

DECEPTION PARK VIEW ASSOCIATION

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

MINUTES OF THE JUNE 21, 2019, ANNUAL MEETING

1. Call to Order

President Johnson called the meeting to order at 6:50 p.m. at the Cranberry Lake picnic area in Deception Pass State Park. Present at the meeting were:

Board Members

Greg Johnson, President
Kathleen Johnson, Treasurer
Crystal Burn, Secretary
Jack Smith, Water Manager

Community Members/Residents

Richard and Pedy Bartlett of Cranberry Drive
Brandon of Little Rock Ct
Sallie and Ira Blackstock of Deception Circle
Bryan Burn of Deception Circle
Robert Fakkema, Lot Owner
Claud Linn, Lot Owner
Martin and Paula Lynch of Deception Circle
Melonie Miller of Deception Circle
Jason and Kim Newkirk of Cranberry Drive
Marsha Phay (+1), Lot Owner
Kathleen Phillipsborn and Ron, Lot Owner
Scott and Darla Pyke of Deception Circle
Sonja Bryant Bovey by Proxy
Franz Schroeder by Proxy
David Velin by Proxy

2. Review Meeting Minutes of June 15, 2018, Annual Meeting

Members and residents reviewed the minutes of the June 15, 2018, Annual Meeting. Greg Johnson motioned to accept; Crystal Burn seconded the motion. The motion carried.

3. Financial Report

- A. Kathleen updated members and residents on the Association's current financial status. The ending balances with Washington Federal Savings are as follows: Water Account total is \$10,931.86; Capital Improvement Projects (CIP) Account total is \$30,894.27; and the Community Account total is \$9,365.13. All outstanding bills have been paid through May.
- B. On the Proposed Budget vs Current Status, Kathleen explained that the negative balance for the Water Account is due to the cost of the engineer, which was not factored in the budget. It is in this year's proposed budget. It looks like the account is operating in the negative, but it is not, based on the actual bank account balance report provided. The CIP earned more interest than expected and we only transferred \$5,000 of the approved \$10,000 for the community park. All bank register logs were provided.

Darla Pyke motioned for the financial report to be accepted as written, Robert Fakkema seconded. The motion carried.

- C. Kathleen presented next year's Association budget.

- i. The anticipated water revenue amount was reduced as a reflection of last year's revenue, which was less than projected.
- ii. Water connection fees for the new water connections were accounted for.
- iii. All expenses were padded, including the engineer.
- iv. \$42,000 was added into CIP for water connection fees paid.
- v. \$5,000 was requested from the CIP to build the community park.
- vi. \$8,000 of the water connection fees will be held over for the engineer but the bulk will go to the CIP account (\$42,000 mentioned above).

It is anticipated that the additional water connections will add revenue to ALL the accounts.

There was debate about whether the CIP funds should go towards the community park at all. Sallie and Ira stated that they believed it was solely meant to be for water system maintenance. Kathleen pointed out that the community park IS a capital improvement because it will make our neighborhood a better and more desirable place to live. She also stated again that the residents and board approved it at the last annual meeting plus it was advertised on the website, Facebook, and in the newsletter that goes to all homeowners/lot owners.

Sallie also stated that there are RCWs stating a reserve needs to be available for emergency repairs. In response to this, Kathleen agreed and stated that the reserve didn't exist until she took the position as Treasurer and made a concerted effort to put funds into the account. The replacement of neighborhood streetlights had to be paid by the community account because at the time there was no CIP Account.

Kathleen reported that we will be pursuing a USDA loan to help pay for the cost of renovating/updating our water system.

Paula Lynch motioned to accept the financial reports and budget for next fiscal year as written, Crystal Burn seconded. The motioned carried.

4. Old Business

A. Entrance Signage

Crystal put together a couple ideas a few months ago and agreed to send them to Kathleen. We might be able to put the sign on the fence to be seen when you first turn into the neighborhood.

B. Covenants and By-Laws Enforcement

Kathleen reported that the enforcement of maintaining the household yards is working well and that she will continue to enforce our covenants.

Ira inquired whether water could be shut off for non-payment of a violation fine. Kathleen stated that yes, it could. However, to date it has not happened. There have only been two violations that resulted in a fine.

Further open discussion was had regarding what the rules state about inoperable vehicles, blackberries and whether water service should be tied to violations.

- a. Crystal stated that she didn't believe one person should be the deciding factor on whether someone is in violation or not. The committee was created, but one person (Kathleen) made herself the chair and enforcer. In response, Kathleen stated that she volunteered to assume the duties of the chair/enforcer at the August 2017 board meeting and was confirmed by board members present. She stated that the committee was only formed to update the documents because they were outdated and had numerous typographical errors and Crystal was a part of this committee. Kathleen stated that the previous chair/enforcer tried to coordinate with another board member, which prevented enforcement because of conflicting schedules. Paula stated that most HOAs appoint one chair/enforcer from the board who reports back to the board.
- b. There was discussion on whether someone having a car that is not running or without updated tabs in their driveway (off the road) should be given a violation. The covenant states that the lot cannot be used or maintained for the dumping of inoperable vehicles. Crystal stated this does not mean someone cannot have a vehicle in their driveway that doesn't run. There was discussion on the verbiage. Kathleen stated that perhaps the committee should have clarified the verbiage.
- c. There was discussion regarding whether empty lots had to be cleared of blackberries. Kathleen stated yes, they did, at least in the ditches and away from neighboring property lines or they would receive a violation letter and possible fines.

C. Community Park Progress

The lot is almost completely cleared. Rough draft structure layouts were available for review at the meeting. Feedback and help are encouraged.

D. Water System Information

Jack explained how we have more water connections available. This turned into a lively discussion about the process of who will get connections, how the system will be updated (by who, how much, etc.) and the possibility of raising the connection cost to cover the system upgrades.

- a. There will be no more than five connections released per year, at the annual meeting. The pipes will be in the process of getting upgraded after this year. The connections are now available because there's been a reduction in overall consumption after moving to a tiered water billing system.
- b. The Board will meet with the USDA to start the process of obtaining a loan.
- c. The cost of connections could be raised in the future to cover the upgrade, so current homeowners don't have to pay for it. However, the names for this year will be at the \$10,000 as listed in the bylaws.
- d. If your name is drawn for a connection and you choose not to build in the same year, you lose priority in the order of being able to build.

5. New Business

A. Establish Water Use Goals

Our current water use goal was set at 134 gallons per day, per household. We've been using an average of 111 gallons per day, per household. Our new goal for the next six years was set at 122 gallons per day, per household.

B. Association Projects/Concerns (Open Discussion)

Dues are not clear on the King Water Company (KWC) bill when they are billed out yearly. Jack stated it clearly lists annual dues on the bill. We're updating the water system, should look at

updating the billing and separate the dues from the water bill. Kathleen noted that having the dues go through KWC provided an additional accountability and verification of paid dues and was implemented many years before she was treasurer. Unfortunately, other than through KWC, there is no official record of paid dues prior to Kathleen serving as Treasurer.

Crystal encouraged everyone to attend the board meetings because all the issues that were brought up at the annual meeting are discussed at the regular meetings throughout the year and maybe people wouldn't get upset when they learn what has been happening.

C. Lottery for Vacant Lot Water Connections

There were only five submissions for the water connections lottery. Therefore, each of the following were awarded a connection: Sonja Bryant Bovey, Robert Fakkema, Kings-men Construction, Marsha Phay, and David Velin.

D. Election of Board Members 2019-2020

Greg Johnson explained that there were two open positions on the ballot this year. Crystal Burn (Secretary) and Mark Maris (Special Projects Coordinator) were both stepping down. He then asked if anyone would like their names added to the ballot for ANY of the positions. Sallie Blackstock asked that her name be added as a choice for President; Melonie Miller was on the ballot for Secretary; and Jason Newkirk was on the ballot for Special Projects Coordinator.

After the ballots were turned in and counted, the results were: Greg Johnson, President (Greg received seven votes, Sallie received six votes, and one ballot was not marked); Bob Van Dyk, Vice President; Kathleen Johnson, Treasurer; Melonie Miller, Secretary; Jack Smith, Water Manager; and Jason Newkirk, Special Projects Coordinator.

6. Set Next Board Meeting Date/Time

Greg set the next board meeting for Tuesday, August 13th, 2019, at 6:30 pm at the Van Dyk residence (645 Cranberry Drive).

7. Meeting Adjournment Greg motioned to adjourn the meeting; Scott Pyke seconded. The motion carried. Meeting adjourned at 8:16 p.m.