

# DECEPTION PARK VIEW ASSOCIATION

P.O. Box 2446, OAK HARBOR, WA 98277

## MINUTES OF THE ASSOCIATION BOARD OF DIRECTORS MEETING AUGUST 14, 2018

### 1. Call to Order

President Greg Johnson called the meeting to order at 6:42 p.m. at the President's residence (5006 Deception Circle). Present at the meeting were: Greg Johnson, President; Bob Van Dyk, Vice President; Kathleen Johnson, Treasurer; Crystal Burn, Secretary; Samantha Jackson, Hospitality Coordinator; Bryan Burn, Claud Linn, Ira and Sallie Blackstock, Jason Newkirk, Jim and Marsha Phay, and Mike Legerl(sp), lot owners/residents.

### 2. Review and Approve Minutes of May 8, 2018, Board Meeting

Board members reviewed the minutes of the May 8th Board Meeting. Sallie Blackstock objected at this time to "what's going on" with the Board. Her objection consisted of the following:

- That the CIP funds should ONLY be for water issues; re-piping, new pumps, etc. and that it was WA state law. She believes the money that was used to purchase the lots for the playground needs to be returned to the CIP account and that the only reason we have a Board is to manage the water since we own our own water.
  - Kathleen's response was that the old CIP account was closed along with the CD. When she took the treasurer position, she opened the current account we have and faithfully transfers the funds every two months, which hadn't been done in years. She also noted that community annual dues had not been transferred to the community account in years either because the water account could not support the cost of operating our water system. She is unsure how many years this happened as she did her own audit based on the documentation she was given, but the books were not complete.
- The Board is not managing the community funds as they should be but did not give any specific examples of the mismanagement other than purchasing the playground lots.
- There was no vote done for the playground and the community should have been asked. Ira stated he'd read all the minutes and that the Board even mentioned it should have been presented to the community first. (Note: October 10, 2017, Board Meeting Minutes state: "The board decided we should ask all residents for their opinion." This pertained to location and number of playgrounds.)
  - Greg stated that it was requested by a lot owner at last year's annual meeting and those present agreed.
- It's a conflict of interest for a husband and wife to be President and Treasurer because it'll either cause an internal conflict or a community conflict. It was mentioned that both of them could sign the checks from the community accounts.
  - Greg stated he didn't want to be President but no one has stepped up at the Annual Meetings. Sallie tried to nominate herself or Jason to which Greg said a special meeting would need to be called.
  - Kathleen stated that Greg cannot sign the checks because he is not an authorized signer.

Kathleen motioned to approve minutes as submitted, Samantha seconded the motion and the motion carried.

### **3. Review and Approve Annual Meeting Minutes of June 15, 2018**

Board members reviewed the minutes of the June 15<sup>th</sup> annual meeting. Mike Legerl brought up why the community should really think about connecting to the city water. His points were that if we wait until an emergency, the city will be unwilling to negotiate details. Sallie pointed out that we have a spigot built in, in the case of emergency and Greg stated that we have an emergency plan in place already. Claud told Mike that the solution is built in but that “they” don’t want to do it, and proceeded to ask Greg if we could discuss the water issues. Kathleen requested we wait until Jack arrived.

Crystal motioned to approve minutes as submitted, Greg seconded the motion and the motion carried.

### **4. Financial Report**

**A.** Kathleen updated board members on the association’s current financial status. The ending balances with Washington Federal Savings are as follows: Water Account total is \$17,007.36; CIP Account total is \$24,318.90; and the Community Account total is \$9,340.05. Kathleen informed those present that the reports with details are presented at every meeting so everyone knows how the accounts are handled. She believes in transparency.

**B.** Kathleen presented the HOA Annual Dues Report. The yellow highlighted residents haven’t been recorded or received as of the end of July. The green highlighted are special circumstance: Fakkema is exempt because he’s a developer and Cindy Shaw’s are paid by the Fortinos because they are the owners.

**C.** Kathleen has already been talking to a local CPA regarding an audit. According to the CPA she talked to, the RCW (Revised Code of Washington) states that a CPA certified audit does not need to be done because there has to be \$50k a year in income. The CPA did not know of anyone who would do a non-CPA audit.

Kathleen stated that she had been recommending an audit to cover since she took over the Treasurer position. She has done a lot of auditing since she took over with the information that was available; however, lots of documents were missing. Samantha said she didn’t see a reason to have one done unless the price was reasonable. Kathleen agreed to research the cost and report back to the Board.

### **5. Water Management Report**

**A.** Jack Smith was not present at the meeting. Nothing to report.

### **6. Special Projects Report**

**A.** Mark Maris was not present at the meeting. Nothing to report.

### **7. Covenants and By-Laws Committee Report**

**A.** The covenants and bylaws are now in the necessary format to be recorded with the county. The cost will be \$99 plus \$1.00 per page. The font could be no smaller than 8pt and it will also need to be notarized. Mike said his girlfriend is a notary so we could probably have her do it for free. Sallie and Ira objected to the revised and community-approved documents for the following reasons:

- She had read that there were not going to be changes made. However, the fireworks and tree size covenants were changed/added/deleted. She says it should have been done via vote and

the community should have been notified so they could give feedback. Samantha and Kathleen stated that all the information has been on Facebook, the website, and in the newsletter and the covenants were voted on and approved at the annual meeting. Sallie and Ira stated they didn't know we had a newsletter and said that it's not a legal way to "duly inform" the community; it should have been mailed. The attorney that Kathleen talked to (Mr. Waller) told her it was acceptable because the newsletter is mailed to all residents with their water bill. Mike said that 2/3 of the community needed to make changes to the bylaws. Kathleen pointed out that it says on page 8: bylaws can be changed by the majority of board members. The only things changed in the covenants were the fireworks and tree sizes; the latter based on advice from the attorney because we wouldn't be able to enforce tree sizes since no one had taken an inventory at the time of the writing. Jim Phay asked if the covenants and bylaws had been reviewed by the attorneys since July; Kathleen stated yes.

**B. Kathleen presented the violations report.**

- Morriss' had been fined because no improvement had been done. There are still both cars and a boat. Jason Newkirk asked if anyone had offered to help the Morriss family. Greg replied that yes, they had his cell phone number and Greg has the truck. They just had to let Greg know when he was ready to do it.
- Lot owners, Jim and Marsha Phay (present), were sent a letter concerning their overgrown blackberry bushes. Another lot owner is currently having to replace a fence and Kathleen expressed this concern in the letter. They stated there might not be a reason to put more money into the lot if they won't be able to build. He will make sure that it's all fixed. Marsha asked if lot owners had been contacted before purchasing the land for the playground because she would have donated or sold hers. Kathleen was able to show on her contact logs that she had contacted Marsha on 2/12/18 and she hadn't expressed an interest in selling due to a family matter.
- Ira and Sallie made an objection to putting the violation fines on the water bill. Their reasoning was that you should not be able to shut someone's water off for a violation. Even though the annual dues are on the water bill, Sallie said it was laziness on the part of the treasurer and water manager. Greg asked Kathleen if the attorney said it was ok, the answer was yes, and she wasn't sure how some people still had water service because their bills are so high and past due. Kathleen stated that it looks like King Water Company (KWC) does the same thing she does with the violations, doesn't shut water off if you contact them.
- Kathleen stated that the Covenants do not state "how" we can bill the violations, it only states what we can do if they aren't paid within 30 days: We can place a lien on their property. Before this meeting, Kathleen researched the process and cost of placing liens and informed those present that it would cost \$99 to place the lien and \$99 to satisfy the lien plus \$1 per page all due at the time of recording the lien. She also learned that these liens expire in seven months and we would have to repeat the process over and over again costing the same amount each time. The cost to place the lien (\$198 plus \$1/page) would be added to the violation, making a \$100 violation now cost \$298 or more. Kathleen stated that enforcing our Covenants wasn't about making money or causing more financial burdens on residents but rather to clean up our community. And she was against filing liens and costing residents more money than the original violation.
- Kathleen said it does bring up a valid point that what does the Board do when someone's bill gets that high? Sallie stated when she was on the Board; they had 8 copies of a "Water Book" made. This book gives all the details on the water system, aquafer, etc. She still has a copy

and will not give it to the Board but is willing to make a copy. She stated she was paid by the Board to make these “well worth \$25k.”

- Ira believes the Board is meant to be a “quality of water” Board, not a “quality of life” Board.

## **8. Hospitality Coordinator Report**

**A.** Samantha contacted KWC and was told there were no new residents. Kathleen told her there were and she’d get her that information.

**B.** September cleanup is scheduled for September 1-8 (starting Labor Day weekend). The week before will be the time to gather garbage and rubbish for the Board to take to the dump. Mike suggested dumpsters. It was decided against due to space and the need to have someone monitor them.

## **Miscellaneous**

Greg gave the floor to Claud Linn because of how late it was getting. Claud wanted to know if Jack had contacted the water engineer yet. Greg responded that yes, the engineer was starting sometime next month (September).

- Claud went to the county health department to get information. He stated we can’t drill on the two lots we purchased for the playground because of the wetland’s buffer zone.
- The community across the highway belongs to the North Whidbey Water District (NWWD) and they have 13 total water shares with 3 available. We could benefit from that if we hook up to the NWWD.
- The other option is to drill a new well adjacent to the current well and have two straws drawing from the same water supply; however, we would need to be careful of salt water intrusion. Sallie objected to having another straw added to the well. She also expressed concern over the existing infrastructure to support additional water users. She again referenced the “water book” that she spent countless hours compiling.
- He went to Dahlman Pumps and received a generic quote to drill a 300ft well.
- Greg stated that the engineer will look at ALL options and anything like that would go to the community for feedback. Mike said we’d have to create a water committee unattached from the Board, Sallie replied that it’s basically Jack Smith.

## **9. Old Business**

**A.** No update on the wetland tree situation. Greg has not gotten back with the park employees yet. Ira mentioned that the trees can’t be cut because it would affect the skunk cabbage, which is protected.

**B.** Dates went out in an email to residents who signed up to be on the planning committee for the playground. Greg said the plan is to leave all evergreens and build some sort of covered shelter for the community to use along with the playground.

## **10. New Business**

**A.** Greg informed the Board that KWC sent a letter concerning the “Water Use Efficiency Rule Update.” The letter states we must hold a water use efficiency public forum every 6 years to determine what our water usage should be set at. KWC also sent our current performance report, which included our current water use goal of 134 gallons per day (gpd) per household and our actual use of 111 gpd. Greg thought this could be done at the next annual meeting. Kathleen will check with KWC.

**B.** There have been concerns about neighborhood safety/security. Conversation on ideas:

- Possible neighborhood watch program.
- Kathleen stated that a resident recommended cameras at the entrance.
- Report every suspicious and/or actual incident. The more reports to the sheriff there are, the more reason for them to patrol. There is a “crime map” on the Sheriff’s website.
- It was also noted that the Level 2 sex offender has moved out.

**11. Set Next Board Meeting Date/Time**

Greg set the next meeting for Tuesday, October 9, 2018, 6:30 p.m. at Vice President Bob Van Dyk’s residence (645 Cranberry Drive).

**12. Meeting Adjournment.** Greg motioned to adjourn the meeting. Kathleen seconded the motion. Motion carried. Meeting adjourned at approximately 8:20 p.m.