

**Holiday Hideaway Association Board Meeting
Guemes Island Library
Saturday, November 11 2017**

Call to Order 9:30

Members Present: Matt Enos, Sharon Hughlitt, Sharon Schlittenhard, Dennis Barnes, Pat Harrigan, Bill Rainwater, Wendell Phillips, and Cas Hancock.

Guests: Doug Last and Carol Last were introduced to the board as the new water operator and grounds keeper for the water company.

Association Business

Motion to approve September 10, 2017 Board Meeting Minutes as revised – Approved by all present.

Treasurer's Report/Bank Balance

Bank balance as of July 24, 2017	\$10,396.41
Deposits	\$ 99.23
Payments	<u>\$ (1,131.07)</u>
Bank balance as of Oct 23, 2017	\$ 9,419.71

Old Business

- Governing Documents / Board policy and procedure – Matt provided to the board a draft update to the bylaws and articles of incorporation for the association. Matt's primary focus was to remove inconsistencies between the two documents. Some concern was expressed that while the bylaws could be easily changed by action of the board, changes to the articles of incorporation was much more involved and required a vote by the members. It was agreed the drafts were a starting point for board members to review and provide changes/feedback for later consideration and consideration if either or both documents needed changes.
- Cook's Cove Gate – Gate has been delivered and Wendell will try to work on installing it in the next couple of weeks or work on finding someone to install it.
- Long term community space planning – Dennis walked through an updated five year financial plan (2017-2021). The plan assumes a required ending cash balance of \$5,000 and use income and expenses (inflated each year by 2%) based on years 2012 through 2016 actuals. Added to the annual expenses is an amount for goodwill/volunteer labor which has been done with no compensation in the past. Based on these numbers without an increase to dues or a reduction in expenses the required cash balance of \$5,000 will not be met starting in 2020. The board discussed the options of increasing dues and/or trying to lower expenses. The board discussed how historically the bookkeeping function had been performed by the treasurer. Board suggestions will be incorporated into the plan for the next meeting.

New Business

- Realtor Request – A realtor for a property on Upper Holiday has inquired about the possibility of cutting down some trees on association property to create a water view, but no formal request to the board has been made at this point in time. The board discussed that they had historically turned down this type of request.

Water Company Business

Unfinished Business

- Project AT-1 Status - While the state loan is still on hold, this project will actually be paid out of existing water company funds. Cas reported that the cost of the engineering drawing for this line drawing would be \$400. The board discussed the need to get a new engineering cost estimate with the building removed and a specific desire to bring the engineering fees down from their current level of 30% of project cost. A targeted project completion date of April was discussed.

Board Motion: The board directed Cas to get a new project estimate from Carl with a focus on reduced engineering costs. Based on this estimate the board will 1) decide to go with Carl if the estimate is acceptable and move forward as quickly as possible, or 2) not go with Carl and request a line drawing at a cost of \$400 and move as quickly as possible to hire a new engineer. (Motion Matt Enos, Seconded Sharon Schlittenhard) (Vote for: Unanimous)

- Pre-construction loan AT-2 – Cas reported that all materials are almost ready for submission and should go out on Monday. The deadline for submission is November 30th and we expect to hear back by February 2018 whether we will receive the loan. The board raised concerns if this would give us enough time for the April annual meeting...Cas was requested to get the timeline from the state for when they would inform us if we got the loan and when they would need approval from our membership to accept the loan.
- Income Tax – Cas informed the board that the CPA has completed the tax forms and taxes have been filed and paid for 2011-2016. Copies of the income taxes will be kept with the treasurer and Cas will provide copies of the tax forms to all board members. The board discussed the need for retaining both treasury and board records in an electronic form, possibly using google drive that could be accessed by all members.

Board Motion: The board authorized the allocation of cost for the taxes and CPA expenses between the homeowners association and water company, based on their average income over the last five year. (Motion Pat Harrigan, Seconded Dennis Barnes) (Vote for: Unanimous)

- Skagit P.U.D. Option – Cas reported to the board that no additional information has been received from Skagit P.U.D.
- Proposed 2017 Budget – Tabled until next meeting. Board members requested if a five-year forecast could be done for the water company and if we could link this to a formal asset replacement plan. Dennis volunteered to start the five year plan process.
- RFP for Operator Services – Cas reported that Wastewater services had sent a proposal for operator services which expires at the end of this month for approximately \$36,800 for the first year of service. The proposal covers operator costs, but was unclear whether it included meter reading. The board requested that Cas determine if this includes meter reading and to also do a comparison of our current cost to the amount they are proposing, where possible. Any activities outside of normal operator cost were proposed at varying hourly rates.

New Business

Bank Balances as of October 31, 2017

Checking:	\$ 2,804.08
Capital Improvement:	\$166,698.73
Operation & Maintenance:	\$113,177.21
Petty Cash:	\$ <u>121.99</u>
Total:	\$282,802.01

- Staff Changes – Cas reported that Carol Last is the new backup bookkeeper for Darcy and has quickly learned the job. Carol is also the new grounds keeper. The new water operator is Doug Last, who comes to us with a lot of experience, having recently retired from a water operator position in the Mid-West.
- Communication – Matt requested that Cas provide to the board a bi-weekly email update for project status or issues the water company may be having. .

Meeting Adjourned 11:30

Next meeting date January 14, 2018