

# Shangri-La Shores Regular Board Meeting

Zoom 6PM to 8PM

March 14, 2024



In attendance:

Board Members: Lois Craig, Ron Roberts, Billie Alcott, Duane Smith, Brian Pulk, Steve Hucik Absent: Beth Binger had a previous engagement.

Community Members: Tom Alcott, Fred Trompler

Meeting called to order at 6:00 PM

Quick review of the working guidelines and agenda

1) **Approval of Minutes** : Three changes were noted from the original minutes. Motion to approve by Duane, second by Billie. Motion carried.

## 2) Treasurer's Report

**Financial Report:** Just as a reminder – SLS has four different accounts for our finances:

- 1) Common Area (CA) Operating Fund – those daily or occasional costs for repair, maintenance, and other items that require attention
- 2) CA Long-Term Reserves – an account that acts as savings for the larger costs associated with replacement and/or repairs of the common assets. State law requires every HOA to prepare a 30-year long-term reserve plan to estimate the possible financial costs for the community. A community our size updates our Long-Term Plan every three years.
- 3) Water System (WS) Operating Fund – those daily or occasional costs for repair or maintenance and other items that require immediate attention
- 4) WS Long-Term Reserves – an account that acts as savings for the larger costs associated with replacement and/or repairs. State law requires every HOA to prepare a 30-year long-term reserve plan to estimate the possible financial costs for the community. A community our size updates our Long-Term Plan every three years.

### End of Year 2023 Summary:

CA Operating Fund: \$16,459

WS Operating Fund: \$16,569

CA Long-Term Reserve: \$62,739 (96%)

WS Long-Term Reserve: \$112,744 (92%)

After discussion, it was suggested we list the percentage attained of the targeted long-term reserve plan for each account. That number is placed after each LTR account.

### Current Financials: (As of March 11, 2024 – not all Annual Dues have been deposited):

CA Operating Fund: \$22,012

WS Operating Fund: \$22,547

CA Long-Term Reserve: \$64,622

WS Long-Term Reserve: \$102,888

### **Accounts Receivable status**

- \$13,302.56 outstanding balances due

Discussion ensued related to the sale of a lot that has a past due balance, but we were unaware the lot had been sold. Usually, the Title Company requests any outstanding balances, but this lot may have been a private transaction. We need to check on how we can create a formal system to remedy this. A realtor/or County Admin will have to give us advice and how to correct it formally. Not sure how HOA obligations are passed during a sale.

### **Proposed Budget for 2025**

Given the increase in costs for operating expenses and the continue building of the long-term reserves, an increase was proposed for the 2025 annual dues of \$20 for the Common Area and an increase of \$18 for the water system, in line with the long-term plan bases. For 2025 annual dues, funding all accounts, will have an increase of \$38 for a total of \$614 per year.

Steve made a motion to approve the water system increase, Ron seconded. All agreed. Motion carried.

Ron made a motion for the Board to approve the increase for the Common Area funding. Steve seconds. All agreed. Motion carried.

### **Long-Term Reserve Review**

The WA State RCWs required our HOA to develop a 30-year long-term funding plan. Every three years, this plan is revised and updated to reflect the life of the asset and estimate for replacement and repair. Brian created the excel files with a 3.8% yearly incremental increase for the Water System and a 7.5% yearly incremental increase for the Common Area Long-term Funding.

### **Discussion for hiring an accounting firm**

At this time, five businesses have been contacted to request quotes for services. We need to agree on a statement of work to present to the businesses. We will continue to have a Treasurer as an officer to coordinate and confirm the work with the accounting firm.

Steve made a motion that the Treasurer and the Board seek a CPA-type or accounting service to perform specific duties of the Treasurer to be outlined in a statement of work. Duane seconded the motion. All agreed. Motion carried.

## **3) Vice President's Report**

### **Architectural Committee Report**

Received plans for a garage for Cathy Ellsworth on her combined lots. The architectural committee approved the plans.

### **Updating the Board Operating Procedure Manual (OPM)**

In process to update this living document that should be revised each year. Each Board member will receive a copy. This document lays out how our Board functions, responsibilities, operations, and contains the governing documents that guide our decisions. This should also be up on the website to promote transparency as we govern. Specific financial information will not be included in the public version to protect confidentiality of bank records.

#### **4) Water System Report**

##### **Current Water system report**

- Duane reported all aspects of the water system seems to be running smoothly
- Request to secure the lid on the old reservoir by the pump house

##### **Status of the SWSMP document**

Tom reviewed the progress on the Small Water System Management Program document that may or may not be required to be submitted before we can get a permit for our new well.

##### **Continuing contact and communication with King Water**

- Importance of making sure King lets us know about repairs or maintenance before sending out the invoices.
- Tom, Billie, and Brian have continued to contact King to get caught up on the records and documents that are in progress.

##### **Creating a Water System Committee**

-SLS needs to have a committee to oversee the water system. This includes establishing procedures to handle and log issues, problems, and complaints related to the water system which is required by the state. King cannot handle calls from individual customers, except in Emergency Situations. The Water System Committee and Manager responsibilities, including Emergency Situations, will be clarified in the OPM.

-Steve made a motion to create a Water Systems Committee to manage and report on the water system. Billie seconded. All in favor. Motion carried

##### **Second Well Update**

- Tom reported on the documents submitted for Project Approval. The Water Use Efficiency Goal was submitted with the Service Area Expansion request, and the hydrogeologist report was completed to be submitted for the Project Report. The Report of Examination is a separate report to be used by the Department of Ecology for us to get a Water Right Permit. The documentation is moving forward.
- The arsenic levels are 0.006 over the Maximum Concentration Level, and the consultants recommended mixing the water from both wells into the reservoir initially to reduce the arsenic level.
- The New Well timeline will be extended into 2025 as the project approvals are in a waiting period.

#### **5) Dock and Common Area Report**

- Status of common area assets
- Erosion of the park by quads (in process)
- Picnic Table Repair and/or replacement (in process)

#### **6) New and Old Business (not in any specific order)**

- Review the Annual Meeting Agenda
- Brian made a motion to appoint Steve Hucik to the Board, Billie seconded. All in favor. Welcome Steve and thank you!
- Dept of Fish and Wildlife Research – Billie reported a pilot study is using our area as one of 14-20 other small dock sites to investigate how fish and marine life are impacted in those areas. SLS was the first site to have the research team. They will return throughout the summer when the float has been installed.
- Save the Date!

- The weekend of May 11<sup>th</sup> may be the targeted date for the float to be installed. Time will be set, and a notice will be sent – all are invited to help in the process.
- July 4<sup>th</sup> potluck dessert in the picnic area – dusk
- July 20 Crab Derby

**Next Regular Board Meeting –**

**Annual Meeting: Saturday, May 18, 2024**

Via Zoom and in-person at the Coupeville Library or the new Fire Station – time and location to be determined.

Meeting adjourned at 7:54.