

**Holiday Hideaway Association Board Meeting  
Guemes Island Library  
Sunday, July 9, 2017, 9:30 a.m.**

**Call to Order 9:30**

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

Other Present: Dennis Barnes, Recorder

**Association Business**

June 11, 2017 Board Meeting Minutes – approval tabled for future meeting.

**Treasurer's Report/Bank Balance (June 2017)**

Bank balance as of May 25, 2017	\$10,633.57
Deposits	\$ 20.90
Payments	\$ 43.75
Bank balance as of June 23, 2017	\$10,610.72
Payables Outstanding	\$ 300.51

**Old Business**

- Common spaces update / Community Clean-up Day – tabled for future meeting

**New Business**

- Governing documents / board policy and procedure – The board discussed issue that articles of incorporation and by-laws conflict in certain areas and need to be made consistent. Further discussion and changes will be made in future meeting.
- Long term community space planning – The board discussed the need to create a formal multi-year financial plan for funds collected and spent by the association for the various properties owned by the association. Additionally the board discussed the need to get input from association members for creation of this plan. Historically amounts for maintenance and improvements to the spaces have been done on a more informal budgeting basis. The board agreed that a formal financial process would create additional financial discipline, improve communication to association members, and allow for more member input. As a starting point Bill will go through historical revenues and expenses by categories for the last five years and provide net surplus/underage of revenues by year. A goal of having the financial plan ready by the next special meeting or annual meeting of members was suggested.
- Distribution of approved minutes and posting on website – The board discussed the procedure for approving meeting Minutes and posting to the internet. Dennis will circulate future Minutes to the whole board when approved and Wendell will post to website. To bring the website up to date, Cas will provide Wendell with prior approved minutes.

**Water Company Business**

**Unfinished Business**

- Pre-construction loan application for Project AT-1 - Cas updated the board on the status of the loan application. The loan application was submitted on June 28th for a total of \$8,899. The amount includes a 1% loan fee and \$899 for public involvement and mailings. The application is based on the AT-1 tank option at this point in time, but can be used for other options if the board decides to go a different direction. A decision from the state is expected in August.
- Feasibility study - The board discussed the feasibility study titled “Water System Options and Preliminary Costs to Improve the source water from Wells 1 and 2” prepared by Coffman Engineers, Inc. Cas noted that Option 2, which is the recommended option by Coffman, shows a total cost of \$30,000 in the memo, but this has been adjusted upward to a total of \$40,000 to reflect a requirement to expand 80 sq. feet in the existing building or build a new building. The board asked Cas to clarify with the engineers the need for the additional 80 square feet.

The board discussed not needing to borrow money from the state Drinking Water Revolving Fund if Option 2 for \$40,000 was chosen. This would reduce both labor and engineering costs since revolving fund requirements for the project would be removed. Also discussed was the current cost estimate for engineering, which represented 30% of total construction costs. Cas was asked to discuss with the engineers the 30% estimate and request if they could provide a time and materials estimate comparison to the lump sum estimate. The possibility of a competitive bid process for engineering was also discussed. Cas was directed to ask Coffman Engineers what a hand-drawn schematic for Option 2 would cost.

**Board Motion:** The board adopts Option 2 for AT-1/Treat Wells #1 and #2 to treat the water with Cuno Jet at an estimated total cost of approximately \$30,000-\$40,000. The project will be paid for from current Capital Improvement cash balances with no loans from the state. (Motion Pat Harrigan, Seconded Wendell Phillips) (Vote for: Unanimous)

- Income Tax filing - Cas updated the board on the status of filing for taxes. She indicated that she has about another half hour left of work to place data into a calendar year format completing 2016, which will then be delivered to the tax CPA. The board requested Cas to get a timeline this week from the CPA for when they expect to have the paperwork ready to file the taxes and how many filings they expect to do.
- Skagit P.U.D. Option – Cas reported to the board what she had learned concerning having Skagit P.U.D. run and operate the water company. Cas met with several employees from PUD #1 of Skagit County and provided to the board preliminary information received from the PUD answering specific questions raised by the board in last month’s meeting. Areas covered included requirements, timeline, other significant information, cost estimates, debt, and failed systems. Cas noted all systems they take over they chlorinate.

The board discussed in detail the information provided by Cas and the potential financial impact of spreading \$2M across individual homeowners and those owning land that do not currently receive water or have homes built on them.

To determine the level of interest and cost if the water company needed a new operator, the board directed Cas to create an RFP for an operator and bring it to the next meeting for review.

## New Business

### Bank Balances as of June 30, 2017

Checking:	\$ 1,368.23
Capital Improvement:	\$159,641.91
Operation & Maintenance:	<u>\$105,510.81</u>
Total:	\$266,520.95

- Quarterly Wage Summary as of June 30, 2017 - First six months actual wages was provided by Cas to the board for review and discussion.

- Proposed 2017 Budget - Cas provided a proposed 2017 budget to the board with the goal of having it reviewed and approved at the next meeting. The proposed budget was based on last year's budget with a couple additions. The board requested that actuals through June be added to the document to help with the discussion at the next meeting.

The board went into executive session at 11:55.

**Meeting Adjourned 12:12**

Next meeting date August 13, 2017