

**Holiday Hideaway Association Board Meeting
Guemes Island Library
Sunday, January 14, 2018**

Call to Order 9:30

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

Association Business

Motion to approve November 11, 2017 Board Meeting Minutes as revised – Approved by all present.

Treasurer's Report/Bank Balance

Bank balance as of Oct 23, 2017	\$ 9,419.17
Deposits	\$ 1.53
Payments	<u>\$ (161.56)</u>
Bank balance as of Dec 22, 2017	\$ 9,259.68

Old Business

- Governing Documents / Board policy and procedure – Matt provided to the Board a draft update to the bylaws and articles of incorporation at prior meeting for Board members to review. Discussion tabled for future meeting.
- Cook's Cove Gate – Pat and Wendell, and potentially with help from Doug, will work on installing the gate.
- Long term community space planning – Dennis provided two possible ways for the Board to present the five-year financial plan (2017-2022) for HHA to members. Also provided to the Board was the historical five-year actual information for the Water Company. This will be used to create projection information.
- Dues Notices – Will be going out on February 1, 2018.

New Business

- None.

Water Company Business

Unfinished Business

- Pre-construction loan AT-1 – This agenda item will be removed from future agendas since no loan will be used for AT-1 project.
- Income Tax – Cas reported that taxes were paid for six years to the IRS. In applying amounts the IRS applied all the penalty amounts to 2011 instead of the individual years creating the appearance of penalties owed for the other years. Cas has contacted the IRS and they are in the process of applying amounts to the correct years. Confirmation from the IRS should occur in the next six weeks. A small amount of penalties may still be due after the reconciliation is complete.
- 2017 Year End Budget Comparison – Cas provided a comparison of budget to actuals for 2017. Total revenue was \$11K less than budgeted and expenses were \$20K less than budgeted for a net positive income of \$9K over budget. It was requested by the Board that Cas report back on what the \$10K capital improvements was spent on. Dennis suggested that we try to split capital and operating and present the two separately with their own revenues and cash balances. Dennis and Cas will provide the two, split-out, at a future meeting.

New Business

Bank Balances as of December 31, 2017

Checking:	\$ 2,634.54
Capital Improvement:	\$181,346.56
Operation & Maintenance:	\$106,374.17
Petty Cash:	\$ <u>282.65</u>
Total:	\$290,637.92

- Main Break – Feedback from the community has been positive that staff handled the break quickly and in a professional manner. The Board wanted to recognize and thank all of those who responded so quickly and did a great job. The event did indicate a need to review and update procedures for the handling of similar types of events in the future in order to limit potential water loss, minimize impact to the community, and more efficiently notify the community. Cas will be reviewing and updating the written emergency procedures with direction from the Board to try to isolate major breaks within 30 minutes and if not doable, shut-off tanks to protect the water. Notification to the Board and community should be made as quickly as possible. The Board discussed and came to agreement that if there is a major line break or an earth quake the main priority will be to save the water in the tanks.
- AT-1 Project – Matt provided two proposals from Coffman Engineers AT-1 Proposal #1 for \$33,700 (later determined not feasible by Coffman) and AT-1 Proposal #2 for \$26,700. Proposal #2 would remove the sulfur smell, but would require the use of chlorine which is later deactivated with filters. Cas indicated that Proposal #2 is a proven technology. The Board thought the total costs of Proposal #2 appeared reasonable, but had some concerns about the overall cost of engineering and clarifying the project deliverables. Pat agreed to create an initial list of questions for Coffman that other Board members could add to. Satisfactory responses by Coffman would be needed before final acceptance of this proposal.

Board Motion: The Board approves AT-1 Proposal #2 with Coffman Engineers for the removal of sulfur smell contingent upon the satisfactory response to the Board of questions directed to Coffman Engineers. (Motion Dennis Barnes, Seconded Sharon Schlittenhard) (Vote for: Unanimous)

- Member Letter – Matt presented a draft letter he would like to send out separately to members emphasizing the need for members to attend the annual meeting or to send in their proxy. It explains the projects and the need to approve the loan.
- Sick Leave Benefits – Cas made the Board aware of new Federal requirements for what we will need to pay employees for sick leave benefits. Annual expense is expected to be minor.
- Wage Summary – Amounts included in 2017 Budget to Actuals.
- Pay Increases – Tabled for future discussion.
- Any other New Business – None.

Meeting Adjourned 11:09

Next meeting date February 11, 2018.