

# Shangri-La Shores, Inc. (SLS) Regular Board meeting

## Meeting minutes for the Board of Trustees Meeting

on

July 6, 2023 at 4:00pm

In Person and via Zoom

**Board Members Present:** Billie Alcott, Beth Binger, Lois Craig, Dave Heron, Brian Pulk, and Ron Roberts

**Also present:** Matthew Walker (Attorney), Steve Hucik, Tom Alcott

**Absent:** Duane Smith

Lois Craig called the meeting to order at 4:00pm.

### 1) Criteria for Updating CCRs

Attorney Matthew Walker joined the meeting for the first agenda item to assist the board by answering some legal questions. Lois explained that the board is interested in revising the CCRs. Some things require 65% approval rating, while others require 100%.

Matthew Walker explained that the 65% approval only applies to repealing something. But in 1973, a dozen or more homeowners created a document to amend some provisions. Those homeowners who signed that document are bound by it.

Ron Roberts asked if SLS can change to a 65% vote in favor in amending CCRs, vs the current 100% required. He asked what other associations have done.

Matthew Walker explained that in 2014, the State of Washington courts said that CCRs can be amended, but can't restrict (property rights can't be taken away). We can create new CCRs, but they would only apply to folks that sign that new version.

Steve Hucik asked what SLS can do to amend the 100% requirement. Matthew Walker said SLS can't get around the 100% requirement, but it can do a straw poll to see how close it is to 100%. The best path forward is to get as many owners as possible to agree, and then when lots sell, try to get the new owners to agree to the new CCRs. He stated, "Each homeowner has individual property rights."

Steve Hucik asked about the challenges to updating. Matthew Walker responded that the SLS CCRs use the language "repeal," which makes it difficult to change.

The main two issues which need to be addressed are:

- 1) Architectural Requirements
- 2) Short-Term Rentals

#### ***Architectural Requirements***

The original CCRs restrict homes to one story if it would impede a view corridor.

Manufactured homes have been accepted in the past, and therefore are allowed in the future.

### ***Short-Term Rentals***

In looking for areas of leverage, SLS can restrict the number of occupants per household based on water usage.

Lois Craig asked Matthew Walker what he's heard as far as County action. He mentioned the incentive for the County to keep them as a source of tax income.

Ron Roberts wanted those who agree to sign new unique CCRs.

Steve Hucik asked if bylaws can be used to restrict short-term rentals. Matthew Walker responded that bylaws can regulate behaviors (not short-term rentals themselves).

Billie Alcott asked the architectural committee if there is a document that says who has agreed to the 1973 update. The CCRs were last amended in 1973, which included the building height limit for view lots at 15 feet, and the committee architectural rules.

It was also noted that the County has a recorded copy of the CCRs.

Lois Craig asked if SLS can amend the CCRs, and Matthew Walker said yes with 100% agreement.

Lois Craig and Steve Hucik advocated for doing a straw poll to see where the community stands. Matthew also advocated proceeding with behavior rules as opposed to tackling property rights.

## **2) Approval of Minutes: April 6, 2023**

Motion for approval of April 6, 2023 meeting minutes provided by Ron Roberts.

Motion seconded by Billie Alcott.

All in favor.

**Motion carried.**

## **3) Treasurer's Report**

Brian Pulk noted that the last financial report (June) was prior to the due date. Six (6) community members have not paid the January assessment.

- **Accounts Receivable Status**

Brian Pulk reported that the account receivables status is at \$25,000.

- **Financial Report**

Brian Pulk reported that all financials are on plan.

## 4) Water System Report

- **Water System Reports**

King Water was sold. The Board agreed to stick with King Water through their transition to see how everything goes with the new ownership.

- **Second Well Update**

There were no exceptions to the well or water rights filed with the WA State Department of Ecology. So, the second well is scheduled to begin drilling in August. Steve Hucik asked if we need to wait for a permit before we drill. Brian Pulk responded that we can schedule the work based upon the funds.

- **Adding Crouse Property to Water Service Area**

Brian Pulk makes a motion that the Charles Crouse property from our new well easement (Geographic ID: R23118-393-5090); be added to our Water Service Area. Dave Heron seconded. All in favor. **Motion carried.**

Brian Pulk also shared that Harrington Lagoons has detected PFAS. He asked if the Navy would pay for PFAS clean-up. Lois Craig said she would have Duane Smith check on if the Navy will pay for PFAS clean-up.

Steve Hucik recommended testing for the same aquifer. Lois Craig asked about public records for the Stewart well and if it has been tested. Brian Pulk suggested testing the new well in the community. Steve Hucik recommended having new testing completed, as opposed to relying on data from 5 years ago. The first step is to ask Duane Smith to contact King Water for testing.

Tom Alcott noted that the Department of Health PFAS testing only showed up north of Penn Cove. He also reported that WA State is doing water testing.

## 5) Dock & Common Area Report

- **Status of Float Removal Mechanism**

Dave Heron has purchased a winch and concrete retainer. The project is in process and will be completed in the fall by the time the float is removed.

- **Status of Common Area Assets**

Ron Roberts reported the Northwest Lawn has looked good the last two (2) months. He also noted that the folks with quads are chewing up the grass, and he'd like them to stop. Dave Heron suggested the board write a letter to the quad owners and ask that they not drive on the grass.

## 6) New & Old Business

- **Update on County Commissioner Short-Term Rental Analysis**

Lois Craig noted that the County is looking at the short-term rental issue, but has not reported back and is not expected to until 2024. Lois Craig recommended sending a letter to the County commissioners.

- **Other**

The Crab Derby is scheduled for July 22, 2023.

Dave Heron asked about adding a sign at the mean tideline indicating it is a private beach. Ron Roberts noted that most violations are from the Belvadere short-term rental.

- **Set Board Meeting Dates**

The upcoming board meeting dates are:

- Thursday, September 21, 2023, 4-6pm via Zoom and in person at the Coupeville Library
- Thursday, February 1, 2024, 4-6pm via Zoom and in person at the Coupeville Library
- Thursday, March 14, 2024, 4-6pm via Zoom and in person at the Coupeville Library
- Annual Meeting: Saturday, May 18, 2024 9-11am via Zoom and in person at the Coupeville Library

- **New Business**

Ron Roberts brought up issues associated with fireworks. Some fireworks in the past have been shot south of the pier and Dave said on DNR land. The team discussed the need for rules and regulations surrounding fireworks for July 4. An example to send out might be: *legal fireworks may only be used on the concrete in front of the boathouse if the tide is high, and must stop by 10:30pm.*

Ron Roberts offered to draw up a July 4 fireworks plan.

Another point is to be aware of the burn bans and Ron will continue to put the burn ban notice in the fire pit when appropriate.

Billie Alcott motioned to adjourn the meeting. Ron Roberts seconded. All in favor. Motion carried.

The meeting was adjourned at 5:30 pm.

Secretary

Beth Binger

On behalf of the SLS Board of Trustees