

MINUTES OF REGULAR BOARD MEETING
SURFSIDE HOMEOWNERS ASSOCIATION
March 21, 2009

Board Members Present: Gene Bowen, Jim Flood, Cathy Gabrielson, Chris Hanson, Grant Murrell, Larry Nelsen, Walt Platt, Gary Williams.

Board Members Absent: Debbie Richmond (Excused)

Staff Present: Barbara Robinson, Sara Chase, Jim Meyers, Larry Clark, Bob Haskin, and Ginger Byrd.

Vice President, Jim Flood called the Regular Board Meeting to order at 9:00 a.m. It was noted that Debbie Richmond, board member was absent, due to her father having surgery. The meeting was opened with an invitation for Floor Comments, however, hearing none Flood moved to the adoption of the agenda. Flood explained that periodically he will declare certain agenda items as adopted as stated without requiring a vote, unless each individual board member requests a vote. The assumption is that if there are no objections to an adoption of an item then it is unanimously accepted or adopted and the board agreed.

Adoption of Agenda and Approval of Minutes:

The agenda was adopted as written with no changes or additions without a vote, unanimously by the board.

With regard to the February 21, 2009 minutes it was clarified that Richmond's appointment to the board to fill a vacant position is not contingent upon her agreement to run for board member in July. However, it was noted that Richmond has applied to be considered for the annual election in July.

WILLIAMS MOVED TO APPROVE AND ADOPT THE MINUTES OF THE FEBRUARY 21, 2009 REGULAR BOARD MEETING AS SUBMITTED. MURRELL SECONDED. MOTION CARRIED BY UNANIMOUS DECISION 8-0.

Old Business:

Board Elections:

Board appointments were initiated in order to fill the vacant office of Board President due to the recent resignation of Warren Olson. Subsequent appointments were necessary due to additional officer vacancies created by the President appointment. These appointments were done in order to maintain Board continuity, the Board took the following action:

WILLIAMS MOVED TO ELECT JIM FLOOD AS BOARD PRESIDENT. MURRELL SECONDED. MOTION CARRIED BY UNANIMOUS DECISION 8-0.

BOWEN MOVED TO ELECT GARY WILLIAMS AS VICE PRESIDENT OF THE BOARD. MURRELL SECONDED. MOTION CARRIED BY UNANIMOUS DECISION 8-0.

WILLIAMS MOVED TO ELECT GRANT MURRELL AS SECRETARY TO THE BOARD. GABRIELSON SECONDED. MOTION CARRIED BY UNANIMOUS DECISION 8-0.

Gene Bowen remains as treasurer.

The persons so appointed above shall hold office until the next annual meeting of the association members, which will be held in July.

Updated Trustee Committee Assignment List:

The committee 2008/2009 Board of Trustees Directory and Committee Assignment List will be updated according to the above elections (see Appendix A). Also other changes were made to the directory, i.e. Hanson as trustee of RV Compliance, due to Richmond's conflict of interest with this committee, and Richmond moved to Land and Buildings and Compactor/RV storage.

Status of implementation of 2009 Board Goals:

Robinson stated that some goals adopted by the Board for 2009 have been met and several are in process. She specifically stated that the next targeted task is to work on the Schwindt asset study, which will begin with a meeting between Haskin, Byrd and Robinson. A report will be drafted at this meeting with regard to the areas of the study where the board has directed attention. This draft will then be presented to the Schwindt Study Committee for review of Surfside's assets including depreciation, maintenance, replacement, etc. This effort ties into the maintenance schedule for Surfside assets, which will also be addressed. A new revision of the Operations Manual is also in process with changes made from a search of the minutes since the last revision. Goals which have been completed include the employee manual and new job descriptions with cross-training in the office as on-going. Compliance issues have been dealt with along with the adoption of a fine policy. Also, the safety committee is in operation and includes volunteers with two staff persons, Larry Hampton and Gil Gonzalez. Hampton and Gonzalez attend two safety meetings per month and watch a pertinent safety video on the second meeting of the month with the full field staff. The goal for this committee is to meet as a whole to work together on the safety program plan draft. The volunteer committee list and the board list have also been updated.

Allocation of Funds Management Policy:

Robinson followed up from the last meeting regarding board direction to determine what is capital versus operational versus reserves expenditures. The report submitted shows an explanation of how funds are disbursed with regard to expenditures of the water department. Since the allocations of these funds are procedural not requiring board adoption it will be called a procedure rather than a policy. Consistency of the procedure for allocating funds is what is being sought after.

New Business:

2009 Economic Recovery Funding Program Application Submittal:

Robinson explained the application process for the 2009 DOH Economic Recovery Funding Program, for the purpose of being considered for stimulus monies of up to \$3,000,000, to help with our cost of replacing water lines, etc. A representative of DOH encouraged Robinson to submit the application based on DOH's priority for water service in view of our numerous main breaks. We have not received a response to the application at this time but it is anticipated we will receive notice from DOH in the next few days. Also USDA is offering loans at low interest rates and this will be researched. Robinson and Haskin were thanked for their efforts in submitting this application.

Communications/Meetings and Contacts:

Robinson was thanked for her positive response to communication from a concerned member and her willingness to meet with him to discuss his concerns.

Committee/Staff Reports:

Water/Field Services Manager Report:

Haskin provided a oral summary of his report and explained that pressure fluctuations due to location and seasonal use as well as old, poorly placed connections caused the recent water main breaks. The replacement of pipe, such as on G Street, include new connections which are superior to the connections that previously existed. The only other solution to breaks other than replacing the mains is to cut down the water pressure which would likely affect the delivery of water to all Surfside members, and this is not an option. The suggestion was made that the engineering firm should look at the possibility of optimal use of pumps in the winter to aid with pressure fluctuations. Robinson thanked Haskin and crew for the excellent job on the loop project at J and I and 311th. Haskin presented an equipment request to the board for decisions on purchases for summer capital projects, specifically the water main replacement project. Two different committees will be formed, one to determine what equipment to purchase and the other committee to determine how much money can be spent from the Capital Budget to accomplish the purchase of the equipment. Both committees can work simultaneously and/or together to come up with a viable plan and report back to the Board.

Nelsen brought up the decommissioning of the Oysterville well system which needs board approval in order to move forward and accomplish this. He understood the cost is approximately \$5,000 to shut it down. More investigation must occur to determine whether or not there is significant risk to Surfside in keeping the system open versus spending the money to shut the system down. Robinson added that decommissioning a well requires permits and approvals through DOH and Ecology. There are fees associated with this process, but the exact cost is not known.

Concerned Citizens Committee Report:

This committee is no longer active and the last scheduled meeting was not attended well. However, the committee can be reinstated in the future if and when it becomes necessary. Poor attendance at this meeting could be considered evidence that due to the efficient accomplishment of Surfside business from the board and staff there are fewer concerns in the community.

Architectural Committee Report:

The question of providing water to members outside of the Surfside area to owners of houses that do not comply to the height restriction covenants was raised. The question is whether or not Surfside is obligated to provide water when there is another water source such as a well when the home doesn't currently comply with the covenants will be researched and a report provided back the Board.

Fish and Waterways Committee Report:

Chris Hanson reported about the presentation by Kathleen Sayce with regard to native waterside plants. It is planned that the Surfside property behind the office will be cleaned up and bank maintenance, fish habitat and planting will be done in this area. This area will then be used as a model to show Surfside members on waterways how they can maintain their waterside areas. It is hoped that this will be a no-cost to low-cost project with donations from nurseries.

Treasurers Report:

BOWEN MOVED THAT THAT ALL FOUR FINANCIAL MOTIONS AS LISTED IN THE FINANCIAL MOTION HANDOUT BE APPROVED. WILLIAMS SECONDED. UNANIMOUS MOTION CARRIED. 8-0.

Bowen presented graphs and charts for collection of members' dues and assessments to show the amount of money coming in by members making payments. Approximately 330 members are currently making payments. The total amount expected for collection through the payment system is over \$200,000, and currently 49% of this amount has already been collected. As of Friday night, March 20, there was an outstanding amount of \$118,000 in dues and assessments from members who have opted to make payments. Total collection versus what has been billed was

compared from 2008 to 2009. There is typically a certain amount of funds that are uncollected at the end of the year, and last year this amounted to 2.4% of the total dues/assessments billed. At this point there is 23% of dues/assessments yet to be collected. Last year at this time it was 21%. This extra 2% could be due to the allowance of six months of payments rather than the four months allowed last year. However Bowen cautioned against spending unnecessary money and only spending what is essential to maintaining the activities of Surfside especially since water mains still must be replaced and the economy remains shaky. Spending for the delivery of water is priority #1. Volunteers will hopefully be helping with maintenance issues which will help to reduce spending.

GABRIELSON MOVED TO ACCEPT THE COMMITTEE REPORTS AS WRITTEN. WILLIAMS SECONDED. MOTION CARRIED BY UNANIMOUS DECISION 8-0.

Floor Comments:

George Miller reported on the status of the land and buildings committee with regard to liability and security issues and requested a hearing in closed session regarding the security issue. Specifically in open session, he addressed the liability issue of the stairs and railing that are falling down on the walkway from J place at 352nd Street. This is an easement used as beach access and is Surfside's responsibility to maintain. All members have a right to use the easement and at this point in time he feels it is unsafe. Therefore it is a very large concern and will be put on the volunteer activities list as a #1 priority. Additionally it was determined that this is a management issue and safety issues must be addressed immediately and cannot be put off for a board decision. It may be temporarily closed if needed or repaired immediately.

The regular meeting adjourned to closed session at 10:30 am and reconvened to regular session at 12:50 pm.

BOWEN MOVED THAT THE BOARD AUTHORIZED THE GENERAL MANAGER TO PAY SALARY INCREASES RETROACTIVELY TO JANUARY 1, 2009 FROM A POOL OF MONEY CURRENTLY ALLOCATED WITH RAISES TO BE GIVEN WITHIN PRESCRIBED RANGE. WILLIAMS SECONDED. MOTION CARRIED BY UNANIMOUS DECISION 8-0.

BOWEN MOVED THAT THE GENERAL MANAGER EXPLORE AND PURCHASE THE OPTIONS AUTOCAD SOFTWARE AS NECESSARY TO BE USED BY APPROPRIATE SURFSIDE STAFF. WILLIAMS SECONDED. MOTION CARRIED BY UNANIMOUS DECISION 8-0.

Jim Flood, President to the Board

Grant Murrell, Exec. Committee Secretary

Dinah McCreddie, Recording Secretary

Appendix A **2008/2009 BOARD OF TRUSTEES (Revised 03/21/09)**

JAMES FLOOD 20252 SW Tremont Way Aloha, OR 97007 (32801 G St.)	(503) 813-6949 (office) (503) 503-201-9001 (cell) JamesFlood@PacifiCorp.com	<ul style="list-style-type: none"> • PRESIDENT • EXECUTIVE COMMITTEE • BUSINESS OFFICE CO-TRUSTEE • LEGAL LIASON
GARY WILLIAMS 13204 156 th Ave. SE Renton, WA 98059 (31007 I St.)	(425) 890-7553 (cell) (206) 544-7197 (work) (425) 255-0889 (home) gwilliams@surfsideonline.org	<ul style="list-style-type: none"> • VICE PRESIDENT • EXECUTIVE COMMITTEE • FISH AND WATERWAYS • POLICY/COVENANT ENFORCEMENT
GENE BOWEN PO Box 722 Ocean Park, WA 98640 (30711 I St.)	(360) 326-8653 gbowen@surfsideonline.org	<ul style="list-style-type: none"> • TREASURER • EXECUTIVE COMMITTEE • BUDGET INVESTMENT AUDIT COMMITTEE • BUSINESS OFFICE CO-TRUSTEE
CATHY GABRIELSON PO Box 1303 Ocean Park, WA 98640 (30504 K PI)	(360) 665-6941 rgabrielson@centurytel.net	<ul style="list-style-type: none"> • COMMUNITY RELATIONS COMMITTEE • PUBLICATIONS • INSURANCE COMMITTEE CO-TRUSTEE
CHRIS HANSON 30100 X PI OCEAN PARK, WA 98640	(360) 665-2300 chanson@surfsideonline.org	<ul style="list-style-type: none"> • ARCHITECTURAL COMMITTEE • TREES & NOXIOUS WEEDS • RV COMPLIANCE • EMERGENCY MANAGEMENT
GRANT MURRELL PO Box 1506 Ocean Park, WA 98640 (32808 G St)	(360) 665-6908 (home) (503) 347-3758 (cell) (503) 988-3864 (work) gemurrell@earthlink.net	<ul style="list-style-type: none"> • SECRETARY TO THE BOARD • EXECUTIVE COMMITTEE • PATROL
LARRY NELSEN Po Box 211 Oysterville, WA 98641 (31007 I St)	(360) 665-6851 lnelsen@surfsideonline.org	<ul style="list-style-type: none"> • WATER SYSTEM PLANNING CO-TRUSTEE
WALT PLATT 311306 L PI Ocean Park, WA 98640	(360) 665-5893 wsplatt@reachone.com	<ul style="list-style-type: none"> • WATER SYSTEM PLANNING CO-TRUSTEE • ELECTION COMMITTEE • INSURANCE CO-TRUSTEE • BUDGET EX OFFICIO
DEBBIE RICHMOND (interim) PO Box 996 Ocean Park, WA 98640	(360) 665-5956 (home) (360) 665-4225 (work) debra092@centurytel.net	<ul style="list-style-type: none"> • LAND & BUILDINGS • COMPACTOR/RV STORAGE

All Board members may be reached at the Surfside office at (360)665-4171 or at Surfside's email address: office@surfsideonline.org