

# Shangri-La Shores Board Meeting

## Meeting minutes for the Board of Trustees Meeting

on

February 9, 2023 at 4:00pm – 6:00pm

In Person and via Zoom

**Board Members:** Brian Pulk, Duane Smith, Billie Alcott, and Lois Craig present; Beth Binger and Ron Roberts attended via Zoom, Dave Heron not able to attend.

**Present in-person:** Randy Nolan

**Present on Zoom:** Lisa Visintainer, Claire Amsler, and Steve Hucik

The meeting was called to order at 4:00pm by Lois.

### 1) Approval of Minutes: October 8, 2022 meeting

Motion for approval provided by Billie.

Motion seconded by Duane.

All in favor.

**Motion carried.**

### 2) Treasurer's Report

#### A. Accounts Receivable Status

Brian stated that we have not had water reports for three (3) months. Staff changes at King Water resulted in a reduction of services. Brian was not able to close out the finances for 2022 without the proper reports from them.

Duane and Brian met with Sandra at King Water February 8 and heard the reasons for the delay in reporting and services. Brian and Duane agreed to stay with King Water for now and see how the next months pan out. Sandra had the previous three month reports ready for Brian at the meeting, so he was able to complete the year-end requirements and taxes. (A note: While SLS has non-profit status, we still are required to pay taxes on investments throughout the year.)

We don't have an accounts receivable update because King Water has not deposited all the payments from the annual dues. Those should be up to date by March.

#### B. Financial Report

Brian reported that he is completing end-of-year reports and HOA taxes. At the time of the meeting, here are the budget numbers:

Common Area Operating Fund: \$20,300

Water System Operating Fund: \$18,714

Common Area Long-Term Reserve: \$57,814

Water System Long-Term Reserve: \$118,496

Just another reminder – We have two categories for finances. The Operating Fund covers the day to day operating costs and the long-term fund covers those expenses may occur for the maintenance, replacement, and/or purchasing of aspects related to the community assets.

The next steps with finances will be to complete taxes and prepare the proposed budget for 2024 to be presented at the annual meeting May 20, 2023.

#### **C. Special assessment status**

Only two (2) residents have not paid. We are charging interest on the outstanding bills.

### **3) Water Systems Report**

#### **A. Water Systems Report**

The water system is working great with no major issues since the pump and piping was replaced. There was one leak at a meter box in the upper circle that was taken care of.

Lois asked about salt water intrusion. Seems to be okay. Randy said he did a water test that King left on his door for his water and did not see any problems. Brian also said he has a test kit that he uses periodically and results have been flat.

Steven Hucik asked about the current well house insulation and wondered if any insulation was used during the real cold spells. Or if Trevor (Ron's dad) did anything to combat the cold temperatures and protect the equipment in the pump house. Ron replied not that he was aware of. Duane reported there is a small space heater inside to keep the building warm if necessary.

#### **B. Second Well Update**

Tom Alcott reported that the estimated cost for the second well has not changed. \$38,194.12 has been spent thus far.

They have completed additional ground clearing on the Crouse easement, at the request of the well driller for the drilling truck and the piping truck. (Tom shared a slide.)

In process now is transferring the water right. We need additional water right to be able to draw water from the new well. The application was submitted on October 17, 2022 to the Washington State Department of Ecology. The option was to hire a contractor from the State in a "cost reimbursement" process to move the application along quicker. As it turns out, the contractor the state will use is the contractor that is working for us – so that turns out great. We just received the cost from the State, which is \$7,000+. The State will keep half and the hydrologist will get the second half to support our application immediately. Tom reported that he's the point of contact for the application.

Steve asked about a possible conflict of interest with using Mott-McDonald as both our contractor and one of the state's choices. Tom reported that it is not an issue. Tom explained the state offers two choices for financing the \$7000 expediated costs – deposit part of the money or pay the whole amount up front. Tom advocated that we pay the full application fee up front.

Tom also reported that we selected a well driller. The estimate is \$32,000 plus \$8,000-\$10,000 for ancillary cable and testing. Ron asked what the original estimate was. It was \$50,000. Brian has accepted the quote from Aquatech Well Drilling. Aquatech has submitted an application stating their "intent to drill" to the state.

Overall, the second well is on schedule.

Steve asked about some sort of protection or covering for the new pump system. Brian said there is a line-item budget for some sort of pump 'house'. In the previous meeting Steve had suggested purchasing a storage shed from a hardware store as protection. We all agreed that was a great idea since something needs to be in place. Tom suggested we ask the consultants about the best type of pump house.

#### **4) Dock & Common Area Report.**

##### **A. Status of Common Area Assets**

Ron reported that the dock was knocked off its blocks in the king tide of early January, but it was fixed by his kids.

Dave Heron suggested we purchase a winch to pull the dock up, as opposed to using a car. The winch would need a concrete pad to support the load with the float weighing about 8000 pounds. Brian asked if we need a permit. Ron replied that we don't need a permit. Lois requested details on cost. Steve suggested a portable winch. All board members were in favor of Ron proceeding with gathering estimates.

The picnic benches can be patched for another year. The design and style of the picnic tables will be retained.

Steve asked about king tides and the long-term approach for the dock and picnic area. Is there a need to reinforce the breakwater that is in place currently. Ron reported that he thinks the picnic area is safe for now.

##### **B. Updates in Pier Gate Effectiveness**

Lois reported that the pier gate is working well to keep out unauthorized people. All board members agreed to keep the passcode the same.

#### **5) New & Old Business**

##### **A. Next Steps with Short-Term Rental Policies**

On December 15, Brian and Lois met with a lawyer regarding short-term rentals. They discussed:

- 1) Laws and Ordinances
- 2) Platts
- 3) Article of incorporation
- 4) CC&Rs
- 5) Bylaws
- 6) Rules & restrictions

The lawyer shared the lower documents in the hierarchy of HOA governance documents can not be more restrictive than the higher documents. If there is not a 'toehold' in a higher document, then a lower level document can not be used. For example, our Articles of Incorporation state the purpose of the common areas are for the benefit of the 'Owners'. Based on that tow hold, we could restrict our facilities to owners only. That might mean guests and family members could not use the facilities. However since the bylaws can be less restrict, we would be OK with allowing owners and members of a household to access the common areas. We would also be OK with limiting short-term renters from using the common areas.

Lois reported that the County is scheduled on their work plan to address the short-term rentals issue in 2023 or 2024. The county would fall under the first position in the hierarchy of governing documents.

More discussion involved whether the STR guidelines should include restricting the use of all common areas by short-term rentals.

Fran McCarthy has agreed to help revise our guidelines that will be posted inside each home.

It was noted that people from Belvedere are the most problematic short-term rentals at this time.

## **B. Other**

Lisa Visintainer asked about the beaches and what are the guidelines that govern being private property? Ron noted that it's debated whether the beaches are private or public. One question was about posting signs. Another question arose regarding crossing private property on beach walks. Is there something in the laws that allow a person walk across private property at the beach? Lisa will check into what the answer might be.

## **C. Next Meetings**

Thursday, April 6, 2023, 4-6pm, Coupeville Library

Annual Meeting: Saturday, May 20, 2023 from 9:30am – 11:30am, Coupeville Library

Duane motioned to adjourn the meeting.

Billie seconded.

All in favor. The meeting was adjourned at 5:11pm.

Secretary

Beth Binger

On behalf of the SLS Board of Trustees