

**MINUTES OF BOARD OF TRUSTEES**  
**SURFSIDE HOMEOWNERS ASSOCIATION**  
**June 21, 2008**

**Those Present: Gene Bowen, Cathy Gabrielson, Warren Olson, Walt Platt, Warren Schmidt, Gary Williams**

**Those Absent: Jim Flood, Grant Murrell, Greg Willeford**

**President Warren Olson called the meeting to order at 9:00 a.m.**

**Floor Comments**

Gloria Hajdok requested that fines for covenant non compliance be applied to other covenants as well as the Pet policy, to aid the Grievance Committee in motivating compliance to other covenant issues. Olson explained that due to the large number of issues related to Pet covenant noncompliance the fines for this type of non-compliance were identified by staff as a priority and therefore a fine policy will be addressed at this board meeting. However, he also stated that the board will be looking at the other committees' issues for fine policies as well, including Trees, RV, etc., and it is important to give members plenty of time to comment and give feedback when developing fine policies.

Georgia Mourakis of the Community Relations Committee thanks the combined efforts of the B.O.T., staff and other volunteers, for helping to accomplish improvements to the cabanas and other areas of SHOA. Pictures were shown and the Community Relations Committee was thanked for their efforts.

Olson stated that Washington Labor and Industries requires us to cover people for work comp injuries for volunteers. This will be officially addressed in the volunteer policy later in the meeting.

**Introduction of Board Candidates**

Gary Williams thanked the nominating committee for their efforts and Dan Marriott introduced the candidates: John Reichenbach, Larry Nelson, Debbie Richmond and Gene Bowen are thanked for volunteering their efforts and skills to the board.

Questions were asked of the candidates as follows:

- How will you function as a member of the B.O.T. and what SHOA issues do you see as requiring board attention?
- Do you think there is a need for a Compliance Officer?"
- Do you think that covenant changes should be put to the membership for a vote?

- How long have you lived here?

The candidates provided the following answers to the above questions:

- John Reichenbach
  - Openness of B.O.T. members is important, conveying issues to members in all aspects of SHOA.
  - A Compliance Officer is an unnecessary expense as compliance issues could be handled by a committee.
  - He did not feel that he had the ability to say what is in the covenants.
  - 4 Years
- Debbie Richmond
  - Help create involvement bringing the community together to work together and take pride in their community.
  - She is ambivalent about this but thinks the members should decide whether there is a Compliance Officer and given a vote to decide this
  - People should be able to vote on covenant issues but she realizes that there is no way to keep everyone happy.
  - 29 Years
- Larry Nelson
  - Communicate SHOA information to members.
  - The Compliance Officer position could be handled internally by a committee without a hired Compliance Officer.
  - All members should be able to vote for changes in the covenant.
  - 2 Years.
- Chris Hanson
  - His experience with boards has shown him that the B.O.T. needs to work closely with the community to help with important issues arising at SHOA aspects.
  - There should be a Compliance Officer, based on the past effective work accomplished by the previous Compliance Officer.
  - Covenants are necessary and need to be used as a tool rather than a weapon.
  - 3 Years.
- Gene Bowen
  - It is important for the B.O.T and the community to continue to work well together and improvement in this regard is noticeable.
  - Gene said yes, he believes a Compliance Officer is necessary.
  - Gene stated he believes covenants are necessary and stated that some members want them. He also stated he doesn't believe it is possible for all members to make decisions regarding the covenants because there are too many.
  - 1 ½ Years

Some members of the audience provided feedback on whether or not there is a need for a Compliance Officer. Several committee members stated that a Compliance officer was extremely necessary and that the Compliance officer was originally hired because a volunteer could not be located to take on the difficult and unpopular task of enforcement of covenants. Additionally the chairperson of the Grievance Committee stated that her job would be too difficult to accomplish without the efforts of a Compliance officer. It was stated that money has been allocated from the budget to account for the salary of the Compliance Officer.

Clarifications were also made to inform that covenant decisions have been and continue to be, Executive Board Committee decisions and are not voted upon by all members.

Appreciation was expressed to the candidates for preparing for the meeting and taking initiative to increase understanding of board member functions. There is a special meeting of the board following the annual meeting for the election of officers. The new members need to be sworn in and officers elected for the transition. Olson thanked Dan Marriott and the other members of the nominating committee.

### **Agenda Adoption**

Olson stated there are several issues on the Agenda need to be heard in full and discussed and moved that the agenda be adopted as written.

BOWEN MOVED AND GABRIELSON SECONDED TO ADOPT THE AGENDA AS WRITTEN. MOTION WAS PASSED 8-0.

WILLIAMS MOVED AND GABRIELSON SECONDED TO APPROVE THE MINUTES OF THE REGULAR SHOA BOARD MEETING OF MAY 17, 2008 AS PRINTED. MOTION WAS PASSED 8-0.

### **Old Business**

#### **Volunteer Policy**

The Volunteer Policy was read by Warren Olson and comments from the Board were requested. Cathy Gabrielson stated the policy will be beneficial in providing guidelines which have not previously existed for volunteers, especially in view of the fact that there are more volunteers than employees. Clarification was requested by Schmidt regarding the necessity to differentiate between terminations with cause versus without cause. Olson explained that discussions with the attorney identified the need to differentiate because of certain issues causing unnecessary disputes when cause must be determined. Olson also agreed that guidelines for volunteers should exist in a policy for the sake of consistency of SHOA procedures. Olson introduced the motion that SHOA pay L

& I insurance premiums consistent with law and regulations to cover volunteers in the execution of their duties on behalf of SHOA. Appropriate documentation of volunteer hours shall be developed and required of all committees using volunteers, or other provision of volunteer services.

GABRIELSON MOVED AND SCHMIDT SECONDED, GABRIELSON MOVED TO ACCEPT, SCHMIDT SECONDED TO ADOPT THE VOLUNTEER POLICY AS WRITTEN. MOTION WAS PASSED 8-0.

### **Manufacturing Policy**

Olson explained the manufacturing policy was proposed for businesses run out of the homes of SHOA members that produces a product, including art products. Additionally Olson read the policy. Williams stated that the intent of the original policy was to disallow the traditional definition of manufacturing that would disrupt the neighborhood peace. However the new policy is now open to art productions or other types of manufacturing that would not disrupt the peace and the new policy allows consideration for these types of members. The policy is written as follows:

SHOA Covenants Subsection 2.10 states there shall be no manufacturing permitted upon a platted parcel without approval of the Board. Section 1.11 of the covenants defines Manufacturing as the process of making wares by hand or by machinery for profit. Certain artist members have asked the Board for clarification on the applicability of this provision to their endeavors.

This policy describes the kinds of manufacturing the Board will approve and the conditions under which such approvals will be granted.

#### **Policy**

1. All manufacturing in a home in Surfside shall/will require application to, and approval by, the Board of Trustees.
2. All manufacturing in a home in Surfside shall/will require application to, and approval by, the Board of Trustees.
3. The Board may revoke any approval granted under this policy if it determines that the conditions necessary to granting the approval are no longer valid.
4. Appeals of any decision shall/will follow subsection 6.8 of the SHOA Restrictive Covenants
5. Approval by the Board of certain manufacturing in the home in Surfside shall not relieve the applicant from compliance with other SHOA covenants or applicable County regulations.

WILLIAMS MOVED AND BOWEN SECONDED THAT THE BOARD ADOPT THE MANUFACTURING POLICY AS WRITTEN BE ACCEPTED, INCLUDING THE FORM/APPLICATION ATTACHED TO THE POLICY. MOTION CARRIED. 8-0.

### **Starheim Hearing**

The board recessed to hear an appeal from Eric Starheim regarding the Architectural Decision of his accessory building, to, at the end of hearing, reconvene to consider action on the appeal. Olson read the script of the hearing. Bowen as member of architectural committee reused himself from the hearing. Warren Schmidt also recused himself from the hearing.

Eric Starheim's attorney, Dick Goodwin was present as well as Mr. Starheim. Additionally Sam Jacobs, SHOA's attorney was present via conference call. In summary, Mr. Goodwin's arguments centered around the wording of Surfside Homeowners Association covenants 4.10a, with regard to "conform to the same building materials", stating that the word conform is ambiguous as well as what constitutes same. Additionally, Mr. Goodwin stated that since other neighbors in the area appeared to be in violation of the covenant, he believed that his client was being singled out and discriminated against.

Sam Jacobs, SHOA's attorney stated that this covenant is ambiguous and Mr. Starheim was questioned regarding whether he had considered a variance. It was discussed and determined after further review of variance criteria that sufficient criteria exists to warrant a variance. Both Mr. Starheim and his attorney stated this could be considered. The board then recessed to discuss the information received in the hearing and reconvened out of recess into session at 11:25, to announce their decision in the form of a movement.

The board reconvened after the recess to discuss the decision of the board in the form of a movement. Olson introduced the motion that the appeal of Mr. Starheim be denied, based on Sections 4.10.a, of the covenants. A variance may be appropriate and the Board will waive the variance fee due to circumstances surrounding the case. The variance if granted would be contingent on unification of the lots.

WILLIAMS MOVED AND GABRIELSON SECONDED. MOTION WAS CARRIED 8-0.

### **Auditor's Report and Findings – Lanzaotta**

The audit report was provided by Jim Lanzaotta who explained that the recent audit which has been performed has not identified any glaring problems, other than a need for updating asset summary. Another recommendation was make to

changes in the future which would include cross training of other individuals regarding financial administration duties.

### **Fine Policy**

Olson went over the fine policy pertaining to SHOA covenant 6.4 revisions, with some explanation. The format of the SHOA fine policy was provided to the members and reviewed by the B.O.T. Verbiage of the policy was discussed and it was decided that the policy should reflect the Revised Code of Washington's same verbiage.

Bowen also offered some research on dumping stations for people walking their dogs. The least expensive station was estimated at \$150 per station and there will likely be a need for 15-18 stations for approximately \$3,000 total cost. Maintenance would be provided by the SHOA maintenance staff.

BOWEN MOVED AND SCHMIDT SECONDED THAT THE BOARD ADOPT THE FINE POLICY AS WRITTEN, OTHER THAN AN AMMENDMENT OF THE POLICY REPLACING THE VERBAGE WITH REVISED CODE OF WASHINGTON VERBAGE AS DISCUSSED ABOVE. MOTION WAS CARRIED. 8-0.

### **Compliance Officer Update**

Olson informed the board that a new Compliance Officer has been chosen and will be announced in the next Weekender. The search and interview committee are excited about their choice, which appears to fit well with the position and other members of the organization.

### **Multi Dwelling Fee (Applegate)**

Section VIII, 4 B was read and discussed. The following motion occurred as a result of review of the section.

BOWEN MOVED AND WILLIAMS SECONDED, BE IT RESOLVED THAT EACH LIVING UNIT WILL BE BILLED FOR DUES AND ASSESSMENTS EQUIVALENT TO A SINGLE OWNER OF A PLATTED PARCEL. THE MULTIPLE DWELLING FEE SHALL CONSTITUTE THE MEANS OF ASSURING IMPLEMENTATION OF THE REQUIRED EQUIVALENT DUES. MOTION CARRIED. 8-0.

### **General Manager Search Update**

An update was given by Olson regarding the fact that the deadline to run the help wanted ads for General Manager by last Friday was completed by an inordinate amount of work. This included not only research of the ads themselves but also

an update of the website and a new application was created for the application packet. Dinah did a great job accomplishing this. Dee was also commended for setting up the Compliance Officer interviews.

A discussion occurred that it is important that SHOA business continue in the absence of a General Manager and therefore, someone must have the authority to sign or assign authority to sign for important SHOA business.

SCHMIDT MOVED AND WILLIAMS SECONDED THAT IN THE ABSENCE OF A GENERAL MANAGER THE PRESIDENT SHALL HAVE AUTHORITY TO SIGN OR DELEGATE AUTHORITY TO SIGN FOR IMPORTANT SHOA BUSINESS. MOTION CARRIED 8-0.

### **Six Year Water Plan**

The Six-Year Water Plan was discussed with Carl Johnson the consultant hired to produce the plan and submit it to the Washington State Department of Health. Carl Johnson was introduced as individual hired to prepare information in a document to present to members. He got his information from State Regulation Standards for Water Plans, as well as individual shortcomings, stresses on the system, special findings, and staff communication regarding water problems in SHOA. Bob and Carl brainstormed in many of these areas to find solutions to these problems.

Two questions were asked, including what would happen if a water plan is not developed and what information must be obtained in order to complete the plan to the extent that a submission could be made to the DOH as soon as possible.

In answer to the first question, it was discussed that the State is requiring a plan and actually the plan is two years late, according to when it was actually due. Either SHOA must submit and adopt a state approved plan or SHOA may not be allowed to provide water to members in the future. If a municipal water company takes over then the estimated cost of water to each member/lot will be approximately \$30 - \$50 per month, which compares to the approximated \$12 per month that members are paying now. Compliance of submission of the plan is not an option as far as the DOH is concerned, and is necessary to avoid sanctions by the State. Regarding what information is needed to submit the plan it was decided that since meters are inevitable, they should be included in the plan to occur within the first year. Additionally, pipe to be laid for the first year should be included in the plan.

Discussion occurred between board members and Carl to identify estimated costs of metering, hydrants, laying pipe, etc., and an assessment of \$125.00 assessment per lot, which would result in approximately \$360,000 for the year, was proposed that must occur. The assessment cannot be determined for more than one year at a time according to the by-laws of the covenant and will be

reassessed next year based upon need according to changes which might need to occur in the plan itself.

The cost of meters will be included in the first year of the plan as well as whatever is left over to drive the amount of pipe that will be laid. It was also discussed that although meters will be installed in the first year, the water rate has not been changed yet. However, change in rates is inevitable and will likely become a flat fee for a certain amount of average usage, with additional charges for individuals who use excessive amounts.

The determination of what kind of water meters will begin by deciding at the August board meeting which alternatives will be considered for metering, in September a presentation will be made by vendors, in October one will be chosen with an expected beginning date of January 2009.

Additionally, contracting versus doing the work internally was discussed and after the first year, another decision will be made with regard to contracting.

Bob Haskins and Warren Olson plan on developing a summary of this discussion which will be available to members in the SHOA office and will likely be included in this week's Weekender.

Also discussed was the fact that the consulting efforts by Carl have included extra work which was originally included in his contract. Therefore, due to the elongation of the process in completing the plan, the board determined that he should be compensated for \$5,000 to \$10,000 of consulting fees, depending on the actual work which Carl completes.

## **NEW BUSINESS**

### **L & I Volunteer Coverage**

Olson read policy and BOWEN MOVED AND SCHMIDT SECONDED TO ADOPT THE VOLUNTEER POLICY AS WRITTEN. MOTION CARRIED 8-0.

### **Office Hours**

Olson asked the board to review the new office policy including new office hours and staff schedule changes.

WILLIAMS MOVED AND SCHMIDT SECONDED TO ADOPT THE FOLLOWING:

- a) MOVED THAT SHOA OFFICE HOURS BE MONDAY THRU FRIDAY 9 AM TO 5 PM AND SATURDAY 9 AM TO 1 PM.



- b) MOVED THAT FULL TIME EMPLOYEES WILL BE SCHEDULED FOR 40 HOUR WORK WEEKS.
- c) THAT PART TIME EMPLOYEES ARE TO WORK LESS THAN 30 HOURS PER WEEK.
- d) THAT THE EMPLOYEE WORK DAY WILL BE 8 HOURS WITH ONE ½ HOUR DUTY FREE LUNCH. VARIATIONS IN INDIVIDUAL SCHEDULES ARE ALLOWED AS AGREED BY EMPLOYER AND EMPLOYEE.

MOTION CARRIED, 8-0.

### **Communications**

Communications which have come in for the last month are copied and recorded in the correspondence file and Olson has responded to them.

### **Committee and Staff Reports**

#### **Meetings and Contacts:**

Mr. Raymond Scheetz' issue of a displaced mailbox was discussed. According to Sam Jacobs, SHOA attorney, it is generally advised that if SHOA has disturbed something then SHOA should replace it. Therefore, Mr. Scheetz' mail box will be replaced by SHOA. However, this is not yet a blanket type policy and in the future when water mains must be excavated on someone's property, SHOA will have to determine whether or not it is SHOA's responsibility to repair or replace.

#### **Water Report**

Update on Summer Water Projects was given by Bob Haskins, including and an update on the Bridge Replacement Project and the Fish and Chemical Applications.

Bob stated that most of bridge materials will be stored in front of warehouse and insurability of these materials should be considered since the bridge materials are stored on our property. Some trees are in the way of the bridge installation and property owners will need to be informed. Also there are crane issues to be considered (dents in ground, etc,) Work on compacting soil for mud seals will be started next week. Bob completed a tour with the contractor for Western Wood, Campbell Crane. And any savings he can generate will be passed on to SHOA thru Western Wood Structures.

An update was also provided on Fish and Chemical Applications to the canal and lakes. It is proposed that this application will take two weeks and the initial treatment has occurred. Warm Water fish comes from The Dalles on the

Columbia River and cost is in question regarding delivery of fish and what mix of fish will be delivered. So Bob will find out more and come up with a proposal and bring this to the board. Gary Williams will coordinate with Bob over the next week to resolve this issue.

### **Architectural**

As discussed previously in the minutes underneath the Starheim hearing heading, the Architectural Committee will address the revision of the covenant issue.

### **Community Relations**

A Web site update occurred, including the development of a new website [www.rivron13.com/SHOA](http://www.rivron13.com/SHOA). This was done because of need to begin advertising for the General Manager position and an inability to get the original website updated in time. Additionally a review of the original website showed Surfside in a somewhat negative light and therefore the new was created to promote Surfside in a more positive kind of light. Additionally Bowen is in the process of looking at web domain names that are available to us such as surfside.org or surfsidehomeowners.com, etc. The new website was created at no cost.

### **Tree, Brush, & Noxious Weed Sub-Committee**

Larry Raymer stated the outstanding complaints have gone from 375 complaints to 10, which is a huge improvement. However, he stated that some people who currently have outstanding complaints have been very persistent and therefore, he is looking forward to working with the new Compliance Officer to help resolve these complaints.

### **Treasurers Report**

The Treasurers report was discussed as provided by Walt Platt and the following motions were made with regard to this report.

PLATT MOVED TO APPROVE CHECK #15636, IN THE AMOUNT OF \$835.43, PAYABLE TO NORTH BEACH SECURITY & ALARM FOR INSTALLATION OF SYSTEM IN TWO NEW OFFICES. PLATT MOVED AND WILLIAMS SECONDED. MOTION CARRIED. 8-0.

PLATT MOVE TO APPROVE CHECK #15643, IN THE AMOUNT OF \$134.25, PAYABLE TO KEN KARCH FOR REIMBURSEMENT FOR BOX LUNCHES FOR MAY 2008 BOARD MEETING. PLATT MOVED AND BOWEN SECONDED BY BOWEN. MOTION CARRIED. 8-0

### **Business Office Report**

Warren Olson stated there are two “wonderful new employees” in the office, and new workstations have been bought. He stated that Dee, the new office secretary, has a high skill level with previous paralegal experience and a wonderful attitude. Additionally, Olson stated the new Compliance Officer is coming and will need a laptop. He reported that the computer server is on hold pending professional IT advice.

### **Fish and Waterways**

Gary Williams reported and stated that the Fish and Waterways Education Program is scheduled to occur on Saturday, June 28. A PowerPoint presentation and training will be provided to those interested. He agreed with Bob Haskin’s report that the water treatment and fish project are both coming together.

### **Sherriff’s Patrol**

Larry Clark has received feedback from some of the residents of District 16 that he is doing a very good job helping with compliance issues and curbing illegal activity in that area.

### **Floor Comments**

George Miller said new neighborhood watch improved division 16. Olson concurred that it is really making a difference.

Bob reported that there is currently a Problem identified with termites in the SHOA office building, which may require a removal of some of the cedar siding. An exterminator will provide recommendations.

Bob Haskins and his crew were thanked for all the help on the cabanas.

John Richenbach questioned whether or not the observation deck to the canal was in violation of certain standards. Olson stated, if the Fish and Waterway Committee tells us that this deck is in the wrong then it will be removed but the committee needs to research and make recommendations to the B.O.T. prior to a board decision in this regard.

Olson stated that a Parliamentarian has been contracted with to be at the Annual Meeting and unfortunately this is a very expensive service. The Parliamentarian must be brought in from a distance and we will not only pay for their rate to be at the meeting but SHOA will also pay for travel expenses. However, this decision was made due to the confusion of the last annual meeting. Olson also stated that unfortunately, whenever Surfside “goes to war” it costs the members in the long run. Replacement of staff is very expensive as well, which is often the result of turnover due to angry members.

WILLIAMS MOVED TO ADJOURN AND SCHMIDT SECONDED. MOTION CARRIED. 8-0.

Respectfully submitted,

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Warren Olson, President to the Board

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Greg Willeford, Exec. Committee Secretary

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Dinah McCreddie, Recording Secretary