Minutes
Board of Trustees and General Meeting
November 9, 2016

Welcome by New Board President

Introductions—Board President Glen Corell called the meeting to order at 7:00 pm at the home of Dave Snell and Carla Sousa. Six Board members were in attendance: Steve Bennett, Glen Corell, Dan Matlock, Dale Schmidt, Dave Snell and Nick Tillotson. Association members, John Schuster, Karen Edelblute, Carla Sousa and Susan Bennett also were present.

Treasurer’s Report
Treasurer Dale Schmidt reported that the WWS computer was down so he did not have a detailed printed report. However, he has reviewed the books and reports that the balances are accurate and the check register for disbursements is excellent. For now, the total in RECA accounts was around $80,000 on October 24th, with more receipts coming in since then. There are four RECA accounts: check: Checking with approximately $18,600, Road Reserve with around $3500, Water Reserve with around $40,500, and Savings (emergency reserve) with about $18,000. A complete financial report will be posted on the website as soon as it is available. There are four properties with significant arrears, including one that is under contract to repay its debt and is delinquent in that repayment. The Treasurer directed WWS to notify the owner of impending water shutoff to the property. Dale also warned that Association needs to build its reserves and to do so will have to raise fees in the next budget. Steve Bennett pointed out that fees were reduced after Goss Ridge Rd. was first paved, and that the rates have remained low ever since. The problem this poses is that the cost of repairing or replacing the water system and roadway have increased greatly, and the Board is obligated under its charter to maintain adequate reserves. As an example, Dale pointed out that an earthquake could destroy the well shaft (we are right on the Whidbey Fault), and that drilling a new well would cost about $1000 per foot. Our present well is over 500 feet deep. Replacing it would cost over $500,000. Glen Corell stated that we need to determine what amounts are needed in the reserve funds. RECA may need to seek government-sponsored loans for community water systems, rather than bank loans, if faced with major capital expenditures for the either the road or the water system.

Election of Board Members
Ballots for the election of Board members for Positions 2, 4 & 6 were presented and counted. Glen Corell was reelected to Position 2, Dave Snell to Position 4, and Lynn Kalb-Hunsaker to Position 6. Glen Corell will continue as Board President, Dave Snell as Vice-President, Dale Schmidt as Treasurer, and Dan Matlock as Secretary. Positions 1, 3, 5 & 7 will come up for election at the fall 2017 membership meeting.

Old Business
Board Task Sheet
The Task Sheet includes a series of activities that have been assigned to various Board members, with appropriate due dates. The Board reviewed each item on the Task Sheet and updated the information therein.
-Bookkeeping/billing: As noted above, Treasurer Dale Schmidt reported that the transition to WWS is complete. He has reviewed the books and determined they are accurate. This item will be deleted from the List.
-By-Laws update: Later in this meeting, Glen Corell will present a proposal to change the by-laws to raise the limit on the amount of money that the Board is authorized to spend on a single item without a vote of the RECA membership. The current limit is $7500. If approved, this item will be deleted from the List.
Adding a clear-cutting prohibition to the Covenants: Nick Tillotson has been out of the country and therefore has not been able to work on this. He will consult with the attorney that wrote new covenants for the Goodell Rd. community regarding clear cutting. The date for this activity was reset for January 31, 2017.

Water system capital spending plan: Dan Matlock reported that a new booster pump has been installed by WWS and is operational. WWS has been asked to order and install valves that will isolate the various water lines so that work can be done on one part of the system without shutting off water to the other lines. They have received the necessary equipment, but have not been able to install it yet because of not being able to hire qualified staff and having to deal with emergencies with other water systems on Whidbey. Glen Corell has already provided the board with estimates for installing an automatic generator that would allow the water system to continue operating in the event of a power failure. At present, the water reservoir holds about a three-day supply at normal use rates. A backup generator would provide water in the case of extended outages. The longest in recent memory, about 9 years ago, lasted 10 days. In addition, when the power goes out, there is essentially no water pressure in the 4” line that serves the upper part of Goss Ridge Rd. and Tuition Place. A generator would permit the operation of the booster pump to maintain pressure for those properties. Various alternatives were discussed. The estimate in hand is for around $30,000. Dan and Glen will seek additional estimates. The due date for this activity is June 2017.

Hazardous tree removal: Dale Bonner was not present; no report.

Roadside brush removal: Glen Corell talked with member Mark Meier, who proceeded to have brush removed from portions of Goss Ridge Rd., especially along the steep bank and culvert on the inside of the hill below Tuition Place. Mark did this work free of charge, for which the board and Association are grateful. This item will be removed from the Task List.

Road edge sweeping: Nick Tillotson said he is willing to do the road margin cleaning. The due date for this activity is January 31, 2017.

Winter prep: Glen Corell bought and installed a plastic storage container at the intersection of Goss Ridge Rd. and Tuition Place. He will purchase sacks of traction sand and de-icer to be kept in the container for use on the steep hill in case of freezing conditions this winter.

Reevaluate insurance for RECA: Glen Corell has obtained the contact information for a person who can help determine the level of insurance that RECA should be carrying, based on comparison with other community associations. The information that WWS provides will be presented at the January 2017 Board meeting.

New Business

2017 Budget & Rates

Treasurer Dale Schmidt will look at the amounts in the RECA budgets and compare with information that WWS provides regarding reserves held by comparable community associations. As pointed out in the previous discussion of rates during the Treasurer’s report noted above, reserves are not presently adequate to cover possible emergencies and it will be necessary to collect more revenue to build the reserves to adequate levels. Steve Bennett suggested that the rates be indexed to inflation in future years. Dale noted that the reserves and rate for the water system are probably OK for now, but the road reserve is seriously depleted. Glen agreed that the road reserve needs to be recharged since there is so much needed road repair to be done in the next several years. Dave Snell made a motion to increase the road reserve assessment by $50 per quarter, beginning in January 2017. Steve Bennett seconded the motion. Under this motion, the other rates would remain the same. During the discussion it was noted that this proposed increased is within the $200 per year limit for fee increases. The motion passed unanimously. The water reserve rate will therefore be increased accordingly in the 2017 budget.

By-laws Update

Roadside maintenance. Glen Corell suggested that the Board consider some new additions to the By-laws. Among the items that might be included is a By-Law stipulating that it is the responsibility of individual property owners to clear
vegetation, including brush and trees, which encroach on the roadway. Steve Bennett suggested that the Association charge property owners if they do not maintain the roadway along their property line and the Association has to have the work done. In the ensuing discussion, it became clear that this is a complicated issue. Glen Corell pointed out that this issue should be addressed in the CC&R's, rather than bylaws. There is also the question of how to determine whether maintenance on any given property has been adequate or not, and whether the Board wants to take on this responsibility. It was decided to table this issue.

**Spending Limitations.** Glen Corell also recommended that the Board consider raising amount that the Board can authorize spending without having a vote of the entire RECA membership. Article XIII of the By-laws stipulates that the Board must obtain permission by a vote of the membership for any expenditure greater than $7500. Costs for materials and labor have increased greatly since the original limit was written into the By-Laws. Simply having a 500’ section of the road repaved this fall cost over $22,000 and therefore required a vote of the membership. The voting process takes about a month. Dale Schmidt pointed out that if we need a serious repair to the water system, which could easily exceed the $7500 limit, we would be faced with no water in homes for as long as month. Dale suggested increasing the limit to $25,000. Dan Matlock and several other Board members concurred. Community members John Schuster and Karen Edelblute said they did not feel comfortable with such a large increase. Dan pointed out that it had been roughly 15 years since the By-Laws were first adopted, yet this would be the first increase. In the ensuing discussion participants eventually reached a consensus that a compromise increase of the spending limit to $20,000 would be appropriate and acceptable. President Corell called a vote, and the limit of $20,000 passed unanimously. Glen Corell also suggested some wording changes in Article VIII of the By-Laws to make them consistent with other sections of the document, and with current practice. The Board approved the changes. Because of the complexity involved in explaining the new vs. old wording in these minutes, the changes will be posted on the RECA website.

There being no further business, the meeting adjourned.  
The next RECA Board meeting will be held in January of 2017.

**Respectfully Submitted,**  
Dan Matlock  
Secretary, Ridgeview Estates Community Association