HOLIDAY HIDEAWAY ASSOCIATION
6967 Holiday Blvd, Anacortes, WA 98221

ANNUAL MEETING – APRIL 18, 2015
MINUTES

President Sharon Schlittenhard called the meeting to order 2:45 p.m.

Introduction of Board Members – Bill Rainwater, Gary Rainwater, Sharon Hughlitt, Wendell Phillips, and Ex-officio Recording Secretary Cas Hancock. Larry Bohall and David McKibben have resigned the Board.

Sharon welcomed Members and asked first time attendees Pat and Marietta Harrigan, Matt Enos, Dale and Lori Olson, and Shane and Karen Anderson to introduce themselves.

A required Quorum of 43 was met, consisting of 26 Members present and 20 Proxies for a Total of 46. There were a Total of 98 possible votes.

Cas Hancock read the Notes of Annual Meeting April 26, 2014 (Not an official meeting for lack of Quorum). There were no corrections or additions to the Notes as read. By motion, second, and unanimous vote, the Notes were approved.

Cas read the Minutes of the April 30, 2013 (which could not be approved at the 2014 no-quorum meeting). There were no corrections or additions to the Minutes as read. By motion, second, and unanimous vote, the Minutes were approved.

Association Treasurer Bill Rainwater reported:

Bank Balance on April 23, 2014 was **$12,274.19**.

Income:	
Dues	$2,689.57
Interest	$ 14.07
Donation	$ 60.00 (from the Terrana's toward the picnic table) –Thank you!
Total Income	**$2,763.64**
Expenses:	
Bookkeeping	$1,200.00
Business Management	$ 872.82 (includes lien filing, fees printing & mailing expense)
Planting supplies	$ 209.88
Building supplies	$ 241.67 (repair common property infrastructure and signs)
Total Expenses	**$2,524. 37**

Bank Balance April 1, 2015 was **$12,513.46**

There is a check to State Farm Insurance for $950.00 that has not cleared the bank.

Old Business:

Austin Rose was unable to attend to report on the Cook's Cove Cleanup Project. Cas stated here were no changes to information as just read in the April 2014 Minutes.

Larry Bohall was not available to provide a FireWise Program Update. He left word that the organization of the program is in awaiting coordination of meeting between Jennifer Hinderman and Al Craney, of the Skagit Conservation District, and the H2A Board. The program engages the Membership the in Fire Prevention activities. Holiday Hideaway has lots of rock – not much soil- and most of the rainfall runs into the channel, is a high risk area for wildfire, and we should be diligent and FireWise. Information is available online at www.firewise.org.

Bill stated that the Picnic Table for Cook's Cove had been ordered and will be installed in early May. When

asked about existing tables, Bill stated that there were two, one in very bad repair that is being replaced. Note was made that the Terrana Family has donated $160.00 toward the new picnic table.

Member-Volunteer Dixon Elder was not present to report on the work he completed on the Hideaway Flower Planting project during 2014. We thank Dix for spending so many hours planting bulbs in common areas like the "Chicken Foot and around major sign posts. The flowers help beautify our common properties. There was a request from the Membership to have Dix draw up a diagram of his plantings.

New Business:

Sharon Schlittenhard called for nominees or volunteers from floor for election of two new Board Members For new three year terms expiring 2018, two Positions are vacant.

Pat Harrigan volunteered to serve in Position #1 (previously Larry Bohall)
Bill Rainwater agreed to serve another term in Position #2.
Matt Enos volunteered to serve in Position #3. (Previously David McKibben)

By motion, second, and unanimous acclaim, these Members were elected to the Board.

For completing two years of three-year terms expiring 2017, two Members were not elected in 2014 because we had no quorum to conduct official Business.

Sharon Hughlitt Position #4 (previously Laura Saunders)
Gary Rainwater Position #5 (previously Kit Harma)

By motion, second, and unanimous acclaim, these Members were elected to the Board.

For completing one year of three-year terms expiring 2016, two Members were not elected in 2014 because we had no quorum to conduct official Business.

Wendell Phillips Position # 6
Sharon Schlittenhard Position #7

By motion, second, and unanimous acclaim, these Members were elected to the Board.

Cas apologized for not remembering to bring the paperwork for the Guemes Island Environmental Trust Moratorium on Marijuana growing. The information is posted on Line-Time. She explained that the Board voted to support the Moratorium. Commercial Activities are not allowed within our Association boundaries, including Agricultural pursuits, and are not allowed within our water system because of the delicate balance between potable drinking water and seawater intrusion that we must maintain.

Larry left word that he posted 10 "No Hunting – No Fireworks" signs on Association Common properties.

Some Cook's Cove Road Repairs have been done. Larry Bohall replaced the post and set the new one in concrete.

Wendell Phillips told the Membership that we have received an estimate of $1,249.92 from Snowy Mountain Services for removing the round rock to make a better base for the road from the gate down. We are waiting for a site visit and an estimate from Adam Mimnaugh Construction. There is concern that this may not be a "good fix", so we may need to go a step further for a more permanent solution.

HOLIDAY HIDEAWAY WATER

APRIL 18, 2015

CAS HANCOCK

BUSINESS MANAGER

2014 Budget & Actual

2014 BUDGET-FINAL		
REVENUE	BUDGET	ACTUAL
Total Operating Revenue	$81,837.00	$83,081.74
Total Capital Revenue	$39,000.00	$35,519.53
Total Miscellaneous Revenue	$50.00	$288.00
TOTAL REVENUE	$120,887.00	$118,914.27
EXPENSES		
Total Operating Expenses	$67,598.00	$81,337.69
CAPITAL EXPENDITURES		
State Loan Repayment	$46,244.00	$46,244.00
Pressure Line Extension	$14,573.00	$10,982.97
TOTAL CAPITAL EXPENDITURES	$60,817.00	$58,340.97
TOTAL EXPENDITURES	$128,415.00	$111,647.93
NET REVENUE	-$7,303.00	$7,583.95

We made two extra payments on our Public Works Loan.

WE SAVED $6,000 INTEREST; WE ARE NOW DEBT-FREE!!

Accounts as of Dec. 31, 2014

Money Manager (O&M)	$104,397.74
Capital Improvement	$51,163.81
Checking	$831.40
TOTAL	$156,392.95

2015 Budget

INCOME	
TOTAL OPERATING REVENUE	$83,416.00
TOTAL CAPITAL REVENUE	$39,000.00
TOTAL MISCELLANEOUS REVENUE	$275.00
TOTAL REVENUE	$122,691. 00
EXPENSES	
TOTAL OPERATING EXPENDITURES	$70,865.00
CAPITAL EXPENDITURES	
Engineering , Permits & Construction - Pressurized Line Extension	$26,000.00
TOTAL CAPITAL EXPENDITURES	$26,000.00
TOTAL EXPENDITURES	$96,865.00
NET REVENUE	$25,826.00

WATER USE EFFICIENCY (WUE)

- **State law requires that we adopt new WUE Goals every 6 years.**
- **At last year's Meeting, we set new Goals for years 2014-2020.**

CUSTOMER GOAL

Reduce our Average Usage by 8.8% or to 300 gallons (40.1 cu.ft.) per day per household by 2020.

WUE Measures to Get us There

- Find and repair leaks regularly
- Turn off water at the meter when away from home
- Use drip irrigation or hand-water
- Plant low water demand shrubs and flowers
- Winterize your home / yard

More Possible Measures

- Replace old toilets with low flow
- Install Flow Restrictors (Bubblers) on faucets
- Take shorter showers
- Turn off water while brushing teeth

NEW SUPPLY SIDE WUE GOALS and MEASURES - 2015-2020

- Given the dramatic reduction in our DSL in just 4 years, the new Supply Side (Management) Goal is to reduce our Distribution System Leakage by 1% per year until 2020.

Management Measures

- Find and repair leaks regularly
- Monitor home usage
- Educate our customers
- Replace old pipes and connections

WUE Demand Side

Average 18.4 gpd per household*

GOOD JOB!!

Year	Water Pumped	Water Sold	DSL
2012	540,829	356,049	34.2
2013	446,846	357,656	20.0
2014	386,626	324,153	16.0

*Many homes are vacant most of the year

50-Year Replacement Plan

- We continue to extend our projection of costs for replacement of our infrastructure. We replaced 6 old meters with new ones in 2014.
- Each year we will have another few that will need replacing.

TOTAL SYSTEM REPLACEMENT

- $1,607,829 (2013 $$)
- $1,718,769 (2014 $$)
- $1,837,365 (2015 $$)

TANKS AT-1 and AT-2

- Total Anticipated Capital Cost

Total	Exist. Cust Cost	New Cust Cost
$302,374	$62,394	$239,979

Replacement and New Infrastructure

• Replace	$1,837,365
• New	$ 302,374
• Pressure Line Ext.	$ 26,000
• TOTAL	$2,165,739

New Shares

- The Association intends to pay cash for the additional capital improvements; hence it cannot proceed with construction until…

New Shares (con't)

- …sufficient proceeds are available from the sale of water shares and Metered & RTS CI surcharges. $39,000 per year will accrue now we have paid off the loan. WHOO-HOO!

New Shares (con't)

- More new shares are available as approved by Department of Health (DOH).
- It may be as long as 10-15 years before any additional new shares can be approved by DOH.

More on New Shares

- We are currently approved for 249 shares.
- We have 159 metered lots.
- There are 2 new share sales and meter installs pending.

HOLIDAY HIDEAWAY WATER (H2W)

Ever vigilant against

Sea Water Intrusion

Dedicated to high quality drinking water for all of our customers

A copy of the recorded Updated Bylaws will be posted on our website www.hha.octopia.com. The most important changes were:

2.4 Notice of Meetings. Written notice of the place, day and hour of the annual membership meeting and written notice of the day, place, hour and purpose or purposes of special membership meetings shall be delivered not less than twenty (20) nor more than thirty (30) days before the date of the meeting, either personally or by mail or electronic means, by or at the direction of the President, the Secretary or the Officer or persons calling the meeting, to each Member of record entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the Member at his address as it appears on the records of the corporation, with postage thereon prepaid.

~~2.6 List of Members. At least ten (10) days before a Membership meeting, the Secretary of the corporation shall compile a complete list of the Members entitled to vote at any meeting or adjournment thereof, arranged in alphabetical order, with the address of each Member and the number of Memberships held by each Member. Such list shall be open for examination by any Member during usual business hours at the registered office of the corporation for a period of at least ten days prior to any such meeting. Such list shall also be produced and kept open for examination at the time and place and during the course of any such meeting.~~

2.6 All records containing private information of customers/Members of the Association shall be kept confidential. The Association is required to comply with and enforce any and all federal and state regulations governing community water systems, which shall include but not be limited to, the following:

2.6.1 Code of Federal Regulations 40 (CFR) Part 141 National Primary Drinking Water Regulations

2.6.2 Code of Federal Regulations 12 CFR Part 41; 12 CFR Part 222; 12 CFR Parts 334 and 364; 12 CFR Part 571; 12 CFR Part 717 and 16 CFR Part 681 Identity Theft Red Flag Rule

2.6.3 The Red Flag Rule was issued by the Federal Reserve System, the Federal Deposit Insurance Corporation, the Federal Trade Commission, the National Credit Union Administration, the Office of the Comptroller of the Currency, and the Office of Thrift Supervision. The compliance date is November 1, 2008 and includes all U.S. utilities.

2.6.4 All utilities are required to comply with the FTC's "Identity Theft Red Flag Rule" even if only nominal information such as name, phone number and address are collected.

2.6.5 Information collected by this corporation shall be treated as confidential.

2.7 Quorum. 33 percent of the voting power of the Members in Good Standing (dues paid), present in person or by proxy, shall constitute a quorum of Members for the transaction of business and the vote of a majority of the votes entitled to be cast by the Members present or represented by proxy at a meeting at which there is a quorum, shall be the act of the corporation, except as otherwise provided herein, by law or by the Articles of Incorporation. The Members present at a duly organized meeting may continue to do business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum.

2.9 Proxies. The holder of any proxy for a Member shall present evidence of his appointment by an instrument in writing signed by the Member or by his duly authorized attorney-in-fact. No proxy shall be valid after the date of its relevant meeting. Revocation of a Member's proxy shall not be effective until written notice thereof has actually been received by the secretary of the corporation, or the Member is no longer owner of a lot.

3.12 To establish Common Property Rules (March 2015): All persons, property owners and guests, shall abide by the following rules established for behavior while using the common properties, including beach access.

3.12.1 Guests must be accompanied by a Holiday Hideaway Association member, unless they possess written, dated permission from the Member to use the facilities without their presence.

3.12.2 Non-Members are not allowed to use common properties

3.12.3 No alcohol or drugs

3.12.4 No motor vehicles are allowed, except to launch a boat at the ramp

3.12.5 No fire(s) or fireworks

3.12.6 No hunting within the boundaries of Holiday Hideaway Association

3.12.7 Hours are from dawn to dusk

3.12.8 No overnight camping or parking

3.12.8 Members and guests are responsible for clean-up of litter/trash

3.13 To ban Violators from the common properties and/or to fine said violators according to the currently scheduled fines. Members who violate the Common Property Rules or the Restrictive Covenants of the Association are subject to a minimum fine of $ 250.00 per incidence.

3.14 To ensure that Holiday Hideaway Association common properties are reserved for the private use of Members. Non-Members who trespass upon the common properties are subject to a minimum fine of $500.00 per incidence.

New Business from the Membership:

Member Bob Anderson asked if the upgrades to the water system would eliminate stains in their hot tub and dishwasher. Cas explained that Tanks AT1 and AT2 are designed to filter iron, manganese out of all wells (mostly well #3); and to remove the sulfur smell from wells 1 and 2, which are only used on “high demand” days, and they have not been used since last summer.

Member Jack Smith inquired about what the $10.00 dues paid for. He was curious about what other projects can be effectively spent to improve on the neighborhood. Jack suggested we find something more helpful to all the Members, such as a dumpster for springtime cleanup. He questioned the requirement for allowing 1 vote per lot owned versus 1 vote per owner. It was explained that in order for each lot to have an equal say in the business of the corporation, each lot must have a vote (multiple lots may not always be owned by the same person forever). Jack also volunteered to work on the FireWise Committee.

There being no further business to come before the Membership, President Sharon Schlittenhard encouraged everyone to pay their annual dues, due April 1 every year.

By motion, seconded and unanimous approval, the meeting was adjourned at 4:10 p.m.

Respectfully submitted,

Cas Hancock, Recording Secretary

The Board would like to thank David McKibben and Larry Bohall for their years of service as Members of the Board of Directors.

Election of Officers will be conducted at the next scheduled meeting of the Board in May 2015.
** Note: At the top of page 2 of the Water Company Presentation, I made a correction to the Customer Goal to avoid confusion. The sentence now reads “ Reduce our Average Usage by 8.8% or to 300 GPD (40.1 cu. ft.) per Household by 2020.”