



Shelley Lake Estates Homeowners' Association

MINUTES - REGULAR BOARD MEETING

October 8, 2009 – 7:00 p.m.

Held at the Hersey Home – 847 S. Shelley Lake Lane

Board Attendees:

Doug Wollan	Director, Vice President	Zone 1
Marc Dershem	Director	Zone 2
Dave Syrcle	Director	Zone 3
Bill Martin	Director	Zone 4
Bob Harris	Director, President	Zone 5
Claudia Hersey	Secretary	Non-Voting
Norene Green	Treasurer	Non-Voting

Absent:

Dan Pfeiffer	Director	Zone 6
Diana Wilhite	Director	Zone 7
Davianne Buckley	Chairperson, Communications Committee	Non-Voting
Derek Buckley	Chairperson, Architectural Committee	Non-Voting

Guest Attendees:

Steve Watilo	Resident
Mike Syrcle	Resident
Joe Cucinotta	Resident

#	TOPIC	DISCUSSION	ACTION AND/OR FOLLOW-UP INFORMATION CONTACT PERSON
1	Call To Order	President Bob Harris acted as Chairman and Claudia Hersey acted as Secretary. The Chairman declared the members present constituted a quorum necessary for the transaction of business at the meeting.	
2	Minutes	August 27, 2009 Regular Meeting	A motion was made to accept the August 27 Minutes. <i>Motion carried.</i>
3	Financial Report	Norene provided an update on the progress of the independent audit of the Association's financial statements for 2008. It is anticipated that the audit will fault us for lack of an adequate capital budget plan and reserves. We expect conclusion of the	A motion was made to accept the September Financial report. <i>Motion carried.</i>

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		audit in the next few weeks. Cash balance: Unrestricted \$53,107 Restricted (Shoreline) \$17,276	
		<p>2010 Budget Planning/Dues Assessment: Budget preparation for 2010 has begun. The proposed budget will be presented to members of the Association at the Annual Meeting on Monday, January 11, 2010 but must be disseminated to homeowners in December; the dues required to support the budget will be identified once the budget is prepared (CC&R's Art 9.3). The Board is taking steps to develop a long range capital budget and reserves plan, primarily to fund fence replacement and road repairs/replacement.</p> <p>Since we are a fairly new HOA and had no reserves to start, we are behind the power curve. We have completed a fair number of projects and improvements; I would expect the number of projects and their cost to decline with the exception of fencing and road reserves. While Washington State does not currently have specific capital reserve requirements for HOA's, this is expected to change as many other states are adopting reserve requirements.</p> <p>It was proposed to change the regular assessment due dates from January & July 1st, to February & August 1st, with a grace period until the end of those months.</p>	<p>Bob Harris invited Board members to offer their (and/or homeowners in their areas), input on budget items. Budget item costs should be as precise as possible and should be sent to Norene Green in the next couple of weeks so she can include them in the draft budget for review at the November Board meeting (on or about Nov.19th).</p> <p>A motion was made to accept the assessment due dates as proposed. <i>Motion carried.</i></p>
		<p>Dues Assessment Procedure:</p> <p>The Board discussed a homeowner concern regarding a motion that was made by another homeowner at the 2008 Annual Meeting, proposing an amendment for a vote on dues increases. The motion was made and seconded but there were insufficient votes to effect a change to the CC&R's or the By-Laws and the amendment died. However, Scotty Smith (acting Board President in 2008), did state the Board would examine the issue. This was done at the February 2008 Board Meeting where the newly enacted RCW 64.38.025 was discussed and it was decided that no further action was warranted. The provision of RCW 64.38.025 was presented at the 2008 Annual Meeting; it states that the budget will be approved unless disapproved by a majority of homeowners.</p>	<p>A motion was made to accept the February 2008 Board decision. <i>Motion carried.</i></p>
	Reference	<p>CC&R Change Requirements: Bob Harris reminded Board members that a change to the CC&R's requires approval of a majority of homeowners. A change to the By-Laws requires a 2/3 vote of homeowners (a proposed change to lessen that number failed at the 2008 Annual Meeting). RCW 64.38.025 states the budget will be approved unless disapproved by a majority of homeowners. RCW 64.38.045 requires an annual audit unless waived by 67% of the votes at an association meeting at which a quorum is present.</p>	
4	Architectural	No Report.	
5	Communication	No Report. Bob Harris noted that he spoke with Davianne and she has agreed to maintain her role as Communications Committee Chairperson until a new chairperson is found or until the conclusion of the Annual Meeting on January 11, 2010. We will be	Volunteers are encouraged to contact the Board or the Communications Committee.

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		soliciting volunteers for the Communications Committee, including a new chairperson.	
6	Maintenance	Sprinkler Controller: Bob Harris reported the sprinkler controller on Gate 1 was replaced (damaged by the lightning strike that damaged the gate controllers). The new sprinkler controller is fused and grounded so it is protected from future lightning strikes.	
		Snow Removal: Doug Wollan reported he had received four responses to our RFP (request for proposal) for snow removal for the 2009/2010 season. After reviewing the bid proposals and researching their ability to meet our criteria for roads, sidewalks, mailbox areas, disposal, etc., he then conducted "walk-thru's" with each of the four respondents. Doug narrowed down the list to two possible vendors.	Doug will conclude his findings and provide his final recommendation to the Board for approval (by email).
		Other Maintenance Items: Bob Harris reported on recent common area improvements completed this past month i.e. planting (re-planting) of trees and shrubs, spreading gravel, repairing fencing, widening the nature trail on the wooded side of the lake, trimming bushes, painting, and general clean-up efforts before winter.	
7	Old Business	Well Water Pump: Bob Harris reported the replacement of the old well water pump (installed in 1956), with a new, more efficient submersible, in accordance with our agreement with the Developer, wherein Mr. Heitman agreed to pay \$9,415 and the Association agreed to pay \$2,500. Our contribution actually came from funds the developer provided for the Habitat Management Fund and should be quickly recouped from significantly lower operating costs. Dickerson Pump completed the installation which includes a timer to help better controlled energy and water efficiency.	A motion was made to accept the agreement to replace the pump. <i>Motion carried.</i>
		4th Avenue – Bob and Bill attended a recent public presentation by the developer's engineer about the proposed apartment development on 4 th Avenue. The proposal includes town homes on the east end adjoining Reflections. The plan will go before the City Council for approval – Bob and Bill plan to attend that hearing when it is scheduled. The Developer also attended the recent hearing and appears to be willing to discuss fencing options with the Association.	
		Gate Controllers: Bob Harris reported the installation of the replacement gate controllers for Gates 1 & 2 was completed and we have received insurance reimbursement (less our deductible). The new controllers have LED light bars; these will be retrofitted on the other two units as they make it much easier to see the buttons at night.	
		5th Addition – Bob Harris will continue negotiations and discussion with the Developer (Mr. Heitman) related to our proposal for "shared control" of certain architectural criteria/approvals for the 5 th Addition development.	
8	New Business	CV High School Pedestrian Gates have been installed in the CV High School fence along Rotchford as we had requested. One pedestrian walk-thru gate is located just south of Reflection and the other is located just north of Gate 3 (Galway Ln). These gates should be safer and more convenient for our children who attend CVHS. The city also installed "no parking" signs on the west side of Rotchford. An additional benefit,	

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		when the apartment building project is completed to the East of Conklin, the walk-thru gates will provide a more direct access to CVHS and reduce, if not eliminate, those students from wanting to cut through Reflections.	
		Speed Limit Enforcement: Many homeowners have raised concern over an increasing number of speed limit violators and the Board has discussed options of how to enforce the speed limit inside the development. One of these options includes installation of speed bumps. Bill Martin researched this alternative and reported costs associated with the installation of speed bumps. Bill will continue his research related to this option with the Fire Department and other officials and will make his final recommendation at the next regular meeting. In the meantime, Bob Harris has ordered speed limit "flags" to be installed on the current speed limit signs in the development as a reminder to please observe the speed limit as posted.	
		"Ballotbox" – Proxy Voting Alternative: Doug Wollan reported on a proposed alternative to our current system of proxy voting that is cost effective, efficient, and could be a valuable tool for our Association to adopt. Ballotbox is a secure, web-based solution that could provide an easy and fair process for voting.	A motion was made to obtain further information to present at the Annual Meeting in January 2010. Motion carried.
		Mailboxes – Concerns expressed over safety issues concerning the location of the Reflections exit gate mail boxes. The Board, in conjunction with the Postmaster, approved a plan to relocate these mail boxes to 5 th & Sonora (NE corner). The estimated cost to relocate the mail boxes is \$900-\$1000. Dave Syrcle and Marc Dersham will review the recommended changes and communicate the proposal to the effected homeowners.	A motion was made to approve the relocation of the Reflections entry gate mail boxes to the Postmaster recommended location. Motion carried.
		Annual Meeting Planning: Preparation for the Annual Board Meeting to be held January 11, 2010 at Adams Elementary School is underway. A list of required communications, responsibilities and submission ideas is being prepared. At this time, agenda items include nominations for open Board positions: Zone 4 Director, Treasurer, and Secretary.	Claudia Hersey will request the use of Adams Elementary facilities for the meeting. We will request nominations by email.
9	7:30 p.m.	Guest Presentation: Mike Syrcle and Steve Watilo (also representing the Samuelson's), addressed the Board in a 20 minute session expressing their concern regarding their personal liability related to the developer's operation of the pump under the Well Lease Agreement. They requested that a current Board member make a motion, obtain a second, and carry by majority decision, personally indemnifying all past Directors of any and all liabilities regarding the operation of the well water pump. The Board deferred any request for a motion until all Board members had the opportunity to review the statement as written. Mike and Steve then left the meeting. The Board later discussed the concerns of these homeowners and agreed there are no known current or future legal ramifications or issues that would put these former Directors at risk. Bob Harris noted that in recent conversation with the Association's attorney he did not foresee any liability and confirmed that our CC&R's provide protection for past, current and future Board members. The Well Lease Agreement was	A motion was made to accept CC&R's Art 5.12 in that it provides adequate protection for Board members in the opinion of our attorney. If a formal opinion is desired, the individuals requesting same should bear the expense. Motion carried.

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		undertaken in good faith and upon the advice and consent of not only the HOA attorney but also the developer's attorney. The attorney and the Board would expect any future action related to the pump to be in conformance with Dept of Ecology guidelines, should they deem that necessary. The HOA attorney was willing to further research the liability issues for these individuals regarding their request and write his formal opinion; however, he estimated this would take 3 – 4 hours of his time at \$150 per hour.	
10	Exec Session	The Committee held an executive session to discuss attorney communications, certain homeowner CC&R violations, and homeowners in arrears on dues.	
11	Reference	WELL LEASE AGREEMENT: In view of the Developer's willingness to replace of the 50+ year old pump and well casing with a new pump and casing (which will be significantly more energy efficient and greatly reduces future operating and maintenance costs to the HOA), the Board also agreed to reduce the Letter of Credit in the Well Lease Agreement Addendum from \$38,500 to \$19,250. The Board agreed the remaining amount on the Letter of Credit is more than sufficient to fund the \$13,500 aeration plan in the Well Lease Agreement should that become necessary.	<p>The Board agreed the execution of the Well Lease Agreement was done with the advice and guidance provided by two qualified attorneys (the HOA attorney and Mr Heitman's attorney), and the Board (both past and current members) has reasonable expectation it acted in a reasonable, prudent, and legal manner. Thus the provisions of Art 5.12 would apply.</p> <p>A motion was made to accept the reduction of the Well Lease Agreement Letter of Credit to \$19,250.</p> <p><i>Motion carried.</i></p>

ADJOURNMENT

There being no further business to come before the Committee, the meeting was adjourned.



 Claudia Hersey, Secretary

Respectfully submitted by:


 Bob Harris, President