

MINUTES OF BOARD OF TRUSTEES
SPECIAL BOARD MEETING
SURFSIDE HOMEOWNERS ASSOCIATION
September 29, 2008

Those Present: Gene Bowen, Larry Nelsen, Chris Hanson, Cathy Gabrielson, Walt Platt, Warren Olson,

Those Present on Conference Call: Grant Murrell, James Flood, Gary Williams,

Those Absent: None

Staff present: Barbara Robinson and Sam Jacobs (by conference call)

President Warren Olson called the meeting to order at 4:05 pm

AMENDMENTS TO THE SIX YEAR WATER PLAN

Olson gave a summary of the structure of the meeting.

Discussion began with the explanation that new information had been obtained, regarding whether or not water metering is, at this time, mandated by the state. A recent court ruling by the King County Superior Court (Lummi Indian Nation v. State of Washington case) found the "municipal water supplier" definitions in the Water Code unconstitutional, which has at least a temporary effect of rendering Surfside HA a non-municipal water system. State law does not require non-municipal water systems to be metered. An appeal of the Lummi Indian Nation case is pending in the Supreme Court, but the Department of Health is implementing the superior court ruling pending the appeal.

However, information provided to Surfside by the State as well as legal advice from water rights attorneys has shown that metering may still be necessary in the future; the court decision could be reversed and new requirements could be adopted. Two main drivers for the metering plan are efficiency and conservation, which will in all likelihood remain issues with regard to regulation for the future. Additionally, it was learned that Surfside is currently the holder of four certificated water rights and one large water permit which has not yet been perfected or certificated. The permit's development schedule runs to 2012, but SHOA can request an extension to the development schedule. The State Department of Ecology has been giving more scrutiny to the water right extensions than in the past and extensions are more likely to be provided to responsible purveyors of water who can show that they are actively building and maintaining their water system as well as displaying efforts in conservation of water.

Therefore, it was determined to be prudent to follow through with an assessment, not only for replacement of pipe but also to create a fund for water meters for the future. Additionally it was determined prudent that Surfside become a member of an organization that provides information to small water suppliers of the most current legislative, regulatory and judicial changes that may affect us, to help be more informed in the future.

FEE ASSESSMENT

Budgeting for meters was discussed with regard to the good sense of setting aside money whether or not it will be spent in the future. Reasoning was presented that if the money is set aside, and legal requirements change so that it is needed this would be a good course of action, yet if not needed; the money does not have to be spent. At some point and time this money could be refunded to the members if it becomes clear that metering is not a requirement. Additionally, budgeting money for meters demonstrates our intent to be an efficient water supplier.

The board discussed various fee assessments. The original assessment, determined at the September regular board meeting was to be \$91.00, per hook-up for meters and \$36.00 per lot for pipes. The board discussed various options. It was reiterated that although, meters were not imminently necessary, they may become necessary in the future and the need for pipe replacement had not changed at all but continues to be imminent.

Initially, the suggestion was to allocate \$50.00 for future meters and \$75.00 for pipe. This would not change the total amount assessed to members but simply changed the amount allocated for meters versus pipes. Another suggestion was to continue with this same amount of an assessment but to apply all of the money to pipe replacement, which is the imminent need of Surfside.

After much discussion it was the consensus of the board that since meters were not currently required, to assess such a large amount was not essential and could be a financial hardship to some members. Although most present could see the need to budget for meters in the future, it was preferable to decrease the total assessment to make it more affordable since meters were no longer a matter of immediacy. Therefore a smaller overall assessment was discussed.

The consensus agreement of the board as an appropriate amount to be budgeted and assessed to the members was \$50.00 per hook up for meters and \$50.00 per lot for piping. No motions were required since the issue would be covered in adoption of the budget at the October meeting.

RECESS TO EXECUTIVE SESSION TO DISCUSS PERSONNEL ISSUES AT 5:27 P.M.:

RETURNED TO OPEN SESSION AT 5:52 PM.

Olson requested a motion that “SURFSIDE HOMEOWNERS ASSOCIATION RETAIN AN ATTORNEY WITH EXPERTISE IN WATER RIGHTS TO REVIEW OUR SIX YEAR WATER PLAN AND MAKE RECOMMENDATIONS TO THE BOARD.”

MURRELL MOVED AND HANSON SECONDED. MOTION CARRIED UNANIMOUSLY.

GABRIELSON MOTIONED FOR ADJOURNMENT, SECONDED BY NELSON. ADJOURNED AT 5:55 P.M.

Respectfully Submitted,

Warren Olson, President to the Board

Gary Williams, Exec. Committee Secretary

Dinah McCreddie, Recording Secretary