlines" was presented. Some changes were made to this document during the meeting: The April Water Main Flushing should be moved to March; a flushing should also be listed under September. The Board may have to update this document throughout the year. President Jim Seccombe requested that he be cc'd whenever the Treasurer or another Board member pays fees, renews licenses, pays tax or conducts any business which has legal implications.

Secretary's report. Printed copies of the previously approved minutes of the October 31, 2018 Board Meeting were given to new board members. Board activity and documents will be stored on the secretary's laptop as well as on a USB drive. The names of these files will indicate the subject of its content and the files will be organized into folders with titles that will aid in the location of information.

Be sure to "reply to all" when responding to email from a board member who is "sending" to all board members. Do not use an old thread to bring up a new topic of discussion; in other words, when introducing a new topic please create a new thread with a new "subject". The purpose is to help us find specific info later in our email folders.

Debra will look into whether the new home owners need to sign a form stating they accept email notices.

Treasurer's report. Presented at the Annual Meeting

At the annual meeting Dick Graham asked if the new \$25 increment to the water fee had a sunset clause. The board discussed it would be premature to have a sunset clause due to the anticipated but unknown costs to maintain and/or rebuild our aging water system.

Jim suggested that the SMCA have as a goal an average bank balance of \$25-30K. One reason for this is if there ever was a disaster emergency and extensive repairs needed prior to the community raising funds, then the organization could qualify for a loan in order to make repairs as soon as possible.

Jan proposed that after the imminent repairs are completed, the 'water notebook' is updated, and evaluating the inevitable needs of our water system, that we formulate an assessment for restoration costs of our water system.

There was a brief discussion on having our accounting and bank accounts audited for the purpose of conducting transparent and ethical business practice. Jan Graham volunteered to do some research on what professionals are available to do this and at what cost.

Jim and Dave will be making a trip together to our bank to get Jim registered as a signer on the account.

Architectural Control Committee report. Presented at the Annual Meeting

Jim moved to accept the four positions of the ACC to be filled by Lucy Gorgas, Bev Miller, Eric Hamer and Rob Hill. All agreed. There was a discussion of how and what information from the ACC was shared with the Board and community.

Water Coordinator's report. Judi Shellenbarger talked about our water system issues and recent history.

The Board approved of a proposed itemized work order from King Water Co involving a new pressure relief valve at the pumphouse and work on the saddle, though clarification of the problem with the sight tube was needed. These repairs are expected to total ~\$1,000. The work is scheduled for Tuesday, January 8, 2019. Jim made the motion and Christine seconded it; all were in favor.

An additional \$3,000 was approved toward new pump costs. The sole functioning pump is being over used and the proposed new pump will be compatible with the currently working pump. The approved total of \$4000 is the amount included in the Treasurer's 2019 budget.

During a December 2018 power outage some homes experienced water loss due to the generator being down. Peak Electric made repairs involving the auto shut off mechanism which totaled ~\$650. The Board approved the payment of these charges.

Improvements to the lighting inside the pump house were discussed. The Board approved that a solution to this inadequate lighting be pursued. Judy Shellenbarger suggested that additional wiring be laid for another light fixture in the ceiling. She or another designated person will report back on this later.

Judi as water coordinator will be forming a 'water committee' to work on various aspects of our water system. Dick Graham may become more involved with the water system equipment and negotiations between contractors for its repairs and maintenance work. Volunteers from our community are needed to work with Judi. She will create a list of tasks or assigned responsibilities.

There is a Water Notebook from 2003 which needs updating. This includes inventory of our equipment, log sheets, work orders, billing statements, reports, etc. After updating our original copy then a photocopy is to be filed with the State of Washington.

On February 4, 2019, 1-3pm, Judi will host a field trip and brainstorming session for all community members interested in learning more about our pumphouse and equipment, restoration needs, and maintenance of our water system. Judi will draft an announcement for the Board to review. This will not be an official Board meeting, but rather a new committee meeting open to all members.

Back flow devices will be discussed at the next meeting of the Board.

Other business. All additional topics discussed were incorporated under the major headings above.

Potential business for next meeting. Water system issues, back flow devices, water committee progress report, audit research report from Jan Graham

Meeting adjourned. 1:43pm

Submitted by Debra Paros, Secretary

MINUTES--SKY MEADOWS COMMUNITY ASSOCIATION BOARD MEETING
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Date and location. March 29, 2019; Home of Jan Graham

Present. Jim Seccombe, Christine Hill, Dave Shellenbarger, Debra Paros, Jan Graham

Guests. Dick Graham, Helen Kinsella, and Steven from King Water

Meeting called to order. By Jim Seccombe, at 10:09 am. Jim facilitated the meeting using a detailed agenda. Electronic copies of this agenda were sent to all board members in advance, but the secretary's server did not receive final version. He provided printed copies at the meeting.

No. 1—Appointment and vote on filling vacancy of Water Coordinator (WC) position. Judy Shellenbarger is stepping away from WC (hopefully she'll return some day). Dick G served previously as WC and Jim S asked him to consider stepping in until the end of 2019.

Motion: Dick Graham to serve as WC through 2019. Approved (all in favor).

No. 2 b—Discussion: Structure and future of the position of WC. We are very concerned that few members are currently familiar with our water system. We will provide opportunities in 2019 to get more people interested in and learning about our water system and actively seek someone new to fill WC position in 2020.

Dick G emphasized that all WC-related tasks ought to be organized/divided into administrative and mechanical. Given this structure, we need two people working together on WC activities. Ideally a third person should eventually observe and learn most aspects of the water system in order to substitute or assume either position in the future. The concept of a WC assistant was discussed; everyone thought it would be useful for Dick, Dave, and Judy to further outline such a job description. Dick will explore members interested in this position. We should strive toward outlining all water management tasks, create job descriptions to distribute the work load, and develop a way for members to become trained to fill these positions and effectively oversee our water system.

No. 2 c, d—Dollar limit that WC can approve per project without Board approval. The current limit was set many years ago and is no longer practical given today's service- and parts- costs.

Motion: the dollar limit that WC may approve per project without Board approval is increased from \$250 to \$500. Approved (all in favor).

No. 2 e—Improving communications between Board, WC and King Water. The new WC agrees to attend all board meetings and provide an update/report on our water system. The new WC also agrees to maintain a log of activities, problems, etc. to periodically share with the Board. The Board requests that WC provide detailed explanation for major improvements/repairs. In other words, the Board shouldn't be asked to approve of work without full knowledge of the project/situation. A significant aspect of these communications relates to making sure that King Water is providing clear, detailed itemization of costs, both parts and labor. We want clear estimates and clear billing statements. The Board reviewed a recent invoice from King after a new pump was delivered; the text of the invoice was quite vague about whether the amount charged included installation. In general, the WC and perhaps an assistant are the designated persons to talk to King Water about these important communication problems. Dick has arranged for King Water to tell community members who call their company that they need to contact him.

No. 2 a—Potential Water System projects in 2019. Dick G mentioned the following: well-house lock; cleaning of valve so pump turns on/off properly in coordination with gauge; pressure reducing devices at 1-2 properties might need attention; evaluation of pressure reducing valve (PRV) in vault, and its alternative; prevention of back seepage of water with well #2; and evaluation of the well house pressure tank glass sight gauge. Debra P wants the 'binder/water system manual' completed, maintained, and periodically reviewed. In January Judy S wanted to see improvement of the lighting in the pumphouse.

No. 3—Approval of higher cost of new 5HP pump. A billing invoice was more than estimated. After evaluation we decided that the increase was within reason given taxes and actual ordering cost differences.

Motion: to approve payment of final billing though it exceeded initial approved estimate. Approved (all in favor).

No. 4—Report by Jan Graham on HOA audits. This report is attached, pages 3-4 of minutes. Jan thinks that we already have controls in place and our only known weakness is the lack of a second signature on checks over a certain amount. Her recommendation: an internal peer-audit is sufficient, and a good time is just before someone new fills the treasurer position. She suggests that we evaluate our controls at a future meeting. Jan does not want to lead the audit and thought we should have someone with professional financial/accounting experience to take charge and define what our audit includes. This person would work with several homeowners to audit our financial practices. Jan will draft an email to ask the community for volunteers.

No. 5—Discussion: Protocol for guest speakers at a board meeting. Concern was expressed that we limit such guests to those who can provide info to our highest priorities. We concluded that guest speakers will be identified as part of the board agenda approval process. The topic and the speaker will be added to the agenda that Jim circulates in advance of the meeting.

No. 6—Discussion: Sound of gunfire experiences and what can be done about gunfire (outside our HOA) impacting us. We decided to postpone this discussion due to today's hefty agenda and amount of time already invested in this meeting.

No. 7—Discussion: Condition of our roads; and how did heavy snow on our roads this winter affect members. No one knew how heavy snow on our roads affected members. Board decided to send a mass email question out to members to ascertain their interest in professional snow removal and road de-icing. We briefly discussed moss growing at the edge of the road. Jim S will consult with Chuck Coffey who has professional experience with roads. Further input from our community is requested.

No. 8—Discussion: Do we want to take further action to prevent trespassers and what options seem best? Several of us expressed angst for and against. There were some compelling arguments for more signage, especially "No Turnaround", "No Parking". Board will consider this further and discuss ideas through email.

Treasurer's report. Presented by Dave Shellenbarger. Posted at SMCA website under "Financial Information" heading.

Architectural Control Committee report. None. No activity to date.

Water Coordinator's report. None. However, much was discussed about the water system. See No. 1- No. 3 above.

Other business (No. 9).

Earlier today, Dave S received a phone call from King Water saying there was a water leak somewhere, indicated by a ten-fold spike in water usage per day for the last two days (40k gallons instead of 4k). After determining that the leak was not near the well/reservoir, King Water proposed that all lot meters be read to begin the process of pinpointing the leak source. Fortunately, we didn't have to do this because Steven from King Water found the leak source at Lot 17B; he isolated that water line to allow the reservoir to refill. The Board discussed the responsibility of home owners to pay usage fees when leaks occur on their property.

We discovered that only Fred Schmucker is currently doing all the quarterly meter readings. Announcement: Position available for Substitute Co-Water Meter Reader; please contact Fred Schmucker.

Helen Kinsella was concerned about the potential of flame retardant-type compounds getting into our aquifer (PFOS = perfluorooctanesulfonic acid and its conjugate base, perfluorooctanesulfonate; PFAS = per- and polyfluoroalkyl substances). She heard that wells south of Coupeville were found to contain them; she thought those wells tap into a different aquifer. Other sources of these carcinogens are the Naval Air Station and anywhere it may be conducting certain activities. Helen expressed concern also over any possible landfills or dumping grounds on Whidbey where furniture and textiles coated with these chemicals might eventually drain into our aquifer. Helen felt strongly that we should have our well tested for these compounds and establish a base-line. A couple years ago Judy Shellenbarger proposed such testing, but the Board did not approve it. Dave mentioned that Robin Bernardy might have had some water tests done on her own. Debra P agreed to do some research on this to learn: our risk, whether any government agencies have a testing program, which laboratories do these tests, how samples should be collected and how often, the cost of testing, explore recommendations from various environmental health pros, and get feedback from Robin B and others. Debra will report on her contacts and findings at the next board meeting or quite possibly sooner. Dick Graham mentioned that the expected test cost could be ~\$250.

Jan G proposed that July might be a better time for the annual picnic. Saturday July 13th or 27th are being considered with July 27th being the top choice with some of the Board members.

Potential business for next meeting. Detailed water system report from WC, discussion of water system issues, "Snow on Roads Survey" results, report on "Risk and Testing of Flame Retardant Type Compounds", report on ideas and estimated cost for additional signage in neighborhood, further discussion about road maintenance and possibly a guest presentation on this, and a discussion about the sound of gunfire.

Date of Next Board Meeting. July 1, 2019, 10:00am at the home of Jim Secombe

Meeting adjourned. 1:03 pm

Submitted by Debra Paros, Secretary

MINUTES--SKY MEADOWS COMMUNITY ASSOCIATION BOARD MEETING

Date and location. July 1, 2019; Home of Jim Seccombe

Board Members Present. Quorum established: Jim Seccombe, Christine Hill, Dave Shellenbarger, Debra Paros, and Jan Graham

Guests. Ruth Seccombe, Dick Graham, Judi Shellenbarger, Marsha Rowell, Bob Allwardt, Jim Cline, Robert Roessler

Meeting called to order. By Jim Seccombe, at 10:04 am. Jim facilitated the meeting using a detailed agenda. Electronic copies of this agenda were sent to all community members in advance.

No. 3--Annual Picnic report. Jim indicated that a date would soon be established and officially announced. The hostess will later announce ways in which community members can help with planning and on the day of the picnic. Suggestions were made to have the picnic at the Town Park in Coupeville, but Kristina Paulson would like to continue to have it in our neighborhood. Also, the park does not allow alcohol.

No. 4--Treasurer's report. Presented by Dave Shellenbarger. Posted at SMCA website under "Financial Information" heading. June interest from bank not listed in this report. Monthly PSE electric bill was mentioned. Due to discrepancies in billing from King Water Dave contacted them to get clarification. An understanding was reached.

* In relationship to future costs with King Water, Dick mentioned that the new pump was installed using the "old hardware", in hopes of saving us money. There was a leak and a new coupler was installed. Time will tell if there are going to be problems with "alignment" and further additional costs.

We discussed our policy of check signing and all agreed that having two signatures was a good idea. During the next board meeting we will discuss this further in terms of minimal amount necessary and any other advantages or limitations. No changes will be implemented until after the upcoming internal audit.

No. 5--Architectural Control Committee report. Lucy Gorgas **reported in writing the two projects in 2019.**

The Miller's Cat B house painting project, was approved by both the Ebey's Historical National Reserve and by our ACC. The Coffey's Cat B canopy project (which is actually a permanent, open-sided pergola with a concrete floor) was approved by the ACC after a few of the adjacent neighbors also approved of the project. As typically done, only those neighbors who might be impacted were consulted.

No. 6--Water reports. Judi Shellenbarger, Assistant WC, provided the *2nd Quarter Water Report*--see Page 4-5. In June she attended a workshop offered by WIWSA on State requirements for passing periodic State inspection of Class A water systems. One requirement is to have a state mandated *Small Water System Management Plan*. She has made progress toward completing our Plan and there are some items that the Board and other community members will be providing. E.g. Completed questionnaires on back-flow sources are missing from two property owners. (Questionnaire was mailed out in early 2018). State inspection is in 2020.

Judi also delivered King Water's *2018 Consumer Confidence Report* for our water system--see Page 6-8.

Dick Graham, temporary WC, reported on the following topics:

- a. Areas of concern to monitor/track and which appear on King's annual water report are:
 - *Quality--We are well within the standard.*
 - *Conductivity--We are outside the goal indicating presence of other particulates. This is not a health hazard and particles are often found in water systems.*
 - *Chlorine Concentration--We are within the standard.*
 - *Use Efficiency--We recently have shown an increase in unaccounted water use. (see b.)*

b. Based on recent data from King Water we are showing an 18.6% unaccounted water use. The standard threshold set by the State is 10%, as averaged over three years. Our average in 2017 and part of 2018 was ~10%. Dick doubts that we have new/increased leaks in our water lines since there haven't been any signs of pooling or soggy areas. He recommends that King's data/measurements/calculations during system flushes need to be more accurate. And together with King, using our data and theirs, we need to look at use efficiency numbers quarterly.

c. In 2010 our water system was considered by the State to have sub-standard levels of copper and lead. In reality though it was the water in only some of the homes. The water from the well head is not the water source that gets tested, as dictated by law. Afterwards, our system was tested frequently over a period of time and the results met the goal so now we only test every 3 years for copper and lead. Dick will be collecting samples for testing in summer of 2019. These samples will be taken from the same five sites where samples were taken in previous years according to State requirements; and King Water ships the samples to a State lab.

Robert Roessler brought up the point that poor water meters, which read 'lower than actual' would contribute to a portion of unaccounted water loss. Both Paros and Roessler heard about this from water engineers at a national & local water systems workshop in April.

No. 6a—Discussion of potential need for testing for presence of flame-retardant compounds. Debra presented her thoughts and findings related to this topic, both orally and in writing. Some of the sources for this information came from attending workshops, forums, and town hall meetings. She interviewed lawyers, a county hydrologist, regional and national water engineers, and WA state agency officials. In addition, she found info online and contacted the EPA, national toxic substances agencies, nonprofit consumer protection groups, and island citizens who have contaminated wells near the base and OLF. Some people doubt that the aquifer we tap into has been contaminated, while others want to know for sure by having the right tests done. At this time the county, state and national government agencies are not offering any testing programs that we could participate in though testing is scheduled this year for wells within a 2-mile radius of OLF. Our well is ~2.5 miles outside this testing zone. Various sources indicate the estimated cost for the analysis of one test sample is \$250 - \$300. The SMCA Board decided to postpone further discussion of these topics until a more accurate estimate for testing is obtained. Meanwhile, Debra will try to identify a couple appropriate labs and communicate directly with the lab about cost, sampling procedure, sensitivity, typical / recommended process, re-test issues, etc. Note: Other criteria the state uses for recommending that you test your well is if your well is ~1.5 miles or less downhill from a landfill or a fire station (in operation currently or in the past). These criteria are flawed because they imply that contamination only results from surface runoff. It does not take into consideration the fact that chemicals at a source point move downward into the aquifer and then outward through the aquifer. Still, we should call the county to confirm all present and historical locations of landfills and fire stations near us.

No. 6b—Scheduling well-house tour. Dick Graham will be meeting with Board members July 13, 9am along with a few other members who expressed an interest earlier this year.

No. 8—Development of process/procedures for levying fines for unpaid annual dues. The Board discussed why fines are needed, how to go about it efficiently and neighborly, and whether fines and their procedures should be added to our by-laws. Board members and guests seemed to all agree that levying fines should be a part of the by-laws. Board decided to bring this back for a motion at the next board meeting. Christine summarized the edits made via email by board members to a draft procedure previously circulated. The board agreed to make one further change, to add "Unpaid late fee(s) will be added to the quarterly water bill until they are paid." The board will vote to include the final edited procedure into the CCRs at the next meeting.

No. 9—Water meter reading and meter readers. On June 30th Jim and Debra accompanied Fred Schmucker on his meter reading route. The former natural path between Clines' and Millers' properties was not accessible due to dense growth of native plants, thus the last half of the usual route was rearranged. After recording the Hamers' reading, Fred drove over to the Millers' house to read their meter. Fred provided amusing anecdotal information that he has accumulated from decades of superb service reading our meters. The record time a few years back was 1hr 20 min, set by Hamer and Schmucker; and Jim and Debra didn't come close.

WE NEED VOLUNTEERS FOR READING WATER METERS! We would like to establish at least two new teams to read meters. Our policy is to always have two people to go out together to read meters. So far Dave Shellenbarger and Robert Roessler have volunteered. Jim will be contacting other community members through email.

If you would like to volunteer to do this twice a year or more often, then please contact Jim Secombe. You can imagine the great exercise one gets doing this and if you listen very carefully you can hear Mr. Rogers' theme song.

No.10—Status of SMCA internal audit by Jan Graham. Two community members responded to the request for volunteers to conduct an internal audit: Judy Cline and Roberta Piercy. They will start the audit the week of July 8, 2019.

Audit Parameters

WA State Law RCW 64.38.045 requires: *At least annually, the association shall prepare or cause to be prepared, a financial statement of the association. The financial statements of associations with annual assessments of fifty thousand dollars or more shall be audited at least annually by and independent certified public accountant.* Sky Meadows Community Association does not have assessments of \$50K, but we are going to follow most of the state law recommendations. The audit will be conducted using the SMCA Financial report for 2018. The appointed auditors will determine whether the dollar amounts stated in the Financial Report are accurate and whether any internal process/ procedure is being followed correctly. They will review:

- Governing documents/procedures related to how SMCA money is handled
- Bank statements
- Checks
- Invoices

- Documentation for check signature at the bank
- Documentation for funds that come into the bank account (assessments, water fees, etc.)
- Documentation for funds that go out (checks used to pay bills, Annual Report to the State, IRS filing, etc.)

No.11—Review of SMCA insurance -coverage, -carrier, and -agent. Christine is working on the renewal of the community insurance. The renewal occurs on September 1, before our next board meeting. Information about the new renewal terms will be shared via email. It may involve moving the SMCA coverage to a new broker. There has been reported dissatisfaction with our current broker due to lack of timely communication and inadequate service. Christine is following up with a broker that Robin Bernardy had previously contacted to quote our insurance. If a decision is required, board members will be notified by email for their input when the new terms of insurance are available.

No.12—Discussion related to our roads. Chuck Coffey who has professional experience in road construction, was consulted on whether we should use hand shovels or heavy road sweeping equipment for removing moss growing on the edges of our roads. His advice is to not use either of these methods due to the potential for damage as well as lack of effectiveness.

MOTION: *To not pursue further any plans to remove moss at edges of our roads.* Motion was approved by all.

Various people mentioned that they are noticing areas of increased fracture in the asphalt along Grasser Hill Rd and on Sky Meadows Rd north of Roessler's home.

Debra presented the results of a community-wide survey to determine if anyone supported a plan for professional snow removal. She also interviewed a Chief with the North Whidbey Fire and Rescue. See full survey report on Page 9.

MOTION: *To not pursue further any plans for professional snow removal from our roads.* Motion was approved by all.

No.13—Discussion on excessive sound of gunfire. Jim Cline volunteered to look into this, to find out where gunfire is coming from, and to organize a group to meet with the Sheriff and present a list of concerns and questions. If anyone is interested in being a part of this group, then please contact Jim Cline. Debra volunteered. Some people believed that the gunfire comes from a location just off Libbey Rd not far from our entrance. Others reported that gunfire used to take place somewhere behind the Bernardy property.

No.14—Discussion on what to do about trespassers. Jim Cline also volunteered to do some brainstorming on what can be done to curtail trespassers, including possibly a visit with local law enforcement. If anyone is interested in being a part of this group, then please contact Jim Cline.

No.15—Questions/Comments from Guests: It was mentioned that if a property owner wanted to set up a generator at their home, they needed to first contact the ACC for approval. The reason for this is: generators are visible.

No.16—**MOTION:** *To move to executive session, a closed session, to discuss Jan McGregor's lawyer's letter to the Board.* Motion was approved by all.

Jan Graham will draft a letter to be sent to Jan McGregor and her lawyer following input and edits from the Board.

No.17—**MOTION:** *To reopen board meeting and end meeting.* Motion approved by all. Meeting reopened at 1:28 pm

Meeting adjourned. 1:30 pm

Potential business for next meeting. Water system report including development update on our *Small Water System Management Plan*; vote on adding final version of late fee procedure to CCRs; **continue discussion on whether to test water for flame retardants**; report on SMCA insurance coverage from Cristine Hill; internal audit progress report and discussion; discuss updating check signing policies; results of summer picnic; plan for 4th Q water meter reading; discuss what sections of our website should be password protected; reports from Jim Cline on nearby gunfire and trespassers; and any new concerns or suggestions from the community.

Date of Next Board Meeting. October1, 2019, 10:00am at the home of Jim Seccombe.

Submitted by Debra Paros, Secretary

MINUTES--SKY MEADOWS COMMUNITY ASSOCIATION BOARD MEETING

Date and location. November 23, 2019, at well house

Board members present. Quorum established with Christine Hill, Dave Shellenbarger, Jan Graham, Debra Paros

Guests. Marsha Rowell, Bob Alwardt, Jan McGregor, Fred Schmucker, Andreas & Lisa Wurzrainer, Chuck Garrett

Meeting called to order. By Christine Hill, Vice President, at 10:03 am.

I. Purpose of Board Meeting: To vote on hiring a lawyer to review our CC&Rs

- A. Christine reviewed the past events related to this need for legal advice including issues related to usage variances and enforcement of our single-family-residential-neighborhood identity. A brief history of Jan McGregor's requests for a usage variance was given. Jan Graham pointed out that letters to the SMCA in 2019 from Jan McGregor's lawyer contained statements which the SMCA Board felt required evaluation by an attorney.
 1. The SMCA Vice-President explained that the board members all agreed that we should conduct interviews to identify an attorney who could address this issue for SMCA.
 2. After collecting referrals from inside and outside our community, Christine Hill and Jan Graham interviewed several lawyers by phone. Christine reported that all the attorneys were generous with their time and thoughts during the phone calls, and no fees were charged.
 3. The VP explained the need for this emergency board meeting today. We felt it was important to make the decision to hire an attorney at a board meeting. Given that the Board throughout 2019 has invested much time considering the legal ramifications of Jan McGregor's variance request, as well as our CC&Rs and By-Laws in general, they believe the current board should resolve this issue by obtaining a lawyer's opinion prior to the formation of a new SMCA Board on January 11, 2020.
 - a. If such a report reveals a need to make a change(s) to our CC&Rs or By-Laws, community members can vote on such changes at the SMCA Annual Meeting, January 11, 2020.
 - b. C Hill and J Graham believe it is feasible to get this legal work completed to meet this timeline. They will be instructing/communicating our needs to a lawyer.
- B. Christine provided several opportunities for everyone present to ask questions or make comments.
 1. Jan McGregor talked for a while about various aspects of her life and the reasons for her usage variance request. Several of her topics of discussion had been previously communicated to the Board through letters and emails; the President of the Board responded to her or to her lawyer several times in 2019.
 2. Jan McGregor asked how the community had voted on her request for a usage variance. The VP explained that per our CC&Rs the community does not need to vote on such matters: only the Board votes after getting input from community members. The opinions and feelings of the community were requested and received by the President. As reported in previous minutes, the community was overwhelmingly against this non-residential usage variance, and as a result the board denied the variance request on October 1, 2019.
 3. Dave Shellenbarger felt that related aspects of the By-Laws should be part of the review by an attorney.
- C. Dave S made a motion to approve up to \$1500.00 to obtain a lawyer's opinion and advice on the issue. Debra P felt that \$1,500 was more than was needed. The motion was revised to budget \$1,000 for this purpose, with the proviso the board may request an additional amount if the issues warrant the expense.

Motion: To approve up to \$1,000, with the proviso that the board may return to request an additional \$500 if needed, for legal fees to answer questions about enforcement of our CC&Rs and By-Laws and variances related to the single-family residential nature of our community. 4/4 board members agreed; one board member not present; motion passed.

Meeting adjourned. 10:28 am

MINUTES--SKY MEADOWS COMMUNITY ASSOCIATION BOARD MEETING

Date and location. October 1, 2019; Home of Jim Seccombe

Board Members Present. Quorum established: Jim Seccombe, Christine Hill, Dave Shellenbarger, Jan Graham, Debra Paros.

Guests. Ruth Seccombe, Dick Graham, Judi Shellenbarger, Robert Roessler, Susan Fox, Scott Fox.

Meeting called to order. By Jim Seccombe, at 10:05 am. Jim facilitated the meeting using a detailed agenda.

3 Treasurer's report by Dave Shellenbarger--

- a. "Treasurer's Report for October 1, 2019", posted at SMCA website under "Financial Information" heading.
- b. A policy change requiring two signatures on checks at a certain amount: This was a recommendation that came up during the audit research period and the Board has discussed it at a previous meeting.

MOTION: To recommend this policy be articulated and decided by the new 2020 Board. All agreed.

4 Water Coordinator and Administrator's reports by Dick Graham and Judi Shellenbarger--

- a. Dick reported that one of the recent water quality tests did not meet the state health standard in terms of a safe lead level. This test will be repeated and is expected to test within the limits given that the pipes in that home have since been flushed. See * at end of page 2.
- b. Judi presented an update on our Water Management Plan. She has created a list of items yet to be added to a binder designated for this Plan. Judy announced her immediate resignation as Assistant Water Coordinator and turned the binder/Plan over to the Board to manage and complete.
- c. * Scott Fox volunteered to take over as Water Coordinator Administrator and he took the binder home with him.
- d. ATTACHMENT, page 3, "Third Quarter Water Report, by Judi Shellenbarger"

5 Review of SMCA Insurance coverage, carrier and agent by Christine Hill--

- a. Christine described the decision the board made in August to move to a new broker, Angie Douglas of the Douglas Agency. The previous board expressed interest in finding a new broker. The Douglas Agency is based in Seattle and works with homeowner associations around the state, including a number on Whidbey Island. Our experience to date with the broker has been positive. She seems very knowledgeable and is very responsive.
- b. We also decided to move to a new insurance plan when we moved to the new broker. We opted to buy the Grundy Insurance program. It is a specialty insurance program for HOAs like SMCA that provide water to homeowners. The renewal cost is ~\$200 more than our current insurance but the level of property insurance is almost double. After input from Dick G and Judi S on potential costs to replace our water system, we determined that the higher level of coverage was warranted.
- c. Christine noted that property coverage insures against the normal risks (e.g., fire, vandalism) but has the usual exclusions including "wear and tear". It only covers property around the well and pumphouse and pipes within 100 feet of that location. It does not cover offsite property like the pressure valve down the hill or the fire hydrants. Christine provided a written description of the decision to move to a new broker and insurer and a summary of the new coverage.

MOTION: to approve the new Grundy Insurance package for Sep 1, 2019 - Aug 31, 2020. All in favor. Passed.

- d. ATTACHMENT, page 4, "SMCA 2019-2020 Insurance Coverage Summary by Christine Hill"

6 Internal Financial audit report and recommendations presented by Jan Graham--

- a. Jan reported that our peer auditors completed their work in September. They didn't see any red flags and complimented the treasurer on a good job. They noticed inconsistencies in monthly totals that resulted from interest amounts not being available until after a financial report was drawn up by our Treasurer. They recommended that the treasurer consistently use the bank balance for identifying starting and ending totals for monthly and yearly reports, as opposed to the internal record keeping he uses. Dave corrected the documentation and answered their questions. The auditors' specific comments are included in the audit report attached to these minutes. The Treasurer's response to the findings are also attached.
- b. Two ATTACHMENTS, pages 5-11 = "Audit Committee Report, July 8, 2019"; pages 12-16 = "Answer to July 8, 2019 Audit Results".

7 Finalize procedure for levying fines on unpaid annual dues and late payment of water bill -

- a. Christine passed around a copy of a re-written procedure for levying late fees whenever a member fails to pay their Annual Assessment on time; this text version is intended as a final edit of this procedure. Prior to today's meeting the Board reviewed and edited this procedure via email. At the last board meeting we talked about making one further change and voting on it today. The change: "Unpaid late fee(s) will be added to the quarterly water bill until they are paid."
- b. There was discussion whether a portion of the water bill can be considered an assessment and should also fall under this procedure. It was decided to table that consideration and move forward on this procedure for the annual assessment only.
- c. This late fee procedure for unpaid annual assessment should be detailed in a Procedure Section that will be added to the "By-Laws". In the By-Laws section the board can easily make changes as necessary and this is where we can show how assessments and interest on late payments are calculated.

MOTION: to accept the new procedure for assessing late fees on overdue annual assessment payments. All in favor. Passed.

- d. It was suggested to communicate this procedure to community members at the next annual meeting.
- e. [ATTACHMENT, page 17, "SMCA Annual Assessment Late Fee Procedure"](#).

[8 Discuss PFOS testing costs and procedures--](#) Info presented by Debra Paros; [ATTACHMENT, page 18](#)

MOTION: To table further discussion of this topic until the next board meeting. 4/5 agreed, 1/5 doubted that this was the best motion at this time given the information presented over the last several months.

[9 Discuss roads maintenance--](#) Jim S would like to see maintenance done on the road leading to his property such as removal of organic material in the center of the road. Jim S will do look into road maintenance issues and costs and report back to the Board at a later date.

[10 Plan for 4th Q water meter readings and recruiting volunteers--](#) 3rd Q meter readings were done by Debra Paros, Dave Shellenbarger and Robert Roessler. 4th Q meter reading volunteers include Susan and Scott Fox, Robert R, and Debra P. [If anyone would like to go for a 2-hour neighborhood hike April 1st or July 1st, 2020 and be a "meter reading buddy" then please contact Debra Paros, Dave Shellenbarger or Jim Seccombe.](#)

[11 Report on the annual picnic held on August 4, 2019--](#) Kudos to Norm and Kristine Paulsen for their organization efforts. The treasurer confirmed that they were reimbursed for the grocery shopping. Kudos also to Ruth and Jim Seccombe for hosting the picnic in their yard with an amazing tent canopy, fabulous gas-grill, and soft green grass.

[12 Report on concerns of gunfire activity coming from surrounding neighborhoods--](#) Jim Cline has compiled considerable relevant information and we will look at his report at a future meeting.

[13 Discuss plans for the January 2020 annual meeting--](#) The annual meeting remains scheduled for January 11, 2020, 10 am, at Coupeville Library. The community will receive an announcement, election ballot, instructions, and reminder in November and December. The first meeting of the 2020 SMCA Board will take place in the library immediately after the annual meeting.

[14 Draft an email asking for volunteers to serve on the next Board--](#) We have three board members returning in 2020 to serve the 2nd year of their two-year commitment. We need at least two more people on the ballot for 2020 to complete the new board. In addition to the usual request for volunteers in the first announcement of the Annual Meeting, an organized effort will be made by the current Board to find potential new board members.

[15 Break for brief period for all guests to leave and Board goes into Executive Session--](#)

MOTION: to enter closed executive session to discuss the community's thoughts and concerns of Jan McGregor's usage variance request. All agreed.

MOTION: to exit executive session and continue with related Board business. All agreed.

[16 To discuss Board's plans for communication to Jan McGregor about her usage variance request--](#)

MOTION: to vote on whether to accept or deny Jan McGregor's request for a usage variance of her property. All Board members voted to deny the request for a usage variance.

- a. Jim proposed that Jan Graham initiate a rough draft letter to Jan McGregor. All Board members expressed an interest in reviewing and editing this rough draft before it was to be finalized and mailed.
- b. Either the Secretary or the President will post the letter, including a copy posted to McGregor's attorney.
- c. The Board members agreed that McGregor should be notified soon about our decision.

Meeting adjourned at ~2:10 pm

Potential business for next meeting. Budget for 2020; report from ACC, water system report including development update on our *Small Water System Management Plan*; update on preparations for the Annual Meeting; changes to By-Laws to include new late payment fee procedure, continue discussion on whether to test water for PFOS; review Jim Cline's report on nearby gunfire and trespassers; plan a neighborhood meeting on home security; and any new concerns from the community.

Date of Next Board Meeting. December 19, 2019, 10:00am at the Coupeville Library.

***Post Meeting Notes Relevant to the Minutes**

- A retest of the water in the one household has now taken place and the results show no unsafe levels of lead.
- Scott Fox has decided to postpone volunteering as Water Coordinator Assistant or Board Member.

Submitted by Debra Paros, Secretary

Minutes , Sky Meadows Board Meeting, December 19, at the Coupeville Library Community Room
Present: Jim Seccombe, Jan Graham, David Shellenbarger, Christine Hill

Water Coordinator Report

A. Status of Work in progress

Question regarding light in generator room – should we install light or mount battery operated LEDs. Could be problem with batteries being dead when light needed. Decision to install electric plug and light. Get two estimates. Want to get emergency flashlight

B. Pressure Relief Valves (PRV)

Talked about options to address aging valves and coming end-of-life of the water system. King Water has recommended that we replace the large PRV valve in vault. They don't want to work in the vault and would like us to replace the vault. Replacing the valve and the vault could cost from \$1000 to \$41,000. Other option is to buy individual valves for each of 7 houses below the vault. Cost of individual valve in range of \$200 per.

Table this discussion to next year. Will need to address pros and cons of shifting current community responsibility for maintenance of single joint PRV to responsibility by 7 homeowners for their own individual PRV valve and to investigate quality of individual PRVs..

C. Testing for PFAS

HOAs may be required to perform water testing by the State. It's currently being considered in legislature. As proposed testing would be required over 3 year period time, with most susceptible areas testing in first year. David thought SMCA would be in 2nd or third year. Stipulates testing for specific list of contaminants, more comprehensive than we have been considering. Single company in Kelso has authority to do testing. \$450 per point source. SCMA has two wells, would cost \$900. Unclear if the law will pass in WA legislature, but any water testing we do now would not be considered adequate..

If state does not pass this law, then board can re-address this question next year.

MOTION: Because of the potential state requirement for testing for PFAS we will not test our water for PFAS at this time. Seconded by Jim. Unanimous approval.

D. Increase in revenue to cover water expenses needed to maintain/replace aging water system

Discussed how to cover expected aging of water system. Options include increasing water usage rates, raising the annual assessment fee or special assessments as needed.

Dave reported that Sierra has rates considerably higher than our rates. As an example he compared what he as single homeowner paid in a given period against what he would have paid under Sierra rates. He would have paid 10 times as much.

There was discussion about history regarding SMCA holding a reserve for future needs and about how responsibility for capital costs are shared among long-time residents, new residents and future residents.

We agreed to share information at the community meeting about expected capital expenditures to maintain water system and roads to include options that might be considered to pay for them. As part of its 2020 workplan, the board will identify long term costs and options to pay for them. Community members will be invited to be part of a committee to work on this issue.

Dick Graham reported on two items from previous minutes. -- Water has been re-tested, results show we are in compliance for copper and lead levels and the letter from state has been received. Generator was serviced, was the regular tune up. Jan suggested we keep a record of the generator work since there has been a question about whether the work had been done. Dave said currently record is only in check stub.

Dave also brought up the need to remove the sewage that results when we back flush the water system. The impurities from the back flush go into a settling tank next to the road –has a blue cap on it. It was last done in 2017 and there is 8 – 10 inches in it now.

Treasurers Report

Dave walked through the budget. We decided to change “Dues” to “Assessment” (annual assessment). since that is what they are called in the CCRs. Dave said our budget generally stays around \$30K level, from beginning of year to now, with some ups and downs.

2020 budget

Dave reviewed line items. We agreed to add 2.8% increase to King Water based on published rate increase. Will also add 10% increase to anticipate Insurance premium increase.

Discussion of frequency of hydrant testing. Cost is estimated to be \$1000 per hydrant. Not clear what portion of that amount is servicing and what is work done as result of needs identified by servicing. Agreed to budget for every other year for each of five hydrants. Hydrants are “exercised” twice each year when the system is flushed by King Water. If there is a problem with a hydrant King Water will recommend servicing but they don’t do the work. Difference of opinion about frequency needed, annual or every other year, some say every three years. Important to have hydrants working at all times, servicing might be especially warranted given the aging water system.

Budget to be modified to add work orders for:

Install generator light add \$300

Service hydrants, \$2,500 annually

Other things remain as future work orders not yet budgeted, include the following:

Replace vault and pressure reducing valves	1,000.00-41,000.00
Paint hydrants	1,000.00
Install hydrant quick connects	1,000.00
Complete Small Water System Management Plan	2,000.00

MOTION to approve proposed budget for 2020 with changes discussed. Dave will make changes and prepare document for sharing for community meeting. Seconded and approved unanimously.

David Shellenbarger left. Quorum with Jim, Christine and Jan present (3/5, majority required by bylaws).

Attorney Opinion re CCRs and Non-residential Use

Jan reviewed the letter received yesterday from Richard Davis. His letter said our current CCRs clearly limits the uses of property to residential use. Davis reviewed recent case history of other instances of HOAs litigating non-residential or business use.

The lawyer felt our CCRs were clear about precluding non-residential use. He offered a minor edit that does not change the intent but clarifies the language in section 5.1 of our CCRs. We agreed to confirm with the lawyer that these current terms (business, commercial) fully cover non-profit organizations (e.g., art centers, churches, etc.).

Jan and Christine will talk to Richard Davis to confirm that these terms are all inclusive of nonprofits. We will also inquire about him writing and sending a letter to McGregor and her attorney and what additional cost that would entail.

We agreed to take an amendment to the CCRs to the community for a vote. We will talk about it at the community meeting, summarizing what we have learned from the attorney and our intended minor clarification to the CCRs. The wording change will require a community vote and will be sent out for a vote after the community meeting.

The board will file the CCR amendment, if approved, rather than paying attorney to file it for us.

Jan said the full package received from the lawyer should be attached to the minutes. This is a very transparent process and will provide easily accessible documentation if we need it in the future.

Old Business

Water testing

Previously discussed as part of Water Coordinator Report. Motion passed earlier in the meeting to not test water due to possible required state testing. If the state does not pass the law, the board may take up the issue again in 2020.

Security Issues

Jim Cline report. Reviewed, attachment to minutes

Christine has been in touch with Sheriff's office to find out about availability and kind of information the Sheriff's office provide in a SMCA meeting. No further information at this time.

Debra has been looking into camera surveillance. She may have also been in touch with the Sheriff's office about talking to the community at our annual meeting.

Jan said the kind of information that we want to hear from the Sheriff's office is information specific to SMCA and our Whidbey neighborhoods. We don't want a focus on home security systems or steps because that information is already available online.

We agreed to wrap up consideration of steps SMCA can take to improve homeowner security into a more comprehensive review next year.

Annual Meeting Planning

Minor edits to Ballot that is going out to community. Deleted sentence about Sheriff's talk, not sure it will happen so don't want to include it. Changed meeting start time to 10am.

Jim will ask Dick Graham to confirm that Sandra from King Water will be coming and to get an arrival time, so we can anticipate her on the meeting schedule. Jim will bring coffee and doughnuts

Jim talked about proposed agenda with the following agenda items.

1. Welcome from President
2. Introductions: current board members, new community members? Board member candidates?
3. President's report - summarize year's board work
 - a. Audit, in good order
 - b. Change in insurance broker and insurance program. More suited to HOA that manages water system.
 - c. Water coordinator job divided into two parts – administrative and mechanical. A water system manual is now required by state law. Recordkeeping systems also. Still need to recruit administrative person to carry Judi Shellenbarger's work on the manual forward.
 - d. Variance request, legal opinion – Jan Graham will talk more about later in meeting.
4. Treasurer's report, proposed 2020 budget – David S
5. Water coordinator – Dick Graham, Sandra B, King Water report
6. Long range cost planning for roads and water system - Christine
In 2020 the board plans to look ahead at capital expenses expected in the next few years and ways to fund our capital needs. We would like to put together a small committee of interested community members to help us do this work.
7. CCRs related to residential use, variance request and legal opinion. – Jan Graham.

New Business – no new business

Meeting adjourned at 2:15 pm.