

DRAFT

MINUTES

SURFSIDE HOMEOWNERS ASSOCIATION REGULAR BOARD MEETING November 20, 2010 - 9:00 a.m.

Board Members Present: Jim Flood, Gary Williams, George Miller, Martin Jenkins, Grant Murrell, Chris Hanson, John Williams and Larry Nelsen.

Board Members Absent: Debbie Richmond (Excused)

Staff Present: Barbara Robinson, Bill Neal, Ginger Byrd, Jim Meyers and Travis Ostgaard

Call to Order: President Jim Flood called the meeting to order at 9:05 a.m. He stated that we had a quorum with only one Board member absent.

Safety in the Workplace: Jim Flood stated that we should focus on safety first, regardless of the activity or project. He had talked in the past about using cell phones when using vehicles/equipment or walking around Surfside. Please pay attention and be cautious of people and vehicles. Also Diabetes hits a lot of people, so be aware of the affects and be tested. Diabetes affects 1 in 12 people.

Agenda Adoption: The agenda stood adopted as submitted.

Approval of Minutes of October 16, 2010 Regular Board Meeting: No corrections or additions, the Minutes stood approved and adopted as submitted.

Floor Comments: Rose Marie Sartin stated that everyone should be safety conscious. They have lived in Surfside for 15 years and never had their house broken into until recently. A TV, pills were stolen from their house along with approximately \$3,500 damage to a vehicle that was in their garage. She urged anyone leaving town for any length of time to fill out a patrol request form and request that the Deputy Sheriff walk around the house and site periodically. Lock your garages, dismantle garage door openers and lock your car. She said there had been an unfamiliar Ford Ranger in the area. She encouraged everyone to be aware. Rose Marie also mentioned some teenagers that may have been involved.

Sheriff Deputy Ostgaard responded that charges on the Sartin case have been forwarded to the prosecutor and there were teenagers involved and one adult. He will keep in touch with the case. He stressed it is always important to submit written documentation in the event of an incident.

Georgia Mourikis stated that in the Minutes from the last meeting there were changes

made in the Operations Manual regarding the Budget committee, so she was wondering about these changes. Grant Murrell stated that there were discrepancies in the Budget Committee Charter and the Operations Manual Procedures for the budget process. Georgia stated she felt it was more important to have one less staff than one less members although she did agree that the General Manager should be included in the committee, but have three members on the committee as before.

Old Business:

J-Well/Three Phase Capital Project: Bill Neal gave a summary of the project. The Board has received all reports on the project and it has been discussed previously several times. The system is now operating on one small generator that can only run 1-2 pumps. Heat builds up in the old building when the generator is running.

There is room in the Booster Building to extend and upgrade the power to the well fields to improve serviceability. The plan includes adding transducers to keep check on the draw down on the wells and also a method to monitor salt water intrusion that may eventually exist. The pumps are now on a single phase with the old generator. The newer generator we have takes care of the pump house but does not serve the wells. The motors would be changed out to make things run more efficient. All wells could be on emergency power rather than just 1-2 as they are now.

Nancy Dunn stated that she was with the understanding that money was budgeted for the project. There was \$55,000 budgeted for the project, with \$15,000 carry over from last year. The total cost of the project is approximately \$150,000, which means the additional funds needed for the project needs to come out of the Reserve Fund.

It was asked if the project could be phased, doing three pumps now and three later. Bill Neal stated it is more cost effective to do all six at the same time. The project would run in tandem with the water main replacement fund. The three-phase/J-well capital project would mostly be done by outside contractors, with our crew doing some of the smaller portions. It would go out for bid once the project is engineered and approved.

The Board determined that part of the work can be done in 2011, as it will take time to get the engineering done, putting us into late 2011. The remainder of the project could come in 2012. This way portions of the Reserve could be used in both years.

Gary Williams stated we have two decisions: 1) Go ahead with the project and 2) how do we pay for it.

Gary made a motion to go ahead with the first stages of the J-Well/Three Phase Capital Project as discussed. Chris Hanson seconded the motion. The motion passed unanimously, 8-0. The funding portions will be worked out over the next few months.

Volunteer Appreciation Dinner: Barbara Robinson updated the Board and members on the upcoming Volunteer Appreciation Dinner. The dinner is set for Saturday,

December 11, 2010 from 5:00 p.m. to 7:00 p.m. She encouraged volunteers to attend. Anyone wishing to help with the event, please contact Barbara or Sara in the office.

BUDGET RATIFICATION VOTE RESULTS: The results of the vote were presented to the Board. The 2011 Budget passed with a vote of **298 for and 14 against**. Jim Flood stated this was the biggest voting number that we have had. Thanks to all members.

New Business:

Surfside Insurance Policy for 2011: The Insurance Committee (Chris Hanson, Walt Platt, Martin Jenkins and Barbara Robinson) met with the representative from Propel Insurance who has been our rep and company for several years. We had also met with another insurance carrier and representative that came in considerably lower in cost. We are now comparing the two. We were able to budget less this year for insurance, as our current carrier stated they could drop our cost about \$10,000. We may have more of a drop in costs depending on the outcome of the review.

December Board Meeting: Jim Flood stated that the history is that we have not had a December Regular Board meeting for the last two years. We have the Volunteer Appreciation Dinner coming up on December 11th, so that could be a day for a special meeting if the Board determines one is needed. We will have to give 24 hour notice for any special meeting.

After some discussion, Gary Williams moved to cancel the December Regular Board Meeting, which would have been December 18th. John Williams seconded the motion. The motion passed unanimously 8-0.

Committee Reports:

Water/Field Services: Bill Neal stated that water usage is down, filters are working well. Water color is still a little discolored. The Disinfection ByProducts (DBP's) report for the last quarter came back good, about 22% below the MCL. We should get off the DOH list of noncompliance with the last test report. Members that may have concerns with water color, please contact the Water/Field Services office. They can check it out and flush lines as needed. Color is due to total organic carbons in the water, which are harmless but may not be aesthetically pleasing.

Low water pressure can be a couple of things, so please report any concerns. The water hydrant at 340th & G that was destroyed by a vehicle accident has been replaced. Work continues on the water main replacement project, with 8" pipe replaced from 300th to 303rd on H Street. They will be continuing up H Street through to 315th.

Mark Smith asked about the areas of 321st & I. Neal stated that that is farther down the schedule and won't be for quite a while yet.

Financial Report: Board Treasurer Martin Jenkins presented the Financial Reports for the month and asked approval on payments as shown on the report. The payments included:

1. Approve the following checks for the 306th Bridge & Veterans Memorial project to come from the generator cover account:

Check #13218 payable to A-1 Ready Mix in the amount of \$330.95

Check #13226 payable to Jack's Country Store in the amount of \$59.11

Check #13227 payable to Oman & Son in the amount of \$226.95

A motion was made by Treasurer Martin Jenkins, seconded by Gary Williams to approve all checks listed. The motion passed unanimously 8-0.

2. Carry over into 2011 the 2010 budgeted funds in the amount of \$15,000.00 for 3-phase upgrade.

A motion was made by Grant Murrell, seconded by John Williams. The motion passed unanimously 8-0.

Architecture Committee Report: Larry Nelsen stated that there have been very few new homes submitted and little building activity overall with the committee. Nelsen presented a flow chart outlining a Non-Compliance Procedure. This procedure will deal with those that start projects without AC approval. It could also result in an administrative charge for no prior approval. The AC Committee will be reviewing this procedure further before coming back to the Board.

Larry Nelsen also stated that the Board could be seeing a request for variance to build an undersized home, due to physical constraints with property. There are several small lots in Surfside and some small lots that are constrained by the location of the canal and septic requirements by the County that continue to change. The variance would need a recommendation from the Architecture Committee on a specific project before coming to the Board.

Receipt of Committee Reports: A motion was made by Grant Murrell, seconded by Martin Jenkins to accept the Committee Reports as presented. The motion passed unanimously 8-0.

Comments from the floor: No additional comments or questions were raised from the membership.

Closed Session: The Board recessed to Closed Session at 10:12 a.m.

Reconvene to Open Session: The Board reconvened to Open Session at 11:10 a.m. Discussions in closed session resulted in action to be taken by the Board. The following is a summary of action and votes on each action:

Employee Pension Plan: The current employee pension plan will expire the end of December. The Board previously had agreed to change the plan to allow employee contributions in the plan, which they cannot do under the current plan. The new plan will be a Simple IRA with a contribution by both the employee and Surfside. This was a budgeted item in the 2011 Budget.

Grant Murrell moved to vest all existing employees that are under the current pension plan. This results in no cost to Surfside. Gary Williams seconded the motion. The motion passed unanimously 8-0.

General Manager Position: With the resignation/retirement of Barbara Robinson, the Board re-evaluated the position, as to the need for a General Manager, which would be a restructuring of the job. It was discussed that the position be downgraded to Business Manager, including the annual salary. A new job description will be prepared and the job published in the local newspapers. Those that applied for the General Manager position will be sent a letter stating the position was changed and that they are to notify Surfside if they wish to be considered for the restructured job. Grant Murrell made a motion to change the General Manager position to Business Manager at a salary of \$45,000, which is a reduction in payroll costs for the association. Gary Williams seconded the motion. The motion passed unanimously, 8-0.

Employee Christmas Bonus: The Board discussed the Christmas Bonus that has been given to employees for the past several years and is in the budget for 2011. Grant Murrell moved to authorize payment of a Christmas bonus to each employee, for a total not to exceed \$2,050. George Miller seconded the motion. The motion passed unanimously, 8-0.

Special Meeting: The Board requested that a Special Closed Session Board meeting be held at 9:00 a.m. on December 11, 2010 for personnel issues. This special meeting notice will be posted 24 hours prior to the meeting date.

Adjournment: Martin Jenkins moved to adjourn the Regular Board Meeting at 11:20 a.m. Grant Murrell Seconded the motion. The motion passed unanimously.

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