



Sunlight Waters CC Board Meeting Minutes

Call to order

A meeting of the Board of [Sunlight Water Country Club](#) was held at [the clubhouse](#) on [Nov 10, 2018](#).

Attendees

Roll call: Jim Moehring (meeting chair), Chris Felstad (Trustee), April Streiff (Trustee), Dan Fisher (President), James Ihrke (Trustee), Kym Kodomo (Trustee) Jeannine Takaki (Secretary), Val Barschaw (Treasurer)

Guests: Pam Miller (Administrator), Jerry Ihrke, Bob Craig, Steve and Susan Glenn, Carl Nelson, Ted [\(arrived late\)](#)

Members not in attendance

None

Dan Fisher attended remotely via Skype

Approval of minutes

All Board members reviewed the electronic copy of the October 2018 minutes prior to the meeting. Several corrections were e-mailed to the Secretary. The corrections were not made in time for a second round of review.

Jeanine suggested review and approval by email, but Val did not think this was supported in Roberts Rules of Order. Hence, approval of the October minutes was tabled to the next meeting.

Treasurer's report

Val (Treasurer) printed out the profit loss and balance to do a complete review. Highlights of her review were reported in the meeting:

- \$180,312.75 total in checking and savings
- This month again was a net loss.
- Some entries need to be corrected. Val met with Scott Perna, who has completed 3 months of reconciliations; however, this leaves 3 months still to be reconciled. He is out this week and hasn't made the corrections yet.
- Overall operating expenses were \$20,000.00 under last year.

Books still need work. Two items need review:

- Fixed asset list - We need someone to verify each asset's existence and status. Jim offered to take on this review.
- Val stated that, because of the amount of money held on behalf of lot owners, by statute (24.03 Washington nonprofits) the Board has a duty to perform a special review called a "reserve study". We need to find someone licensed to do that and get a quote from them. Jim asked how often this study is required? James Ihrke volunteered to do the research into how often this is needed, and to find someone qualified to perform this type of review.

Treasurer's Report approved at 10:10 am.

Guest comments and discussion

Carl Nelson: Wished to continue discussion of amendments to DCRs.

One issue is the vote taken at the annual meeting. After the intermission, there were about 40 people present at the meeting. Of these, 32-12 were in favor of the resolution to amend the DCRs.

Does this set a precedent, under which future voting on the DCRs might proceed based on a simple majority?

The Chair acknowledged that this is a valid concern, and asked Jerry to explain why the vote was taken in that manner, as well as the amendments to the DCRs that he had worked on for several years. He stated that the 1993 version of the DCRs (which prior to May 2018 were attached to property deeds) can be considered "flawed", in that the wording specified "Sunlight Waters Country Club Incorporated" as the **declarant**, rather than the lot owners. (This was one of many flaws in the 1993 edition.) With the Corporation as the declarant, changes can be made at a regular meeting of the Corporation with a simple majority of those present.

What we did with the amendment in May was **eliminate** that provision. The exact wording of the amendment was provided in the packet mailed with the annual meeting.

The result of the amendment being adopted is that the lot owners are now the declarants; hence to make any changes to the DCRs, a simple majority of lot owners must be present to establish quorum. If that quorum is present, a simple majority of those present can make changes. There are currently about 300 lots, although it should be noted there is a difference in numbers between lots recognized by Kittitas County for tax and administrative purpose vs. the number of lots here, as residents can act to eliminate lots (and the concomitant fees).

The Chair read the current text of the **printout provided at Annual Meeting**, which requires a simple majority quorum to vote on amendments, with a simple majority vote required to pass any changes. For example, if 300 lots is the base, then 151 lot owners must be present to establish a quorum. Of those present, 76 lot owners would have to vote in favor of any amendment.

The goal of making this change was to ensure that changes are possible, but still very difficult.

The following language was hastily typed during the Board meeting; for full text of the proposed Amendment, please see the materials provided in the Annual Meeting ballot.

“SWCC had been formed to promote the community welfare of the owners of the property. In addition to....shall also be the owner of certain real structures of theSWCC shall be known as the declarants and all lots within the plat of Sunlight Waters Country Club.”

We replaced that particular paragraph with one that makes the lot owners the declarants.

(for the exact statement, please refer to the ballot.)

Additionally, the DCRs contain a provision for a Jubilee Year which permits a lesser number of lot owners to constitute a quorum; however, in any case, there were insufficient people at the meeting to make change even under the reduced requirements.

(time 10:22) Carl reiterated his concern changes to the DCRs are important because they are attached to our deeds and affect our property rights. All residents want something to stand by. He asked if the changes have passed any legal review. Ideally the changes that were made, as well as the process by which they were made, would be reviewed by a legal expert who knows nonprofit corporation law. This would remove any cloud about the validity of the vote or the meaning of the adopted provisions. He provided some names of experts in the county.

At Val 10:31 made a motion to get a legal review from an expert. Jeannine seconded it. James asked that we discuss it in Executive Session before taking a vote.

After Executive Session ended (11:59) Kym moved that we seek the services of a corporate nonprofit attorney with an upper limit of \$1000 to determine if the actions taken at the annual meeting were legal. (Did not note exact vote for/against but the motion passed.)

Correspondence

Fire safety review

Pam (Facilities Manager) assisted at our required Fire Safety review. Fee for fire inspection was \$143.75. The Fire Dept asked that the following items be addressed:

- We need a plastic exit sign. It need not be lighted.
- Some doors are blocked and must be made accessible. Pam asked for help moving tables and chairs. Board members did this immediately after the meeting.
- Fire extinguishers need inspection. Pam took the fire extinguishers for inspection but this means fire extinguishers are temporarily unavailable. James Ihrke will provide temporary replacements.

To complete the Fire Safety review, we must demonstrate compliance in one of two ways:

- The Fire Safety Inspector will return in 30 days and we will have to pay for his time. If changes have not been made, we will be fined.
- We can email him photos showing the updated tags on the fire extinguishers, the cleanup near doors, and the new Fire Exit sign. Pam will take care of this as soon as the Exit sign is installed.

Unfinished business

TV in the club house

This would be a community asset, for use in watching kid's movies, football games, etc.

Kym (Trustee) discussed our options with the two available providers, DirectTV or Dish Network.

- Dish can provide the service for \$54-56 per month, “depending on the credit rating”. They would give us 50 channels. Installation would probably be free.
- Direct TV says we fall under “commercial usage”. Nonetheless, we could get 90 channels for a 2-year commitment at \$36 a month. They are not sure whether they can do a “simple installation” or if we might have to pay extra.
- The all mount would be ~\$60. She would like to find one that can be locked.
- 55” TVs start at \$289-400. Fred Meyer has a Visio 55” with HDR SmartTV for about \$300/

Kym moved to approach Direct TV to start their assessment. Val seconded, and the motion was approved unanimously at 10:40 am.

Goats

The presence of goats in the community came to the attention of the Board based on a complaint. Kym talked to Steve. He has 3 goats. He was going to write up a proposal for weed removal on Morrison Canyon. They are not here year-round; he moved them to Selah when weather gets bad. They are fenced so not cougar bait. He would stake them out at properties for weed control. This might be particularly useful on lots with steep slopes that cannot be mowed.

The question for the Board is whether we want to allow the goats, specifying their use as a community resource for weed removal, and allow a variance for him to keep them. Does this set a precedent that could be a problem? Would he have 900 goats in future? Should the Board be granting variances when the by-laws specifically prohibit farm animals?

April Strieff (Trustee) is next door to them and says they are not a problem.

Chris suggested that, if the goats are allowed, we put a one-year time limit on it, to see if there are any issues.

Motion was made to allow Steve to keep his goats for fire prevention: “We allow Steve Howard to keep his goats (max 3) for purpose of harvesting weeds in people's yards.”

James seconded the motion, on the condition that we add a time limit.

However, no vote was taken, because Kym noted that Steve had agreed to come up with a written proposal, but *not until the next meeting*. Therefore the decision was tabled at 10:51.

Snowplow

Ted attended the meeting to explain the status of the existing vehicle, housed in the Baker Building.

- It is a 1994 Ford pickup, with extensive body damage. Mice have invaded every part of the truck.
- A medium size commercial sander is mounted in back. The sander is possibly operable, but conveyor belt is rusted and the engine is not running. Sander controls do not include flow on sand, so basically sand flows unimpeded till gone. Loading the sand is now a manual operation. Jerry explained that after we lost the ability to load the truck at the county site, we haven't even used the sander for 7-8 years. Was a good idea when we could load up at the county. Also annoyingly sand would freeze if left in back of truck.
- The truck also has a heavy duty Boss plow in good shape. The plow is actually overkill for the current chassis. In any case, a half ton truck is not suited to snow plowing.
- Mechanically the truck has water leaks and possibly a broken water pump. Repairing that will not be cheap. Transmission is not working but clutch is operative. Probably needs a clutch back. Rear differential is leaking with other seepage on front transmission case. One should never get a stick shift for a snow truck.
- In good condition the vehicle might be worth \$500-\$1200 but it is in very poor condition and has no value now.

Conclusion: Neither the truck nor the sander are worth putting a dime into. However, we should salvage the plow.

The Treasurer checked the asset list and found the truck listed as a depreciable asset with a cost base of \$7042, which is now fully depreciated with a value of 0. The asset list does not mention the sander or plow.

Actions:

- Val moved that we dispose of the truck and salvage anything that is usable. As Treasurer, she asked that she be notified when the truck is disposed of and what is salvaged and what we get from any assets. **Seconded and approved. (did not note exact vote)**
- Ted will research what it will cost to dispose of truck and how to get the plow off. A new mount is about \$600 and will need to be matched to the model of truck we get.
- Jim (Chair) stated that a committee of experts (Kym's husband Steve, Mike, and Dan) are preparing a list of recommended requirements for the next plow vehicle Dan and Ted have already agreed on a set of requirements for the truck; Ted will write these up. Recommendation will be made at the January meeting.

Caretaker trailer

Linda Lennon is restoring the trailer previously occupied by the caretaker, Derek, as he had left it in uninhabitable conditions, including pet excrement and damage to the walls and floors.

To proceed with this work, and keep the heat on over winter, Linda is residing in the trailer, under a temporary caretaker agreement (signed early November, and not yet submitted to the Board). Linda has the same arrangement as Derek, under which the base \$800 rent is paid unless work is performed to reduce the rent.

To date she has done about \$600 worth of work (needs verification), and is working at the same hourly rate as the previous caretaker, Derek (\$14 hour). The goal of this arrangement is to restore the place to a condition for selling, probably in the spring.

Val asked if there is an end date to the current caretaker agreement. If we are to sell the property, that should be proposed at the next annual meeting. Towards this end, we should have an appraisal of the property, possibly in February, assuming repairs are complete.

Insurance

The previous month's meeting had included a question about multiple insurance premiums being paid by the Board. (The minutes are being amended to clarify the original statements.)

The upshot is that the Treasurer had discovered multiple entries for insurance payments, and wondered what these were for. Kym Codomo (Trustee) has extensive experience in the insurance industry and had volunteered to review the insurance payments.

After completing that review, she concluded that the apparent "multiple payments" were an artifact of the way that particular insurance company handles a policy and its riders, declarations, and amendments. Some companies will issue one policy with multiple amendments, whereas this company creates separate policies with separate payments. It's unusual but not in any way suspicious. Kym stated that a blanket policy with endorsements is normal but this company just does separate policies.

Kym also clarified that the policy is for (Directors and Officers Liability D&O) coverage is for 1 million dollars, and includes coverage of trustees. She explained that a typical homeowner insurance policy should cover community volunteer work as well.

Actions:

Val will work with CPA to clarify the ways these are entered in the books.

Williams residence

In response to complaints from the community about the commercial vehicles on the lot, the Williams family has offered to put in fencing, to be erected in spring.

There was a discussion about what the specific violation was, and why the Board had not seen the complaint. Also, a discussion as to whether the by-laws allow commercial enterprises.

Pam (Facilities Manager) explained that complaints are allowed to be anonymous. (In this case they were raised by neighbors.)

Val (Treasurer) requested that, even if we allow anonymity, the person making the complaint should have to do so in writing, so that we have a record of what exactly was the issue:

A counter opinion was that this would slow down the resolution process. It would take too long for the Board to review and act on each and every complaint (as demonstrated with the 3-month discussion of the goats). Also, we need someone working on a regular basis to take action.

The Chair (Jim) opined that the Board is responsible for *resolving* the issue, but it usually it doesn't require the entire Board to figure out a resolution. Whether the issue is animals or unlicensed vehicles, we follow County regulations.

James asked that we discuss the pertinent regulations in Executive Session.

(Result: The Board concluded that no violation had occurred and the question would be tabled until the Williams provided their fencing plan.)

Budget

Val (Treasurer) stated that it is a requirement that the budget be mailed out prior to the annual meeting. In previous years, it has been available at the meeting as a handout.

Pam (Facilities Manager) agreed to include the budget in the mailings sent out prior to the annual meeting.

Exited Executive Session at 11:59 AM

New business

none

Announcements

none

Adjournment and approval

Meeting adjourned at 12:09 (was it 12:01?)

Revision History

11/13/2018	Src document created
12/9/2018	Corrections and removal of Executive Session notes) Notes from Executive Session for meeting of 11/10/2018 are available to Board members on request.
1/23/2019	Additional corrections
1/23/2019	Export to PDF