



Sunlight Waters CC Board Meeting Minutes

Call to order

Call to order at 10:00 am, Jan 12 2019.

Initial Remarks: Jim Moehring (Chairman) welcomed Scott Perna, CPA, who will provide the treasurers report. He also welcomed Terry Clinton and Bonnie Williams as new, permanent board members.

Attendees

Roll call

Chris Felstad (Trustee), Jim Moehring (Vice-President), Terry Clinton (Trustee), Bonnie Williams (Trustee), James Ihrke (Trustee), Kym Codomo (Trustee), April Strieff (Trustee), Jeannine Takaki (Secretary),

Guests

Bill Barschaw, Reza Schekaraiz, Bob Craig, John Woolflok, Darryle Scaugstead, Pat Palin (Balin?), Lorrie Grigg, Val Barschaw, Mike Budschott, Carl Nelson

Members not in attendance

none

Guest remarks

Carl Nelson (speaking time starting at 10:03): Provided a printout of issues to raise with Board. Issues include lack of participation and getting members to volunteer, management, oversight, etc. They also created a Membership Oversight Committee, with voluntary and free membership, to ensure regulations shall be followed. The Committee wishes to ensure that the Board is following the covenants, to avoid legal issues. The goal of the Committee is that members will attend Board meetings and provide feedback to the community.

Carl read out the issues on the printout and commented on each of the items in the handout. His comment period ended at 10:07. He asked if printout could be included in minutes but the Secretary was unsure about that; typically other printouts we consult (like by-laws, etc.) are not appended to minutes, though we might be able to link to them if a copy is placed online.

Chair asked if there was a list of Committee members? Answer: Currently, no.

Jim (Chair): One of the main concerns raised was the change to DCRs. We did vote to allocate money for this purpose and sought advice from an attorney. He stated that when an action is performed by the Board, it would be the burden of members outside the Board to dispute it.

Chris (Trustee): Chris clarified that the attorney they spoke to was a friend who is well versed in city law and nonprofit law. Chris asked him his opinion as to whether the Board's action was acceptable, or whether we need to pay a lawyer. The attorney's opinion was that it is not the Board's responsibility to defend itself in the absence of a legal challenge. In other words, someone must challenge the action and then the Board should defend the action. In other words, typically someone else would have to initiate the challenge.

Jeannine noted that the Bar Association strongly discourages lawyers from providing ad hoc legal advice except to clients. If we need an official legal statement, we have to hire them. However, given this opinion, does the Board need to take the expense of hiring a lawyer? Considerable discussion as to the pros and cons:

- Val felt that acting proactively would save us a lot of money and trouble.
- Others countered that it would waste money that could be spent on the pool, roads, etc.
- Carl asked whether this met the commitment the Board made to seek legal advice.
- Others countered that, given the Board's obligation to not waste the community's money, we should not proceed to hire a lawyer when there is no legal action required of the Board.

No consensus was achieved on this issue.

Kim (Trustee) asked how many people at the Board meeting actually attended the annual meeting AND stayed till the conclusion when the changes were made. (Result: About a third of those present had stayed till the end.) She stated that it was not the Board that initiated the changes to the covenants, but a community member. The community member (name inaudible or not mentioned) also initiated the removal of the annual meeting Chair. So the action that is contested was not taken by the board, but by a vote of the community at large.

Questions still remain as to the by-law provision that supported the latter vote to change the covenants. James agreed to provide the relevant by-laws to any interested.

Sheffries (Guest, 290 Ridge Loop) cited a new state law governing HOAs and stated that our HOA was not in compliance. (Washington Common Interest Ownership Act (WUCIOA) was passed by the Washington State Legislature on March 6, 2018 and goes into effect on July 1, 2018.)

James pointed out that the annual meeting took place in May 2018, before the law came into effect, so its regulations would not apply in May.

Carl raised the issue of a “family member of the board living for free” in the caretaker’s house. James asked for clarification of who this is. The person in question is Jim Moehring’s sister in law, who was previously living in an unpermitted dwelling on Morrison Canyon Lane and took the position in the caretaker’s house temporarily to clean up the house prior to sale in spring. (Refer to previous meeting notes for a discussion of the cleaning contract.)

Jim asked that we end the guest discussion for lack of time. He stated that the Board is doing its best with volunteers, and he is trying to keep the board running.

Concluded discussion at 10:24

Approval of minutes

Numerous complaints have been heard about the minutes: that they are riddled with typos and inaccuracies, and have not been made available to the public.

Jeannine (Secretary) explained that errors previously noted (thanks Val) have been corrected and the updated version posted online.

In general, some time is required after a meeting has taken place for the Secretary to compile and edit the minutes. After that, they are circulated to the Facilities Manager and Board for review.

The minutes are far more lengthy than before, to ensure that background information provided in discussions is shared and that comments by community members are captured. To save costs, we also do not provide printed copies of the minutes to each Board member; rather, they are expected to review the minutes in advance of each meeting.

Minutes are posted on a secured Internet location for access by Board members. As minutes are approved, we ask the Webmaster (Jason) to add them to the official web site.

People who do not have Internet access can view a printout of the minutes at the SW office; ask the Facility Manager (Pam) to see the binder.

Val raised the question of whether it is appropriate to approve minutes or conduct any business “online”. The current compromise is to review in advance, with one copy at the SW Office. Is this acceptable?

It was agreed that the minutes should be made available to the community in a more timely manner than before; however, we cannot post them online until the Board has approved them, so there will always be a lag of at least one month.

At 10:28, a motion was made (by who?) to approve the minutes for the November 2018 meeting, despite some people not having seen the amended version. Similarly, a mention was made and passed to approve the minutes of the Dec 29, 2018 meeting.

Treasurer’s report

Scott Perna reported \$176,000 (net income, rounded) compared to \$144,000 previous year (also rounded), so cashflow is good.

Accounts receivable has been greatly increased: about \$33000 compared to \$73000 the previous year. In other words, we are receiving much more dues payments than before.

Net income over expenses were \$26,000, compared to \$49,000 the previous year.

In 2017 a property was sold at net profit of \$11,000 and the pool required significant repairs. Those two items make up the difference between the two years. Otherwise expenses are about the same.

Questions: Val asked whether Scott had been able to resolve issue of two separate checking accounts and if he had responded to the issue raised by the letter from Cashmere Bank.

Scott replied that there are four (4) accounts, all of which are listed and fully up to date in the books: the checking account, the debit account, and two savings accounts.

Bonnie (Trustee) asked for clarification about the debits at Cashmere. Scott stated that all accounts in the balance book are in the bank statement. He also explained that the list of accounts consists of the special account for lot elimination monies, a checking account, a debit account, and a CD savings account. The debit card account had 2 debit cards; but the original one was physically destroyed by Dan Fisher because no one knew the corresponding PIN number. The account number is still attached to the Amazon account. The other debit card is in the office. All debit card purchases go through same account.

Val asked that the letter from Cashmere Bank be provided to Scott Perna so that he could ascertain that the accounts were all known to him. He looked at the letter which was provided to him by Pam but did not make further comment on it in the meeting.

Kym clarified the status of the accounts and signers. She visited Cashmere Bank on Thursday 1/10/2019 and removed all other signers: currently, the only people authorized to sign are Kym Codomo and Jim Moehring.

Carl asked the CPA a question about capital improvements and the process for proceeding with them. Scott replied that, typically, capital improvements would be included in the budget. Capital assets would go in the capital budget.

Val reminded the Board that, in a previous meeting, Mr. Ihrke had offered to do some background research about the requirements for review of reserves. This is a requirement for non profit organizations over a certain asset value. James Ihrke (Trustee) confirmed that the review has not been completed due to holidays. However, he will ask Jerry what he has learned about RCW (At 11:53, Val provided the relevant code number: RCW 64.38.065 , which pertains specifically to HOAs).

Click link for details: [WASHINGTON NONPROFIT CORPORATION ACT](#)

Question (name unclear): Was there a budget ratification meeting?

Answer (James): Ratification of the budget was done at the annual meetings. The requirement for a separate budget ratification meeting did not exist at the time of the annual meeting.

Scott Perna explained that it is a nonprofit corporation and the status reported to the IRS is a **nonprofit club**.

The Treasurer's Report was approved.

Correspondence

None

Executive session

Executive Session started at 10:39, but was interrupted by comments and questions from guests. Restarted at 10:41 when Kym made a motion to enter Executive Session.

Exited Executive Session at 11:11

Unfinished (old) business

Officers: Resignation of President

Jim: Dan Fisher has resigned for medical reasons.

April motioned to accept his resignation. (who seconded). All Ayes.

Officers; new President

Kym moved we install Jim Moehring as President; April seconded it. All in favor.

Officers; new vice-president

Kym moved that we install James Ihrke as VP; April seconded. All in favor.

New trustees

Two alternate Trustees were voted in at the general meeting. The Board proceeded to confirm them as Trustees.

Chris moved that we accept Terry Clinton as Trustee. Kym seconded. Unanimously approved.

Chris moved that we accept Bonnie Williams as Trustee; James seconded it. Unanimous.

Officers: new Treasurer

Terry Clinton had volunteered to serve as Treasurer, if needed. He has relevant experience, as general manager of a large heating and A/C company.

James moved to appoint Terry Clinton as the new Treasurer; Chris seconded. All in favor. 11:16 AM

Committee issues

Jim addressed the concerns raised by the Oversight Committee. H stated that grounds for removal of the Treasurer are addressed in the By-Laws on [page 6, Article 6.7](#).

The criticism of unannounced Board meetings was acknowledged. All meetings should be posted on the official Facebook page, and for those with no access to Facebook, a notice will be printed and posted on the office bulletin board.

A copy of the approved minutes will be available online and in the office.

Jeannine offered to email minutes to interested parties, but Pam (Facilities Manager) pointed out that the Board is not allowed to directly contact members without prior consent. Therefore, anyone who wishes to receive a copy or link via email must provide written consent in advance. Rather than do this, we will ask the Webmaster to post approved minutes on the official SW Web page.

Carl responded that members of the community will continue to participate in meetings, and the Oversight Committee is open to membership to all.

Concluded discussion at 11:22

Maintenance vehicle

Maintenance vehicle: There is no imminent need to make a decision, so have tabled that question until the general meeting, where it will be proposed as a capital expenditure. Then the community can decide whether or not people want a maintenance vehicle for SW.

James moved and April seconded to table maintenance vehicle to the annual meeting. All approved.

A community member asked for clarification on is meant by “maintenance vehicle”.

James explained that we had a defunct, broken snow plow vehicle that has been towed away. The question was whether we should have our own equipment, so that we can plow as needed, or continue with the existing contract with a snow removal company. This year, snow has been light so we made the right call in using the contract.

The original proposal was to purchase a ¾ ton or 1 ton pickup flat bed with blade that could be used to haul fuel, or use for other maintenance projects.

Val asked if the vehicle has been removed from the asset list; yes, it was. The vehicle was already fully depreciated and not operable. (See Minutes from November for a full description of the previous vehicle’s condition and defects.)

Rules of order

11:25 **Pat Falon** (Palin?) asked a point of order. Isn’t discussion required before any vote? And can any member call for discussion as a point or order?

The parliamentarians on the Board (James Ihrke and Jim Moehring) explained that any Board member can call for discussion but the Chair will generally not always ask for discussion.

Christmas party and TV in the club house

Kym described the party for kids held at the clubhouse on Dec 15. Attendance was better than expected, with 18 children of varying ages attending:

Activities including kids crafting gifts for their dads or moms, as well as a sleigh ride through the neighborhood, thanks to “Dave from Boeing” who lent his new utility trailer as sleigh. Highlights included a live elk peeking out of the trees.

They also watched the movie Polar Express, using the newly purchased clubhouse TV! We hope to offer more pajama movie nights in future.

Jim (Chair) noted that the Board invested in a new TV in the main area to support exactly this type of events. The hope is that the community will use it for watching sports, movies, or any other suitable broadcast.

New business

Chipper program

Firewise will come in and chip our branches to reduce fire danger in the community. Last year chipping was a volunteer effort (thanks Carl and all others who spent a lot of time on this) so it was time-consuming. So look forward to this improved and easier chipping operation in spring.

Burn ban

Kym noted that there is a temporary burn ban for non certified wood stoves, due to the temperature inversion which has caused hazardous air quality. For people don't know how to find out if there is a ban, Kym will post a phone number on the official SW Facebook page that you can call to determine whether fires are allowed in Kittitas County. (You can also get this number from the Facilities Manager, at the clubhouse.)

People who want to do burning when there is not a burn ban must be sure to get a permit from the Dept of Ecology.

Pool

We have a great asset in the pool, but really need volunteers to help open and close the pool. Opening the pool requires about 2.5 hours in the morning to perform all the mandated health and safety checks, and closing takes about and 1 hour in the afternoon.

You can get training on how to do it. If more people volunteer, it won't be such a burden on a few people.

We will follow up and request volunteers and provide training.

Confirmation of New Treasurer

Terry Clinton had been voted in as the new Treasurer, but had to leave early to attend his granddaughter's 5th birthday party. At 11:42 Jim called Terry Clinton to formally ask if he would be willing to serve as Treasurer, and he accepted (while in transit).

(Secretary's note: Temporally, this took place after the Open Floor, because we were waiting to call Terry. Category-wise it belongs in this section, not in Open Floor.)

Open floor

At 11:35, the floor was opened for general comment and questions.

Oversight Committee and the Board

Reza: Wanted to express appreciation to board members for their volunteer work. He stated that neither he nor any member of the Oversight Committee has any hostility towards any of Board, and they want to see coherence within the Board and the community. The community should be working with the Board. The goal is openness to homeowners.

Laurie Gregg: Followed up a comment that she had heard some considerable negativity from members for the Oversight Committee – some of the conversations were very hostile and accusatory. She asked them to clarify their own role, and how they would preserve some level of openness. Would they take minutes and offer those minutes for public review? How will they determine if an issue has been missed? Will the Oversight Committee have stated goals? How will the Oversight Committee get consensus about their own agenda?

She cited as an example: Suppose someone is offended by the smoke in my yard, while others say no fires are allowed, and other people claim say no one can tell me not to have a fire. How do you determine what constitutes a valid complaint?

Carl responded that it is not uncommon in many organizations to form an outside advisory committee. Thus the Oversight Committee is not a governing body, and the outreach efforts for this Committee should have only one focus – to ask people what matters to them, and what problems they see.

Reza added that consensus building was another goal.

Snowplow

John (missed the last name) lives on Morrison Canyon Road and has a snowplow. He voluntarily plows the roads when he sees chatter on the FB page. However, when he went out the other day, he was called off because the official contractor was coming. He asked why he can't help, and if we could save some money by using volunteers. For example, he charges \$100 an hour for plowing, but we pay our contractor some \$165. (Actual rate needs verification.)

Kym (Trustee) asked if John lived here full time, and he replied yes, but he has a full-time job and so is not available 24/7 for plowing.

Jim (Chair) explained that the plowing company asked in their contract with us that we DO NOT have anyone else plow the roads. This request has to do with how they plow, where snow is placed, etc. So that is the only reason he was asked not to plow. However, next year the Board might approach him (and other volunteers) about improving the plowing situation.

Bonnie (Trustee) commented that she and her husband Shane had this same issue before, when he had volunteered to help the community by plowing. He would return after a 14-hr day

and find people in the community upset because plowing couldn't be done in time. So volunteering poses many problems.

Jim (Chair) pointed out that if we do decide to get a maintenance/plow truck, that would be a good time to get a roster of volunteers so that several people could drive the truck. However, the question of whether to buy a truck or not is undecided; it will be on the agenda for the next Annual Meeting. As preparation for that meeting, the Board will obviously need to list some other uses for the truck, and Val has requested a cost-benefit analysis as well.

Plowing: Jeannine asked why plowing started so late. The answer is that, under the current contract, no plowing is done until there is at least 4 inches accumulation.

More parties!!

Mike asked about more parties for kids. Do we have a regular budget for these? He noted that Kym paid for the Christmas party out of her own pocket, but she shouldn't have to do that regularly, or at all.

Kym replied that we usually do provide budget for parties, like the Halloween party. She tends to be extravagant with the party planning and therefore will often contribute some from her own pocket to make sure she can do it right.

James noted that we are officially committed to two (2) community parties a year. The Board would love to hear proposals from the community for parties.

Carl asked which channels the TV package includes. Pam has provided a laminated card with all the channels out in the main area near the TV.

Kym explained that we don't have HBO, or some of the premium sports channels, so the Seahawk party would have had to be through PPV. Since the playoffs were of no interest any more, she didn't get PPV for the game.

Announcements

none

Adjournment and approval

11:57 Kym moved that we adjourn the meeting. Jeannine seconded.

All approved.

Revision History

1/12/2019	Source document created
1/13/2019	Moved into template and converted brief notes into full sentences; applied minutes template
1/13/2019	First draft review by Kym Codomo
1/14/2019	Revision to fix typos and add Kym's changes;
2/8/2019	Minutes approved at regular Board meeting
2/14/2019	Removed action items and outstanding questions (such as the spelling of people's names) from the minutes
2/14/2019	Converted to PDF and sent to Webmaster