



Sunlight Waters CC Board Meeting Minutes June 2021

Call to Order

The June 2021 meeting of the Sunlight Waters Country Club Board of Directors was held in the Clubhouse, with a Zoom option for remote attendees.

Meeting started late due to technical issues (recording and equipment).

Attendees

Doyle Beekly (Trustee), Carl Nelson (Trustee), Christine Konkler (Trustee), Darren Capps (Trustee), Terry Clinton (Treasurer), Mike Josenhans (Trustee), Jeannine Takaki (Trustee), James Ihrke (Trustee)

New Board members introduced themselves.

Approval of Previous Minutes

A motion was made to approve the minutes from the previous Board meeting (April); seconded and approved.

Treasurer's Report

Budget was presented and approved during the annual meeting. Current financial status is:

- Checking: \$88,831.60
- Debit: \$443.59
- Savings: \$46,853.21
- Lot elimination: \$18,572.56
- CD: \$102,636.11
- Total: \$257,337.07

No report was presented in May because we didn't have a Board meeting. Therefore:

- Deposits for April were \$20,264.71.
- Deposits for May \$6,050.00.

The Facilities Manager reported that the collection agency sent us \$6,900.00 on delinquent accounts. The agency gets 25%. We are in Phase 3 of collections. Some delinquent households are on monthly payment plans. We will find out how many people are delinquent and not paying at all.

Our accountant, Scott Perna, will provide a balance sheet and P&L before each Board meeting. He couldn't do it in time for the June meeting but is committed to providing the information.

A motion was made to approve the Treasurer's report; seconded and approved.

New business

Officers

All new Board members came in as Trustees, with one position (President) selected by the community at large. Votes were tallied by a Teller Committee comprised on three (3) outgoing board members plus a third-party observer.

One additional nomination was submitted online for Chris Felstad; however, as he was not present, he cannot accept the nomination.

Results of voting on officers

James (President) reported the results of the Teller's Committee's tallying of ballots for the role of President:

- Darren Capps - 40
- James Ihrke - 45 (approved as President)

Treasurer

Terry Clinton was unopposed and is approved as Treasurer.

Vice-President

Darren Capps was nominated for Vice-President and accepted.

A motion was made to approve Darren as Vice-President; seconded and approved.

Secretary

Jeannine Takaki was nominated for Secretary; she accepted with proviso that she cannot attend the General Meeting in 2022.

The motion was seconded and approved.

Detailed report of ballots

At the 2021 annual meeting, voting by email or ballot was used, since it was not possible for the community to meet in person. The Teller committee tallied the votes, with results as follows.

Item	Yes votes	No votes	Result
Minutes from 2019 meeting	81	7	Approved
Treasurer's report	72	16	Approved
By-laws changed	57	34	Approved
Pool replacement	40	54	Rejected
Clubhouse heating	54	38	Approved
Phase 1 landscaping	39	51	Rejected
Trustees' election	majority		Approved

Some discussion followed about the voting process and about the level of participation.

- 154 ballots were sent out, to paid-up members only. Total number of votes were 94.

- People on a payment plan cannot vote. The requirement is that dues be paid in full by March 31.
- Some people own 2-3 lots and get multiple votes.

Issues:

- Some community members were eligible to vote but didn't get a ballot. One problem is that we often do not have reliable mailing addresses for lot owners and learn the address only when property changes hands. In general, ballots are sent to the same address used for dues statement.
- Physical mailings are expensive, generally over \$200. Because of the weight the recent mailing cost over \$800.

A motion was made to approve the ballot report; seconded and approved.

Official filing of by-laws changes

Changes to the by-laws that were approved by vote via the General Meeting must be sent to the County registrar. James Ihrke will provide the detailed text of changes to Pam, who will present it to the County.

HVAC system

The update to the Clubhouse was approved at the General Meeting. The update to the HVAC system should reduce fire hazard and add air-conditioning.

The budget was \$25,000. Terry will get detailed estimates for a four-head ductless system

Reserve study

The preliminary report is ready but now needs to be revised since the proposal to replace the pool did not pass, and the previous report did not include pool maintenance costs. The updated report will be presented to the Board.

Some discussion of what a reserve study is, and why it matters:

- All HOA and community are required, by the State of Washington, to conduct a reserve study. One has never been done here.
- A reserve study must be conducted by a specialized analyst. It shows projected costs and assets for up to 30 years. This analysis helps the community budget and plan.
- The status of the pool was unclear when the analyst began the study. Since the pool update was rejected, the analyst must revise the report to include maintenance costs for the system.

Misc

1. The Architectural Committee report was not included in the agenda, and Reza asked that we add it to the agenda for the current meeting.
2. A community member asked that we allow votes by mail or electronically in future. This has already been done, as part of the changes to the by-laws at the General Meeting.

Possible development near SW

A property owner adjacent to Sunlight Waters has proposed building an Airbnb or resort that would include multiple cabins and swimming pool. The lot size is 10 acres. Originally the proposal was for “2 small cabins with a full-time attendant” but that is unlikely to be profitable – expect more like 20.

The County has no restriction on use of this property. The owner could even build a marijuana shop.

The Board feels we should get involved with the County and find out the exact utilities and road easements. Development will require a Land Use Action and a hearing, and the Board should get involved. Note that, in 2018, the Community approved a change to the by-laws that specifically forbids short-term rentals. The sentiment of the community is clear on this issue.

Carl: Our best resource is the Community Development agency for the County. We should request information at every step of the way of any proposed permit. Note that Sunlight Waters is actually a “non-conforming entity” surrounded by lands designated for resource extraction and management. So, the County will **not** support us making an issue over resource use.

Reza: The Architectural Committee can act as point of contact on the permit for the proposed resort, if desired; however, the County is primary jurisdiction. The by-laws and Architectural Committee guidelines apply only to SW properties.

Road use

Access to the proposed resort would require use of the community’s private roads. They have offered to pay for road use. However, we already have a problem with speeding and road damage, and this would make these issues worse.

Preventing access would be difficult because of adverse possession. We cannot block access, only dictate road use.

One option is to assess a road fee. For example, the horse property near the Clubhouse is paying for road updates. For consistency we might implement a special roads assessment for external users. However, adding a fee for road maintenance is problematic because speeding restrictions are impossible only on community members, not on outsiders. Therefore, people inside the community would be held to standards not met by people outside the community

Water use

The owner of the proposed resort contacted Water District #7 to get water. Parcels outside our service area frequently ask for water. There is an appeal process, under which an adjacent parcel could ask for water access. This would require a change in our service area boundary, and a business agreement with the property owner. The Water District would also have to annex the parcel into our special taxing district.

In general, the Department of Ecology has defined the service area for Water District #7 as the boundaries of the Sunlight Waters development.

The Water District obtained 42 new water connections, but had a waiting list of only 9, 3 of which cannot develop without combining lots. Several lots on Highline Loop have failed to get approval for septic systems since the county is increasingly strict about septic viability.

Unpermitted sheds sold as dwelling

On a related issue, several sheds are for sale on Morrison Canyon Road that were remodeled as dwellings, without building, sewer or electric permits. We informed the realtor that the structure could be legally used only as a cabin on weekends, not as a permanent dwelling. Darren also spoke with the realtor and requested that they discuss the lack of permits with the county. Any new buyer would be responsible for due diligence with the County.

Misc building and permit issues

Q: Can the SWCC Board give feedback on any proposal sent to the Water District by the proposed resort owner? Can the Water District limit the amount of water provided, preventing a pool or too many cabins?

A: Certainly, any proposal would be followed by very robust discussion. Probably the owner will be forced to drill a well and get water from a water bank. The County allocates a third of an acre-foot (about 300 gallons a day) for \$5000 worth of water rights. The Water Bank gives you a specific amount of water and would have to be metered. With water district similar parameters would be put in place.

Q: Is there a requirement on minimum house size at Sunlight Waters?

A: Not other than that specified by the County. The County does not allow so-called tiny houses, for example. The structures on Morrison Canyon Road are just hickory shacks, though, and wouldn't be allowed anyway

Q: Are there people in the community living in tiny houses?

A: The Architectural Committee is aggressively targeting all kinds of illegal dwellings, including travel trailers and sheds used for full time living. The RCW has very specific guidelines on RVs used as dwelling. The County already has ordinances that require some minimum number of square feet, so we do not need to revise the bylaws to block tiny houses. However, outbuildings that are not used as dwellings, of 200 sq ft or below, do not require permits (protected under international treaty.) Permits are required if there is mechanical and plumbing. Electricity is allowed. Heating is not allowed. Note that County regulations are always subject to change. For example, Snohomish just allowed Accessory Dwelling Units (ADU), to support a separate apartment on the same lot or above a garage. However, our water district would not support that.

Old business

Controlled burn by fire Department.

The burn planned from Twin Lakes Road to the canal has been cancelled this year because fire danger is too high. The delay affects our plans to provide community access for lake parking

Bridge and roads

The Road Tech bid was subject to some changes, and we are waiting for a revised bid. Clubhouse Road is actually owned by the person who owns the land behind the Clubhouse, but the road is also used by the Fire District and Water District, as well as Carl's property. So, the bid has been revised to include a split assessment so that SW doesn't pay the entire cost but will share cost among multiple property owners. This has delayed chip sealing and maintenance a bit.

Many people have asked about when the roads will be swept. This is done when the road work is done. We do not have a year-round maintenance contract, only a contract for seasonal work, much like snow removal.

Carl asked that more people get involved with roads. When the Water District needs to dig up roads it would be better to coordinate efforts with RoadTek. James replied that he just took over roads from Dan Fisher and is trying to get up to speed. He appreciates the help and expertise. They agreed to discuss it later.

Repairs to the bridge are waiting on KRD to determine ownership. We cannot post load limitations on that bridge unless we are the owner. Originally the bridge was built for agricultural use, by KRD, which still uses it for maintaining their canals. However, James recalls a "10 ton" sign. Pam agreed to get clarification from KRD on the allowed load.

There are many such agricultural bridges in the County, being used for land developments that exceed bridge capacity. Attorneys are involved and the issue is not simple

Note: **Garbage service is not provided by Waste Management to properties below the bridge**, not because of the load rating on the bridge, but because their trucks will not use the road in winter, and WM does not offer summer only service.

Pool and clubhouse postponed opening

Pam has been in contact with the County about the lifting of COVID-19 restrictions, originally targeted for July 1. Current requirements are for social distancing, including a full-time monitor and limits on number of people.

The plan is to start the work of getting it cleaned and refilled, and then get an inspection.

The condition of the pool: The pump house was flooded over the winter so there was some damage and repairs are needed. There was a rupture, and the usual winterizing process did not work. Mike Josenhans is getting it fixed. Mr. Ihrke has been doing most of the work, but it takes several hours each day to get the pool open. A couple in the community have volunteered to help Jerry and Letha but we'll see if it is enough.

People have expressed interest in volunteering as monitor, if needed, but so far there are not enough volunteers for the pool to open every day. We also need volunteers to get it ready.

Clubhouse reopening is subject to the same rules from the County. WA state health guidelines were updated as of May 18, and another on June 30. There are a different set of rules for people who are fully vaccinated. We also need a posting of maximum occupancy. Some rules are specified by the County, not the state, so always check both sources.

Architectural Planning committee status

Discussion of who is on the committee.

Three trustees are required: James, Terry, Darren are the trustees on the committee, and Reza is a volunteer. Reza was the AC chairman; but can no longer serve.

Mike Budschalk offered to serve on the committee. Carl offered to serve on the committee and as chairman. Darren volunteered to serve as chairman.

Open session

- Please, if you use the poop pick-up bags, take your poop home with you, do not leave it by the post!
- Suggestion that the Board form several smaller committees to handle some of the work: finance committee, maintenance committee, etc. It is important to delegate responsibilities to different board members and volunteers.

Executive Session

Executive session started at 11:53.

Executive session ended at 12:25.

Adjournment

A motion was made to adjourn the meeting. Seconded and approved at 12:26 PM.

Revision History

06/12/2021	Src document created; added meeting agenda and notes
08/07/2021	Edits and cleanup
08/08/2021	Draft sent to Board for review
08/14/2021	Approved at regular Board meeting
08/18/2021	Spell check; convert to PDF; sent to webmaster