

Shangri-La Shores Board Meeting

Meeting minutes for the Board of Trustees Meeting

on

October 8, 2022 at 9:00 am

In Person and via Zoom

Board Members: Brian Pulk, Duane Smith, Ron Roberts, Dave Heron, Billie Alcott, Lois Craig,

Board Member on Zoom: Beth Binger

Community Members present in person or on Zoom: Steven Hucik, Tom Alcott, Eydfinn Tausen, Fran McCarthy

The meeting was called to order at 9:07 am by Lois.

1) **Approval of Minutes:** July 11, 2022 meeting (Minutes and power point are on the website.)

Motion for approval provided by Billie Alcott

Motion seconded by David Heron

All in favor.

Motion carried.

2) **Treasurer's Report**

A. Accounts Receivable Status

-One person is delinquent on the annual dues.

-SLS has three insurance premiums – two were paid: the Water System insurance for \$941 and the Directors and Officers insurance for \$725. Common Area insurance will be paid in November \$2576. These are all annual.

B. Financial Report

(As a reminder, SLS has four accounts that finance SLS: Two are operating funds that cover the smaller costs for maintenance and repair of the everyday financial issues which occur in the common area and water system. Two are long-term reserves required by the state to cover the larger expenses and projects for the common area and water system.)

-Common Area Operating Fund: \$24,289

-Water System Operating Fund: \$20.923

-Common Area Long-Term Reserve: \$57,963

-Water System Long-Term Reserve: \$119,605

C. Special assessment status

Three people are delinquent on the special water system assessment that is funding the creation and installation of a second well. King Water is working to collect the past due on all accounts.

D. Investing extra funds

Dave asked about investing the additional water system monies in short-term money markets as the process for the second well proceeds. Brian cautions about locking up money if the process moves faster and we need access to pay for the project tasks. Brian will look this investment.

3) Water Systems Report

A. Water Systems Report

Duane reports that there are no problems with the water system. Brian and Tom questioned the “usage numbers” from the last report. King Water is checking on the numbers.

B. Second Well Update

Tom reported that the easements have been completed and filed, as well as a title search. A topographical survey has been filed with the County on both easements. The second well inspection is completed. We are still on track with the cost and schedule. The cost to date is \$34,023.71.

The community also had a “work party” with chainsaws and pruning. As the job was so large, the HOA hired a local resident, Jerin Applegarth. Woods Lane to the center of the easement was cleared and has added gravel, etc. It was completed August 18. We will now be able to move in large equipment needed to drill a well. He also cleared the perimeter of the easement so the surveyors could complete their work.

Lois asked who maintains the Woods Lane Road. It is a private road. Not sure how to answer this – will investigate.

The surveyors asked for title reports for the two easements: Crouse and Stewart. It is important for us to have the parcel number on file with the County.

Frazier Surveying did both easements for \$10,820 and filed with the County. We learned that the driveway going to the reservoir was on both the Crouse and Stewart properties.

Steven asked about semi-permanent stakes for the property (like pipes underground). Tom shared pictures of the stakes.

- 1) One stake is 100 feet from the Stewart property line, as we need a 100-foot circle around the well for the sanitary control area. It’s okay that the sanitary control area bleeds into Woods Lane, because it’s a private road, not County or public. Steve suggests metal fence posts that we paint red to be more permanent.
- 2) The second photo shows the exact center line of the easement.
- 3) The third photo shows the approved location of the second well – moved about 10 feet south because of the tree and stumps. The placement for the well has been completed.

Brian noted that he met with Mr. Crouse on September 26th and walked him through Shangri-La Shores and the new well site. He was very happy with what is going on. In return for the easement on his land for the second well, he will receive two water shares that will service his undeveloped land near the second well. We will ask him for a restricted convenience because we are slightly outside the easement.

Now we need to find a well driller. Aquatech estimated \$32,000 to drill, and \$8,000-\$10,000 for a new pump and testing (or \$42,000 all-in). This seems like a value, as just the past repairs were \$27,000.

Ron Roberts asked about a well house. The consultants have said a pump house is not needed. Steven suggested a shed from Home Depot to act as a pump house for protection from the elements and vandalism and a structure will indicate ownership.

Steven asked about the water tank. Duane reported our water tank (the reservoir) is in excellent shape.

We have existing water rights with the State and the amount of water in our system will not be affected. . Ron asked about how we're pulling from each well. The water rights need to be modified. This can be done by submitting a "Change Application" with the Department of Ecology. The State could reduce the water share amount with that "Change Application." *(Update: The Change application was submitted to the State October 17 and will take at least 6 months for approval.)*

The second site inspection with the County was approved and completed October 5. Now we need approval from the State Department of Health, especially because we are a public system. The State will sign off after they can test the water.

Overall, the Project for Year 1 is done, and the Project for year 2 is now commencing. The next big payment is for the State permit (\$10,000 estimated).

Dave Heron asked about the future spending. We will pay the driller in spring 2023, which should be about \$40,000 - \$45,000. The next regular Board meeting will review the project status and upcoming costs.

4) Dock & Common Area Report

A. Float Removal

Ron Roberts reports that the dock is pulled up, but that it needs some work. James Rudolph's truck was reimbursed for the damage to his truck installing the float.

B. Status of Common Area Assets

The trail to the upper circle looks great with their new gravel. Jerin Applegarth completed the spreading of the gravel.

The picnic tables will require serious work next year. Steve Seachrist sent information about the steel and plastic tables that are used at the state parks which are maintenance free. Many board members felt the wood tables match the feel of the community. Dave suggested the picnic tables be made of cedar which will last longer.

C. Updates in Pier Gate Effectiveness

The Belvedere short-term rental clients have been acting up, but overall, the gate has reduced bad behavior on the pier. Thirty-six (36) homeowners signed the pier document and received the code. Steven was complimentary of the new gate.

5) New & Old Business

A. Initial drafting of Short-Term Rental By-Law Revision

We are beginning the process of drafting new by-law revisions for short-term rentals.

Lois shared slides on the tally results from the community survey: 39.3% wanted no restrictions while 60.7% want some sort of restrictions or elimination. Lois shared the state RCWs that address short term rentals.

The County is adding short-term rentals to their agenda for 2023. The County Commissioners have added it to their work plan only, not their January agenda.

Steve added that we should add State law to our by-laws document.

Brian noted that we should:

- 1) Restrict all community assets.
- 2) Decide on penalties for violations.
- 3) Limit the number to seven (7) if the existing are approved.

Ron advocates for a lottery system with a time limit permit of two (2) years.

Coupeville had a process for approving short-term rentals, but folks were violating it, so the city council disallowed all short-term rentals except those that had been approved by the council.

A suggestion to approach the SLS short-term rental by-law revision in two phases was agreed upon. The first phase is to place a restriction on short-term rentals from new purchases in the community beginning at the approval of the by-law revision. The second phase is to figure out how to set policies for the current homeowners who have short-term rentals or may be interested in pursuing this venture.

The Board voted to take immediate action to revise the by-laws with a phase one statement. The board made the motion below:

Short-term rentals in Shangri-La Shores are prohibited on new real estate purchases. Penalties will be determined at the discretion of the Board of Trustees.

Motion by Billie Alcott
Second by Beth Binger
All in favor – motion carried.

A special community meeting is required to get approval for this by-law change. This will be a virtual meeting over Zoom Tuesday, November 15 at 6:30 PM. The Zoom link is in the email sent with these minutes.

A special committee will be headed by Fran McCarthy to revise the by-laws for existing or potential short-term rentals by current homeowners in Shangri-La Shores. Beth, Duane, Ron, Lois volunteered to be on the committee. Any other community members interested in joining this committee, please let Lois know.

B. Request for looking into generator for water system pump.

Currently with a gravity-fed water system, a power outage will have very little effect on our water supply. The reservoir holds enough water for 10-12 days in very warm weather and longer in the winter (based on consumption reports over time.) With conservation, these

numbers can be extended. The Board felt a power outage in our area is restored before the water supply gets critical. Discussion also centered on vandalism to the generator or stealing the whole unit. The Board did not think this was necessary.

Request for hosting Crab Derby

This would be held July 22. Eydfinn Tausen will be in charge and details will follow. All agreed it is a great idea.

C. Next Meeting (locations to be determined)

Thursday, February 9, 2023, 4-6pm

Thursday, April 6, 2023, 4-6pm

Annual Meeting: Saturday, May 20, 2023, from 9:30am – 11:30pm.

The meeting was adjourned at 11:14.

Secretary

Beth Binger

On behalf of the SLS Board of Trustees