

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

Meeting minutes for the Board of Trustees Meeting

on

September 18, 2023, at 4:00pm

In Person and via Zoom

Board Members Present: Billie Alcott, Beth Binger, Lois Craig, Brian Pulk, Duane Smith, and Ron Roberts
Also present: Steve Hucik, Tom Alcott, Diane Bowers

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

1) Approval of Minutes: July 6, 2023

Motion for approval of July 6, 2023 meeting minutes provided by Billie Alcott.

Motion seconded by Duane Smith.

All in favor.

Motion carried.

2) Treasurer's Report

- **Accounts Receivable Status**

Brian Pulk reported that we have five (5) property owners who are past due with payments. The board discussed possible remedies for lack of payment for water.

- **Financial Report**

Brian Pulk reported the following figures:

CA Operating Fund: \$23,739

WS Operating Fund: \$21,755

CA Long-Term Reserve: \$61,470

WS Long-Term Reserve: \$171,907

He reported that we have approximately \$279,000 total in reserves for the well, etc. Brian Pulk's assessment is that we are in solid financial shape.

- **Peer Review Results**

Peer Review findings by Les Dodge, retired accountant:

1) Records are impeccable

2) A 'test of transaction' showed everything in order

3) Reconciliation of bank and investment accounts appears proper

4) Internal controls in place with two Board members having access to at any time to accounts

Peer Review Recommendation: Have authorized signatory on all investment accounts

Brian Pulk will be moving from the community and brought up his role as Treasurer upon his departure. Brian noted that we need to convert access to all accounts as the transition to a new treasurer progresses. He suggested we take the billing from King Water and hire a bookkeeper/accountant to manage finances and bill paying. Lois Craig suggests all accounts will be established, prior to the next board meeting on February 1.

The board discussed how to best handle the Treasurer's role. Options for pursuing a separate accounting service to handle the billing was suggested. The group concluded that Billie Alcott and Lois Craig will have access to the bank accounts and hopefully we can utilize Les Dodge's CPA expertise and experience to continue with a peer review.

4) Water System Report

- **Water System Reports**

Duane Smith reported that resident Russ Cunningham said his water pressure is too high. Since our system is gravity fed, those homes at the bottom of the water line may want to put regulators on their systems, as they will be experiencing higher water pressure.

Steve Hucik notes that water pressure regulators are common in many systems and should be on the line before water comes into the house. This would be an individual community member's responsibility.

Another point of concern was how much debris and grime accumulation is on the actual meters that seems to make reading the meters very difficult. Please make sure the meter is cleared of any vegetation of debris and open the lid and clean off the window to the meter. Thanks.

- **Second Well Update**

The Service Area Expansion is part of the new well project that includes adding new water shares from the Krause property for the new well. The Department of Health is the governmental guardian of water systems and requires a new permit. Davido Consulting Group (DCG) prepared a proposal, and it was reviewed and approved in August by the state. DCG is has filed the permit for \$9,000, with an estimated timeline of 3 months.

The new well drilling was planned for August. In late July, DCG informed Tom Alcott, our project manager, that we needed a preliminary permit to drill from the Washington State Department of Ecology (WA DOE). This information was not presented before this time.

This permit is required since we are operating under a water right and are in the process of changing our water right. Tom Alcott contacted the WA DOE and was informed the permit was in process and we should see it soon. The hope was the permit would be available the week of September 4. However at this meeting time, the permit has not been issued.

Mott MacDonald completed the well test plan. After completion of drilling, they will complete the required well testing. A copy of the well test plan was accepted by the Washington

Department of Health. We are still waiting for a permit to drill from the WA DOE. Once the WA DOE drilling permit is received, A drilling date will be established with Aquatech, the company contracted to begin drilling the well.

Friday, September 1, Tom Alcott and Brian Pulk conducted a 90-minute Zoom conference with Mott MacDonald to discuss planning for the well testing. Tom Alcott contacted King Water to request their support for the collection of water samples during the well testing. Mott MacDonald will analyze the water samples Tom Alcott will deliver to them. Brian Pulk will take the lead on contacting the neighbor constructing the log home across Wood Lane to request access to his well in support of our well testing.

Here is a summary of the schedule:

- Project Year 1, 10/21 – 09/22 (Completed)
 - Objectives: Site Selection & County Approval of Well Site
 - County Well Site Inspection Approved
- Project Year 2, 10/22 – 09/23 (In-Progress)
 - Objectives: Initiate Water Right Approval Process & Construct the Well
- Project Year 3, 10/23 - 09/24
 - Objectives: Complete Water Right Approval Process & Obtain Approval from the State & County to Integrate Well into SLS Class A Water System

Diane Bowers asked how deep the well will be. The current well is 165 feet deep. The new well will be up the hill across Race Road, and will be about 250 feet deep. (The actual depth is determined after completion of the drilling.)

5) Dock & Common Area Report

- **Status of Float Removal Mechanism**

Ron Roberts reported on the dock winch. He and his family performed the labor to install a permanent winch. It included 1.2 cubic yards of concrete. It is buried 3 feet deep, and can move 4,500 lbs. The winch itself is 60 lbs. The total cost was a little over \$1,000.

Steve Hucik suggested installing a plastic cover for safety.

- **Status of Common Area Assets**

Ron Roberts reported on minor gate maintenance for the pier. The repair and replacement for the swing set support beams and picnic benches will be investigated.

- **Erosion of the Park by Quads**

Ron Roberts reported on a concern about quads driving around the gate and eroding the land. Lois Craig shared images from July 2023 and September 2023, illustrating the erosion over those three months. Ron Roberts suggested landscape blocks and gravel as a solution. It was noted that the solution needs to be even to allow walkers, strollers and wheelchairs to pass. Steve Hucik suggested a concrete solution. Duane Smith wanted a path accessible to the above

mentioned but not wide enough for a car and boat trailer. Ron Roberts is going to investigate possible solutions.

6) New & Old Business

- **Crab Derby Update**

The Crab Derby was a success. Edyfinn ordered a new Crab Derby trophy. The 2024 Crab Derby will be July 20, 2024.

- **Fireworks Guidelines Approval**

Lois Craig presented proposed new language for the community fireworks guidelines.

The current rules for fireworks are documented in the Shangri-la Shores Community Information Packet, Page 5 and are as follows:

“Fireworks: Currently July 4 is the only day of the year Island County allows fireworks. The community usually has a no-host dessert and firework display get together at the picnic area July 4. Neighbors gather at dusk. Fireworks of any type are not allowed on Shangri-La Shores property at any time. The only exception, as adopted by our community via a survey in 2013, is that on July 4 **legal** fireworks are allowed at the beach area provided no ban is in effect. Remember, the area in front of the boat house is private property. Fireworks may not be used on private property.”

Lois Craig proposed to modify the last three sentences to:

“...**legal** fireworks are allowed at the beach boat launch ramp area including the cement and beach area in front of the Roberts’ boat house only, provided there are no burn bans in effect. Fireworks are not permitted past 10:30 pm and all debris from the fireworks must be picked up that night. Again, only legal fireworks are allowed in Shangri-la Shores, private or community common property.”

Duane Smith moved to approve the proposed language. Billie Alcott seconded. All in favor.
Motion approved.

- **CCR Revision Next Steps**

The revisions are on hold until the board receives clarity from Matthew Walker (attorney) related to a document on file with Island County that appears to contradict a different recorded document about the percentage of approval to change a CCR.

- **Board Vacancies**

There are two (2) board vacancies.

- 1) Dave Heron resigned his position September 9, 2023. He has been involved in many projects and activities in the SLS Community and is always willing to help others and give support anytime it is needed. A big thanks for all you have done. He will continue to be a part of the community.
- 2) Brian Pulk will be moving from the community. He has been a foundational influence in all things SLS for almost 20 years and his years of service to the Board are exceptional and appreciation is an understatement.

A request for any community member to volunteer for the Board will go out with the meeting notes.

- **Other**

Duane Smith will follow up on fire hydrant maintenance and flushing.

Next Regular Board Meetings:

The upcoming board meeting dates are:

- 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

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

The meeting was adjourned at 5:15 pm.

Secretary

Beth Binger

On behalf of the SLS Board of Trustees