

President Tom Terrell called the meeting to order at 10:05 am.

Members present: Gary Teale & Ann Austin, Tom Hix, Jim & Laura Hainsworth, Tom & Sue Terrell, Tom and Colleen Mick, Sandy Ruebusch, Ted Clark & Gene Otto. Proxies had been provided for Richie Frahm, R.C. Roland, Laurie Farnsworth, Joni Hedin, Bob & Lori Mai, and Walt Wolf. Thirteen of fourteen units were represented to constitute a quorum.

Minutes of the Dec. 15, 2018 Annual Meeting were approved as distributed.

Reports:

President's Report: Tom Terrell thanked volunteer members for their work over the year and noted the activities of the association are represented in the coming reports.

Treasurer's Report: Gary Teale distributed and reviewed the HOA's balance sheet and year-to-date income statement as of December 6, 2019. The balance sheet showed \$12,817.07 in operating fund accounts (checking and savings), \$21,693.56 in the Capital Reserve account, and \$3,582.75 in the Septic Reserve account. The income statement showed \$37,918.76 in total revenues and \$36,525.10 in expenses year-to-date leaving a current operating surplus of \$1,393.66. He noted that there were still the December water bills that have not been received, which when recorded should leave an operating surplus of approximately \$1,190.00 for the year.

Gary presented a proposed/balanced 2020 budget which reflects both income and expenses of \$42,280. He noted the budget anticipates an increase in water rates and maintains current provisions for landscape maintenance and repairs. The proposed budget also contains an estimated special assessment for the septic tank pumping that is to be done in the fall of 2020.

Members discussed details of road maintenance and appearance.

Architectural Committee: Chair Gene Otto explained that there were no applications for approval of new construction during the year. All construction activities were simply replacing or re-working existing design elements within the association.

Landscape Committee: Chair Tom Hix reported that basic Landscape maintenance bids have been received and the association will continue with fertilization and weed control work from Sure Green but is changing to Arborpro for sprinkler maintenance, lawn, and pruning services next year.

Several members asked about plans for creating a screened storage area for green waste bins. Tom

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explained the committee had received varying opinions from members about location and design.

Members offered additional suggestions and asked the committee to make a final recommendation to the Board for construction in the '20 budget year.

Old Business:

Reserve Study: Gary Teale presented an "Executive Summary" he created from the 34 page document developed by The Reserve Study Group this past summer. RSG was hired by the association to complete a formal study of association properties and project future capital expenses. Such reserve studies are required of all Washington state home owner associations. Gary explained the method and recommendations of the study group, noting that we are currently funded at 36% of the recommended capital reserve and offered three options the association can consider to reach recommended full funding.

After answering questions from members present, Gary reviewed a sheet requesting member input on three options: Option 1 to increase Capital Reserve contribution to \$145.00 per quarter to achieve full funding; Option 2 to increase Capital Reserve contribution to \$110 per quarter to achieve approximately 75% funding, or; Option 3 to leave current Capital Reserve contribution as is. Members completed a survey form and proxy members also completed the same form. Option 2 was most favored (22 votes); Option 1 was second (29 votes); and Option 3 least favored (33 votes). The option with the lowest score represents the highest level of consensus among members. Results will guide the Board in making a final decision on Reserve Funding.

New Business:

Election of Board Members: Tom Terrell explained there is one Board position open for the 2020/2021 term. He called for nominations for that position. One member questioned if two individuals from the same residence unit could be on the Board. It was assumed that would not be appropriate.¹ **Gary Teale nominated Ted Clark for the open term; Laura Hainsworth seconded the motion. Motion passed.**

Meeting adjourned at 10:55 am. Members thanked Gary Teale and Ann Austin for hosting the meeting.

¹ *Article 2.5.1 of the Covenants, Conditions, and Restrictions (CC&Rs) defines " ... each person shall be a member of the Association, but there shall be no more than one (1) vote for each unit." This would support the opinion that there could not be two Board members from the same residence unit.*