



Operations Manual

February 17, 2024

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INTRODUCTION

Surfside Homeowners Association, a non-profit corporation, was established and is defined by the ARTICLES OF INCORPORATION and is governed by the BY-LAWS of Surfside.

As an extension of the two controlling documents, and to further ensure the coordinated and orderly conduct of the business and management functions of the corporation, the BOARD OF TRUSTEES, under its charter, has established this OPERATIONS MANUAL. It is intended to provide the Association Board of Trustees, Designated Trustees, Management Employees, and Committee Chairpersons appointed by the Board of Trustees a vehicle through which to understand Surfside's policies and procedures further delineated by action of the Board.

This OPERATIONS MANUAL identifies and describes all positions and work functions required to establish daily and long-range operations for Surfside.

The MANUAL is divided into the following sections:

1. Board Policies
2. Committee Charters
3. Operating Procedures

NOTE:

The Surfside Operations Manual (Policies and Procedures) was revised in its entirety and all changes and additions were approved and adopted by the Surfside Board of Trustees on February 15, 2014. All changes that have occurred over time are identified in the "Summary of Operations Manual Changes included as part of this document.

New Definition: At the April 19, 2025, regular Board Meeting the following definition was adopted:

VOTING:

1. No membership shall be voted on unless such member has paid the initiation fee as set by the Board of Trustees and unless all dues and assessments are currently paid.

MEMBER IN GOOD STANDING

1. Owns property in Surfside
2. Is current on dues and assessments, or on a member payment plan.
3. Complies with the Articles of Incorporation, Bylaws, CC& R's, and Operations Manual of Surfside

A MEMBER IN GOOD STANDING MAY:

1. Use the common areas of the Association
2. Serve on Surfside Committees
4. Offer motions at the annual meetings
5. Be eligible to run as a Board candidate

New Definition and procedure: At the April 19th, 2025, Regular Board Meeting the following definition and procedure was adopted:

FOR ANY MEMBER WITH AN OUTSTANDING BALANCE WHO MAKES A PAYMENT, THE PAYMENT WILL APPLY IN THIS ORDER:

1. Accrued interest (oldest first)
2. Assessments in reverse chronological order (oldest first)
3. Dues in reverse chronological order (oldest first)
4. Fines in reverse chronological order (oldest first)

OPERATIONS MANUAL UPDATING DISTRIBUTION & HANDLING PROCEDURE

The procedure for updating, distributing, and handling of this manual shall follow this process:

1. When the Board of Trustees amends any of the policies or procedures delineated in this manual by Board motion, the Business Manager shall prepare the change for review by the Board Secretary.
2. The Board Secretary will then check the meeting minutes to verify the change/changes to be made. When the Board Secretary is confident that the change/changes are as made by the full Board, the Board Secretary shall certify the change.
3. The Business Manager will then change the computerized file and print new page/pages of the section involved. On the changed page/pages, the date of the revision and the Board vote shall be footnoted. Copies of the new page/pages will then be distributed to all Operations Manual holders. A list of these manual holders shall be kept current in Surfside's Business office. In addition, in June of each year, the Business Manager shall collect the Operations Manuals from all Board members, and review and update them, for redistribution in August.
4. Copies of this Operations Manual shall be made available in hard copy or electronic format for the membership for a charge of \$25.00. Members who buy a manual will have the option to receive the updates at a charge of \$1.00 per page plus postage, if applicable. This charge will be payable before the copies are sent to the manual holders. To this end a list of all members who purchase an Operations Manual shall be kept in the office. A copy of the current Operations Manual is also available online through the Surfside Website.
5. A copy of this Operations Manual shall be kept at the Business office counter and shall be made available for members in good standing to review. Copies of individual pages or sections shall be made available at a fee charged for copying and the labor involved. This charge shall be as provided for in the Board Policy on Surfside's Service Fees.

SURFSIDE HOMEOWNERS' ASSOCIATION

CODE OF CIVILITY

This Code of Civility is adopted by the Board of Trustees of the Surfside Homeowners Association (Association) as a rule and regulation applicable to the Association and all its members.

It is a violation of the Association for any person to treat Association board members, officers, employees, volunteers, or other representatives in a manner that is reasonably perceived as hostile or abusive.

For purposes of this Code of Civility, hostile and/or abusive behavior includes, but is not limited to: (1) the use of obscenities, vulgarities, bullying, or harassment of any kind; (2) any behavior which reasonably intimidates or alarms another person or any behavior that could reasonably be perceived to be the cause of another person's distress or discomfort, whether said behavior is in person, in writing, over the phone, internet, including social media, or non-verbally as in hand gestures, body language or sign language.

For purposes of this Code of Civility, reasonableness shall be determined from the perspective of an ordinary prudent person under the same or similar circumstances.

All such behavior described above is considered unacceptable. The first offense will result in a written warning from the Association Business Manager. A second offense will result in a meeting with an Association Board of Trustee (BOT) member for conflict resolution. A third offense will result in a fine in the amount of \$200. If none of the foregoing actions resolve the conflict, the Association or the BOT may take administrative or legal action and shall be entitled to an award of all the fees and costs incurred by the Association, including attorneys' fees, which may be imposed on the offending party as an assessment and collected and enforced under the provisions governing assessments in the Association's governing documents, including, but not limited to, obtaining a lien against said party's property and membership in the Association.

Appeal of Code of Civility Violation

Any member may appeal a third offense for violating the Code of Civility by filing a Notice of Appeal within twenty-one (21) days of the date of the letter determining a third offence.

The Notice of Appeal must include the following information:

- (a) the name of the appellant filing the appeal;
- (b) contact information for the appellant, including address, telephone number, and e-mail
- (c) a statement identifying precisely what is being appealed;
- (d) an explanation of why the appellant believes the determination is wrong; and
- (e) a statement of what relief the appellant is requesting.

The Notice of Appeal may appeal the first, second or third violation of the Code of Civility policy. The Notice of Appeal may also request an opportunity to be heard through the appeal process defined below.

The BOT shall establish procedures for hearing appeals that shall insure:

- (a) appeals are heard in a timely manner;
- (b) the appealing party, representatives, and others with an interest in the case are given an opportunity to be heard.
- (c) the party determining non-compliance, representatives, and others with an interest in the case are given an opportunity to be heard;
- (d) a determination on the merits of the appeal is reached in a timely manner;
- (e) the determination is communicated in writing to those parties involved in the appeal;
- (f) rules regarding a hearing may limit time or determine relevance and admissibility of testimony to issues necessary to evaluate the merits of the appeal and underlying violation.

No person deciding on the appeal shall be directly involved in issues regarding the appeal or have a conflict of interest. The BOT or others designated by the BOT, shall affirm, reverse, or modify the original violation. Decisions by the Board of Trustees' designee, if any, shall be reviewed by the Association, which shall affirm, reverse, or modify the designee's determination.

The BOT's determination of the meaning and application of the Code of Civility is considered

the final authority regarding interpretation of this policy.

Adopted 8/20/22

BOARD POLICY – ANNUAL MAINTENANCE PLAN LAND BUILDINGS FACILITIES

All Surfside owned buildings, lands, and facilities shall be inspected by the water/field services department staff annually under the following criteria:

Recommendations for repair or replacement will be reported to the Surfside Water System Manager for disposition.

These inspections will be done by the members of the Land & Building Committee, or by others as assigned by the Water System Manager.

An Inspection Log shall be maintained listing the date and time of all maintenance and repairs or replacements to be done, completed, or scheduled. The following information shall be included in the log:

1. What staff person performed the work.
2. Actual man hours required to complete the work.
3. All costs associated with work. (Materials, parts, etc.)
4. Anticipated start date and projected completion date.
5. If the work is to be contracted out, the name of the business or individual doing the work shall be included along with expected timelines and costs to complete all work designated.

CABANA & CABANA GROUNDS

1. Grass will be mowed as needed.
2. Fertilizer will be applied as scheduled.
3. All grounds shall be maintained.
4. Restrooms will be clean and have adequate supplies.
5. Sani-cans will be serviced on a regular schedule.
6. All cabana lawn areas shall be watered as needed. Landscape berms shall be maintained, clear of weeds and bark spread to avoid bare spots.
7. Garbage will be removed on a regular schedule.
8. Cabana barbecues will be clean and removed for winter storage.
9. Perform other tasks as directed by the Field Superintendent and/or Water System Manager.

PEDESTRIAN BRIDGES

1. All pedestrian bridges shall be inspected each spring by Surfside Water/Field Services staff. A Washington State licensed engineer shall perform an inspection every five (5) years) and provide a report to the Water System and Business Manager.
2. Compacted gravel walkway and bridge approach trails shall be.
3. Leveled and recompact each spring or more often as needed.
4. All gravel walkways to bridges shall be maintained weed-free.
5. Signs identifying the bridges shall be maintained.
6. All vegetation under and by bridges will be kept trimmed.
7. Any graffiti shall immediately be removed.
8. All areas around the bridges and Surfside grounds shall be clear of any debris paper, trash, etc.
9. Other maintenance as requested by the Field Superintendent and/or Water System Manager.

COMMON GROUNDS (Included platted beach walkway easements)

1. All grounds and land will be compliant with all Surfside covenants.
2. Grass pedestrian walkways will be mowed within the platted easement boundary.
3. Trees will comply with tree height limits.
4. Signs will be maintained (straight, etc.)
5. Safety hazards will be corrected or removed.
6. Other maintenance needs as directed by the Field Superintendent and/or Water System Manager.

BUILDINGS

SAFETY IS THE FIRST PRIORITY

1. All fire extinguishers are maintained and inspected annually.
2. First aid kits shall be provided in all buildings and maintained as needed.
3. Any identified hazards shall be corrected or removed immediately.
4. Safety practices shall be implemented, specifically to prevent or address hazardous spills, accidents, etc.
5. Building maintenance (second priority)
6. Make all repairs identified in annual Inspection Reports.
7. Make any repairs identified from repair “memos.”
8. Buildings shall be maintained neat and clean inside and out.
9. Maintain an annual Maintenance Log as stated in #1-C above.

10. Perform any other repairs, replacement or removals as directed by the Field Superintendent and/or Water System Manager.

BOARD POLICY – SURFSIDE SERVICE FEES

1. Residential Water Service Hook Up and associated water distribution services within Surfside Homeowners Association Designated Water Service Area.
2. For platted areas of Surfside Estates, Ocean Woods, Ocean Crest and Sunny Slopes, the following fees will be assessed and shall be paid in advance of any work done:
 - a. New water service \$1,500.00, \$1,900.00 for a service with a push.
3. Surfside Homeowners Association will provide water service only to properties within the Surfside Designated Water Service Area, as defined in the current Washington State Department of Health approved Surfside Homeowners Association 6-Year Water System Plan.

For areas other than Paragraph 1 above, are as follows:

1. Developmental Fee, Reserve for additional wells, pumps, pump houses, water distribution and/or storage facilities, etc. required to supply the increased demands produced by expanded service where a water main exists. \$1,200.00

Other Fees/Charges

1. Variance fee – see Operating procedure #104 for restrictions \$360.00
2. Multi Dwelling Fee-It shall be the policy of the Surfside Homeowners Association to charge a multi-dwelling fee. The fee will be charged to members who own more than one single family dwelling. The fee for multiple dwellings is \$85.00 per year.
3. RV Storage fees – Powered spaces are \$400.00 per year, non-powered spaces are \$200.00 per year, Mini Spaces are \$150.00 per year. All spaces have a \$25.00 refundable key deposit.
4. NSF Checks – Checks that are returned for non-sufficient funds will be charged a fee of \$32.50.
5. Property Transfer Fee -When a property is sold the seller will pay the \$250.00 transfer fee to cover the processing cost exceptions are as follows:
 - a. Any lot that has never been subject to Surfside Homeowners Association lot assessment fees and charges must pay full development fee.
 - b. Beach Addition - By individual contracts only,
6. Owner Request for Water Shut Off or Turn on (per request) \$25.00
No charge during Business hours.
7. Repair costs of damage to water facilities caused by contractor, owner, or others: Time & Materials

- | | | |
|-----|--|------------------|
| 8. | Water service removal or relocation | \$600.00 |
| 9. | Water meter drivable box | \$150.00 |
| 10. | The fee to test a residential backflow assembly: | \$50.00 per test |
| 11. | The fee to test a commercial backflow assembly: | \$45.00 per test |

The backflow assembly test fee is contingent on the assemblies being accessible to the tester without notice or making an appointment with member to perform the test. The Water Department will make all reasonable accommodations to meet with members during normal business hours so that they may be present to witness their backflow assembly's test. The backflow assembly must also have sufficient clearances inside its vault or enclosure to accommodate testing equipment. In the event the backflow assembly fails a test the member will have the assembly repaired or replaced and retested within 30 days. A fee will be charged for each test regardless of the outcome of the test.

Water Conservation rate:

1. For individually metered services 5,000 cubic feet per month
2. For shared multi-family residential 6,500 cubic feet per month

Beginning May 1, 2020, a Conservation Rate of \$0.03 for each cubic foot exceeding the newly adopted limit of 5,000 cubic feet will be assessed against members as a fine for water use that is considered excessively disproportionate and wasteful*.

*as a comparison, the average 3-person home uses 1000 cubic feet per month

3. Cross Connection Survey: \$300.00

Non-residential and multifamily residential premises cross connection survey conducted by a Department of Health certified Cross Connection Specialist employed by Surfside Homeowners Association.

Water Main Extensions:

1. The Surfside Homeowners Association may deem it necessary to extend and/or increase the size of a water main(s) in order to adequately provide water service to a lot or sub-division.
2. All costs, including ancillary costs such as engineering, permits, review fees, and road restoration, of a water main extension and/or increase in size will be paid for by the lot owner or developer. Proof of payment will be demonstrated to Surfside Homeowners Association's satisfaction prior to acceptance of water main extension by Surfside Homeowners Association.
3. All planned water main extensions installed must meet Surfside's design and material standards as defined in the current Surfside Homeowners Association Water System Plan. Before construction can begin, Surfside Homeowners Association's engineer must approve the plan. The landowner or developer will pay all costs incurred by Surfside Homeowners Association's engineer.

4. Ownership of any water main extension will revert to Surfside Homeowners Association once it has passed the Surfside Homeowners Association inspection including verification of construction in accordance with the design and the following tests: bacteriological, pressure, and flow tests. The installer of the water main will pay for the cost of the tests.

Water service removal, relocation, or other related water distribution work orders.

1. All requests for water service, relocation of water service or installation of new or non-functioning water boxes (or meters) must be submitted in writing to the Surfside Business Office. All requests will be reviewed for appropriateness, determine cost and schedule work. All costs for the work to be performed will be paid to Surfside Homeowners Association by the property owner.
2. The fees for individually requested services are described in Sections 1.2 and 1.3 above.

Commercial Water Hook Up:

1. The cost of each water hook-up will be determined by Surfside Homeowners Association based on parts and labor required to install a metered service at the property to be served. Surfside Homeowners Association will determine, at their discretion, the size, type, make and model of all equipment needed to install the metered service.

Commercial Water Service Charges:

1. Commercial water rates, meter fees, and conditions of service will be set by individual Service Agreements and will be metered.

Charges for water:

1. Charges will be described in the Service Agreement.
Water rates and meter fees and conditions of service will be reviewed annually.
(January 1)
2. Meters will be read monthly and billed as provided in the contract.

Delinquent Accounts:

1. Water service for customers with delinquent accounts may be terminated through action taken by the Surfside Homeowners Association's Board of Trustees upon certified receipt of notice of ninety-day delinquency of the account from Surfside's Business office. This provision will be stated in each water service contract.

Copy Machine Costs: (Members Only)

1. Black & White - \$ 0.10/copy
2. Color copies - \$ 0.75/copy
3. Multiple copies of multiple pages - \$ 0.10/copy plus labor

4. Labor for multiple copies or large projects will be charged at a rate of one/half (1/2) hour increments and will be based on employee prevailing rate of pay.
5. All copying will be done by office personnel.
6. All copying charges will be paid in advance. Telephone requests will not be accepted.
7. A membership list may be provided to a member on paper, computer disk, or via email for a charge of \$100.00, provided that an application and agreement are filled out and signed by the member. The contents of such membership list shall be name, property address and mailing address only. In the event a member wishes to “opt out” of being contacted by the requesting member, those wishes shall be honored in the future. Such information shall not be used for commercial purposes. See also the Board Policy on Surfside Documents, Section 3.

Fax Charges:

1. Local Faxes - No charge
2. Faxes within the United States:
 - a. One page _____ \$2.00
 - b. Additional pages (each) _____ \$1.00
3. No International faxes, either incoming or outgoing, are allowed.
 - a. Incoming faxes within the United States _____.10 per page (black and white, .75 per page, color)

Revised and adopted 5/20/17

Revised 8/18/18

BOARD POLICY - BUSINESS PRACTICES AND CONTROLS

Telephone:

1. No telephone credit cards will be authorized or issued.
2. Authorized phone calls made away from Surfside’s Business office will be reimbursed by Surfside provided a copy of the phone bill is submitted when requesting payment.
3. The Business Manager shall control the use of Surfside telephone toll calls. A log of toll calls shall be maintained.

Property and Equipment:

1. Equipment, vehicles or tools belonging to Surfside shall not be loaned out or rented to any Surfside member.
2. Association equipment, vehicles and/or tools shall be operated by authorized Surfside employees only.
3. Property (buildings, cabanas, common areas) will be loaned or rented to Surfside members only per office procedures.

4. No Surfside owned vehicle, equipment or tools shall be used by any Surfside employee or member for personal use on or off Surfside property.
5. Any vehicle, equipment, or tools to be used by Surfside, which are not owned by Surfside, shall require a written agreement between Surfside and the owner of said vehicle, equipment, or tools prior to any use.
6. Equipment, vehicles, or tools belonging to Surfside shall not be loaned or rented out to other entities unless a written agreement between Surfside and the specific entity has been implemented for the proposed use. This agreement shall include any costs associated with the proposed use as well as a timeframe for use.

Reimbursement:

1. Except where Board authorization is obtained, Surfside shall not reimburse for entertainment expenses, food, cocktails, etc.
2. Reimbursement for per diem and mileage shall not be considered compensation as referred to in Article IV, Sect. 6, of By-Laws.

Mileage:

1. Reimbursement for mileage shall not be paid unless a completed "Request for Reimbursement" form is presented to the Business office. All requested information must be filled in on the form.
2. Only authorized travel is reimbursable.
3. Authorized mileage shall be figured from Surfside's Business office to the point of destination and returning using the most direct route. Bridge tolls are reimbursable when an integral part of the route traveled.
4. Employee "Request for Reimbursement" must be approved by the appropriate manager and/or Trustee prior to submittal for payment.
5. Mileage shall be paid at the rate allowed by the US Internal Revenue Service, or as approved or amended by the Board of Trustees.
6. No mileage shall be paid when Surfside vehicles are used.
7. Employees required to use their personal vehicles in the performance of their duties shall be reimbursed for miles traveled based on the IRS rate. Travel to and from home is not reimbursable.

Per Diem Expense:

1. Per Diem Expense must be authorized in advance by the Business Manager, Field Superintendent, Board Treasurer or Board President.

BOARD POLICY – ANNOUNCING AND ENDING A LOCAL EMERGENCY

First, the notification of the local emergency will often be made by non-Surfside entities, such as the fire department, the PUD, or the Sheriff's department or other entity. Normally, the end of that emergency would fall to the agency who declared the emergency. Where the emergency notification was done by persons acting on behalf of Surfside, that notification can be done in ways deemed most appropriate, including but not limited to, notifying members by e-mail, telephone, publishing on the Surfside website and the Surfside Facebook page, the reader boards located in Surfside: 1) Business office, 2) garbage compactor, and 3) Veteran's Park (I Street); also at the Ocean Park, WA Post Office, Ocean Park grocery stores, and reverse 911 calls through the county. A press release should also be forwarded to the Chinook Observer.

Methods of notifying members that the local emergency is over:

When it is determined that the emergency is over, the President of the Board, or other elected board member, acting for the President of the board if neither the President or Vice-President is available, should notify the Business Manager to cause the notification of ending the emergency be made, in the same ways that the emergency was announced, particularly to those announcements that were directly in Surfside's control, and any other manner that would ensure members getting the information in a timely manner.

Adopted 5/21/2016

BOARD POLICY – COMMITTEES

Standing Committees are required by the Board of Trustees to extend its capabilities to deal with the many facets of the Surfside Homeowners business. In addition, from time to time, Temporary and/or Special committees will be required and appointed to handle specific problems and situations.

Standing Committees:

2. Standing Committees serving the Board shall be:
 - a. Architectural Committee
 - b. Executive Committee
 - c. Tree, Brush, Vegetation, & Noxious Weed Sub-Committee
 - d. RV Committee
 - e. Emergency Management Committee
 - f. Land and Buildings Committee
 - g. Community Relations Committee
 - h. Audit Committee
 - i. Water System Planning Committee
3. The term of office for Standing Committee Chairpersons shall be one year.
4. Committee chairperson shall be appointed/reappointed at the August monthly Board Meeting each year.
5. The Board President shall appoint or remove the Chairperson of each Committee with Board approval. The chairperson shall, in turn, select or remove, with Board approval and/or confirmation, the additional members of their committee.
6. A roster of all committee members shall be provided to the Board Secretary, by the Chairperson.
7. Committees shall consist of as many people as the Chairperson deems necessary to accomplish their assignment, consistent with the Committee Charter.
8. Monthly reports at the Board Meetings will be prepared, submitted and presented by the Committee Chairperson as required by the Board.
9. The Board may assign one of its members to the committee as a Designated Trustee who shall be a full member of that committee.
10. Each Committee shall have a charter (see Committee Charter section) under which it shall operate. The charter shall set forth the scope of operation and its duties and responsibilities.
11. A majority of the members of a committee must be present in order to take action as representing the consensus of the committee. Exceptions are specifically stated in Committee Charters.

Temporary/Special Assignment Committees:

1. Temporary/Special Assignment Committees shall have an active life at the discretion of the Board of Trustees.
2. The Board shall appoint the Chairperson of each committee. The Chairperson shall, in turn, select, with Board approval and / or confirmation, the additional members of their committee.
3. A roster of committee members shall be provided to the Board Secretary by the Chairperson.

4. The following Committees have been designated as Temporary/Special Assignment Committees and will be reviewed annually by the Board of Trustees:
 - a. Budget Committee
 - b. Nomination Committee
 - c. Elections Committee
 - d. Fishing Derby Committee
 - e. Activities - Special/Social Committee
 - f. Registration (Annual/Special Meetings) Committee
 - g. Fish & Waterway Management Committee
 - h. Insurance Committee
 - i. Policy & Procedures Committee
 - j. Investment Committee
 - k. Water System Planning Committee
5. Each Temporary/Special Assignment Committee will be covered by a charter which will define its specific operating scope.
6. The Board Secretary will maintain a current list of all Temporary/Special Assignment Committees and their members.

Qualifications for Appointment

1. All appointees to a Standing or Temporary/Special Assignment committee must be and maintain themselves as a member in good standing of Surfside Homeowners Association.

BOARD POLICY – COMPLAINTS

Complaints from Surfside members shall be responded to within fifteen (15) working days and resolved to the extent possible for the ultimate benefit of Surfside membership. Complaints shall remain confidential.

1. Surfside shall only consider written and signed complaints.
2. A complaint form shall be available at Surfside’s Business office counter for this purpose.
3. Signed complaints received by mail shall also be honored.
4. No telephone complaints shall be taken or acted upon.
5. Properly completed complaints shall be received and recorded by the Business office, and then forwarded to the proper authority for action. (See NOTE below)
6. The covenant compliance designee shall investigate and try to resolve all assigned complaints in a timely manner. Complaints not resolved shall be transferred to the Business Manager for final resolution. If a resolution by the Business Manager cannot be attained, then the matter shall be referred to the Board of Trustees.

Answering Complaints:

1. Complaints which can be resolved by adhering to the Articles of Incorporation, By-Laws, Covenants, and policies and guidelines provided for in the Surfside Operations Manual, shall be answered by an approval letter, over the signature of the covenant compliance designee and/or Business Manager.
2. Complaints which are more complex, and which require some type of Board action, shall be referred to the Board of Trustees.

NOTE: Distribution of signed complaint forms:

- Field Operations related problems: _____ Field Superintendent
- Water System related problems: _____ Water System Manager
- Building, structure, height violation, setbacks, etc.: _____ Covenant compliance designee
- Tree/Vegetation Height: _____ Covenant compliance designee
- Security: _____ Sheriff Patrol Officer
- Recreational Vehicle/RV Compliance: _____ Covenant compliance designee and Water/Field Services Superintendent
- Grievance Committee: _____ Covenant compliance designee.

BOARD POLICY – CONFLICT OF INTEREST

DEFINITION:

Conflict of Interest: A conflict between the private interests and the official responsibilities of a person in a position of trust. (Merriam-Webster’s Dictionary).

1. Conflicts of interest involving or affecting Surfside shall be avoided.
2. Employees, Trustees, and Committee members shall identify any instance in which a conflict of interest exists or may be perceived as existing.
3. Employees, Trustees, Committee, and Surfside members, shall withdraw, or recuse themselves, from active participation in any activity they deem themselves in conflict with Surfside and/or resign from further participation in this activity.
4. The Board may adopt policies and guidelines for determining actions to be taken to prevent and resolve conflicts of interest.
5. If a conflict of interest becomes apparent to the Board of Trustees, the Board shall institute immediate action to resolve the conflict.
6. The Board President shall appoint a Trustee, other than himself/herself, to review the conflict complaint.
7. The appointed Trustee will select two (2) other Surfside members, who are not present or past Board members, to serve on the review panel.
8. In the case of a conflict complaint against an employee, the designated Trustee for said employee shall not be a member of the review panel.
9. All conflict-of-interest complaints shall be handled in a confidential manner by the review panel.
10. Conflict of interest complaints shall be handled in a timely but thorough manner.
11. Report of the review panel findings, after a review by legal counsel, shall be presented to the full Board of Trustees, in a closed meeting, for discussion and final action.
12. A finding of a true conflict of interest by a two-thirds (2/3) majority of the full Board shall result in:
 - a. The immediate termination of the employee.
 - b. The automatic call for the resignation of the Board or Committee member.

BOARD POLICY – CONTROL OF ASSOCIATION DOCUMENTS

Surfside Homeowners is a membership association and, as such, all members have a vested interest in the affairs pertaining to Surfside. Certain policies have been established for the control of Surfside documents and information.

Surfside Homeowners Association shall keep at its registered office the following:

1. Current Articles of Incorporation and By-laws, Restrictive Covenants and Policy and Procedures (Operations) Manual.
2. A record of members, including names, addresses, and class of membership, if any.
3. Correct and adequate records of accounts and finances.
4. A record of officers' and directors' names and addresses.
5. Minutes of the proceedings of the members, if any, the board, and any minutes which may be maintained by committees of the board. Records may be written, or electronic if capable of being converted to writing.
6. The records shall be open during normal office hours for inspection by any member in good standing.
7. Cost of inspecting or copying shall be borne by such member except for costs for copies of articles or bylaws. Any such member must have a purpose for inspection reasonably related to membership interests. (Any request for inspection of records and/or copies of documents or membership lists, must be submitted in writing). Commercial use or sale of membership lists by such member if obtained by inspection is prohibited.
8. The superior court of the corporation's or such member's residence may order inspection and may appoint independent inspectors. Such member shall pay inspection costs unless the court orders otherwise.

NOTE: THE FOREGOING SECTION IS TAKEN FROM RCW'S OF THE STATE OF WASHINGTON "24.03.135, RECORDS," WITH HIGHLIGHTED ADDITIONS

1. **READING FILE:** A reading file shall be maintained of copies of approved and signed minutes and including all attachments. This reading file will be available during regular business /office hours, except on board meeting days.
2. Copies of approved and signed minutes, financial statements, and approved budgets shall be available to all members in good standing.
3. Incidental costs of providing requested copies shall be borne by the requesting member and shall be paid for in advance.
4. Requests for copies must be made in person and in written form. Telephone orders will not be accepted.
5. Copies of the owner's mailing list shall be available in the Surfside Business office upon written request. (See section 1.2 above). Cost of copying the master list shall be borne by the requesting member. The Board may establish reasonable requirements on the use of such mailing lists to protect member privacy.

6. No original Surfside record or tape recording of any Board of Trustee meeting, and/or membership meeting shall be removed from the Surfside Business office except by court order.
7. Board of Trustee meetings shall be taped by the Secretary to the Board (for the purpose of ensuring accuracy of Board meeting minutes). Such tapes shall be maintained at Surfside Business office.
8. Correspondence shall not be copied except for administration use within Surfside but may be reviewed by members in good standing in Surfside Business office by arrangement with the Board Secretary or Treasurer.

Single copies of division maps shall be furnished at no charge to members. Requests for maps, or multiple copies of documents, shall be charged at 25 cents per copy. Such copies shall be stamped to relieve Surfside Homeowners Association of any responsibility as to the accuracy of such maps.

BOARD POLICY - RECORDS RETENTION SCHEDULE

Accounting Records:

Guideline (paper/electronic):

Chart of Accounts	Permanent
Budgets	Permanent
Invoices/Owner billings	7 years
Vendor bills/expense records	7 years
Accounts payable ledgers	7 years
Accounts receivable ledgers	7 years
Bank statements, canceled items and reconciliation reports	7 years
Canceled checks, important (tax payments, property purchases)	Permanent
Duplicate deposit slips	3 years
Petty cash records	7 years
Certificate of deposits, matured	7 years
Investments (stocks/bonds), sales and purchases	Permanent
Balance sheet and profit/loss statement, internal, year-end reports	Permanent
Trial balance, year-end	Permanent
Balance sheet, profit/loss statement, internal, monthly reports	3 years
General ledger report, annual	Permanent
Check register, annual	Permanent
Journal entries	Permanent
Subsidiary ledgers	7 years

Property/Fixed asset purchases	Permanent
Real estate purchases	Permanent
Depreciation schedules	Permanent
Inventory records	7 years
Purchase records	7 years
Lease payment records	Life + 7 years
Audited/Reviewed/Compiled year-end financial reports	Permanent
Tax returns and IRS documents	Permanent
Tax documents/elections	Permanent

Employee Records: Guideline (paper/electronic):

<u>Benefit plans, including pension and profit-sharing plans</u>	<u>Permanent</u>
<u>Employee files, ex-employees</u>	<u>7 years</u>
<u>Payroll checks and register, including time records</u>	<u>7 years</u>
<u>Employment tax returns</u>	<u>Permanent</u>
<u>W-2 forms</u>	<u>Permanent</u>
<u>Employment applications</u>	<u>3 years</u>

Association documents: Guideline (paper/electronic):

<u>Ownership/Membership records</u>	<u>Permanent</u>
<u>Deeds, Plats, Maps</u>	<u>Permanent</u>
<u>Governing documents:</u>	<u>Permanent</u>
<u>Declaration, Covenants, Conditions, and Restrictive amendments</u>	<u>Permanent</u>
<u>Articles of Incorporation, including all amendments</u>	<u>Permanent</u>
<u>Bylaws, including all amendments</u>	<u>Permanent</u>

<u>Board policies and resolutions</u>	<u>Permanent</u>
<u>Restrictions and rules</u>	<u>Permanent</u>
<u>Architectural guidelines</u>	<u>Permanent</u>
<u>Architectural approvals and disapprovals</u>	<u>Permanent</u>
<u>Election records</u>	<u>Permanent</u>
<u>Meeting Minutes, Annual Meetings</u>	<u>Permanent</u>
<u>Meeting Minutes, Board of Trustees</u>	<u>Permanent</u>
<u>Meeting Minutes, Committees</u>	<u>Permanent</u>

Other Documents:

Guideline (paper/electronic):

<u>Insurance policies</u>	<u>Permanent</u>
<u>Insurance claims</u>	<u>Permanent</u>
<u>Contracts, vendor, minor</u>	<u>Life + 7 years</u>
<u>Contracts, vendor, major</u>	<u>Permanent</u>
<u>Contracts, employee</u>	<u>Permanent</u>
<u>Contracts, management</u>	<u>Permanent</u>
<u>Bids/Proposals</u>	<u>7 years</u>
<u>Correspondence, general</u>	<u>4 years</u>
<u>Correspondence, legal matters</u>	<u>Permanent</u>
<u>Leases</u>	<u>Life + 7 years</u>
<u>Mortgages</u>	<u>Permanent</u>
<u>Note payable documentation</u>	<u>Life + 7 years</u>

Electronic files:

General: Documents that are in electronic form should be retained for the same periods as documents in paper or any other form based on the above schedule.

Email: Important emails should be retained based on the above schedule and routinely saved to a “Saved” folder. Important emails are all emails that contain any substantive communication between Surfside and any member or outside party as well as emails between Surfside employees which relate to the employment relationship or in which some decision or action is announced. Other emails (e.g., “Do you have time to talk to me tomorrow afternoon about the ...”) do not need to be retained. However, any uncertainty regarding whether an email should, or need not, be retained should be decided by retaining the email for the requisite period. Unless an email falls into a different category based on the above schedule, emails should be considered “general correspondence” and retained for at least 4 years. Emails that are retained should be routinely saved to a “Saved” folder. This prevents the email program from deleting older files. After the end of each year, the year of saved emails should be saved to a newly created folder within “Archives” named for the previous year. If it is a file that should be saved forever or for longer than 4 years, save the email as a computer file then proceed with the step below.

Computer files: Routine backups should be done both to cloud storage automatically plus weekly to the external hard drive.

Documents pertaining to pending or threatened legal matters:

Special considerations apply to any document or record which contains information that may be pertinent to any pending civil or criminal litigation or formal administrative action (together a “Proceeding”) or active inquiries or investigations which could lead to a Proceeding (an “Investigation”). The basic rule is that any document which could contain information that relates to any Proceeding or Investigation should not be destroyed based on the above schedule. These types of documents should be retained indefinitely and only destroyed based on the specific advice from legal counsel.

As a result, special care must be taken when destroying documents, based on the above schedule; First, to determine if there are any current Proceedings or Investigations and then, Second, review the documents subject to destruction for information which could, even remotely, be pertinent to that Proceeding or Investigation. If there is any chance that a document could contain such relevant information, it should be retained indefinitely as stated above. Again, any ambiguity should be resolved in favor of retaining, rather than destroying, a document.

Adopted 11/15/14

BOARD POLICY – CONTROL OF ASSOCIATION FUNDS

Fees and Assessments:

1. Property owners shall be billed on January 1st of each year. The amount of assessment to be billed shall depend on the budget for the current year.
2. Fees and assessments become delinquent on March 1st of each year. Interest at the rate of 1% per month shall be charged after that date.
3. Accounts still delinquent as of May 1st of each year shall be subject to the filing of a Lien against the property. The office shall charge a \$125.00 fee per lot for each lien filed; a \$125.00 per lot fee shall be charged to remove said lien, along with all applicable legal fees as stated in "Operating Procedure #102".

Miscellaneous Billings:

1. Charges for services performed, i.e., repairs to broken water lines, water hook-ups, trenching, water shut-off, see Surfside's Fees.
2. Charges for all commercial water shall be billed as provided for in each Commercial Water Service Contract.
3. N.S.F. Checks: A \$32.50 service charge shall be placed on all accounts for all N.S.F. checks returned to Surfside.

Payment of Bills:

1. The Board shall select and maintain a list of Board members who are authorized to sign checks.
2. All checks written against Surfside accounts shall bear two (2) authorized signatures.
3. The Bookkeeper shall be authorized to pay all routine accounts and shall refer to the Board only those accounts requiring Board action. (All expenditures from reserve/capital improvement accounts will be noted in the minutes of Board of Trustee meetings). A report of all checks written between monthly board meetings shall be furnished to the full Board for their information.

Proposed Budget Items exceeding 20% of Annual Budget

1. Prior to a Board decision on a capital expenditure project exceeding 20% of the current operating budget, the Board shall hold a hearing to take comments from members regarding anticipated expenditures. The announcement of this hearing shall be made at least 14 days in advance of the hearing by posting at the Surfside Business office or through regular Surfside publications. These provisions may be waived by the Board in the case of an emergency.

CONTRACTING & PURCHASING POLICY – SEE OPERATING PROCEDURE # 106
page 126

Revised 8/18/18

BOARD POLICY – PURPOSE AND PROCEDURES FOR CONTINGENCY FUNDS

Overview:

1. Contingency funds are funds set aside each year in the budget process with the intention of:
 - a. Allowing for unexpected expenditures to address issues and programs that arise that are so significant to fulfilling the mission of Surfside Homeowners Association that they must be undertaken.
 - b. Providing departments with funding for non-essential, peripheral projects that are not included in their budgets.
 - c. By setting these funds aside during the budget process for use in the upcoming fiscal year, Surfside will not have to cut previously approved, non-essential projects or purchases and will be better able to manage its overall budget.
 - d. The establishment and use of the contingency fund supports good fiscal management of Surfside through planned revenue growth and proper expenditure controls.

Purpose of a Contingency Fund:

1. Surfside departments and committees are asked to submit budgets that look into the future for 6-18 months. Because of increasing changes in technology and State/County mandate, the economy and other factors, it is impossible to accurately predict all needs over that time span. The contingency fund is to be used as a back-up for changing needs over each budget cycle.
2. The budget process is involved and time-consuming and is also the only opportunity for budget projects to be undertaken throughout the year. With only one chance at funding, all proposed projects and expenditures need to be submitted. The contingency fund allows more carefully martial efforts on the most effective and engaging projects while allowing for funding of future projects that are not part of the original budget request.

Procedures for Accessing Funds:

1. The request for use of contingency funds shall first be reviewed by the Business Manager, System Manager and Board Treasurer with final approval of the expenditure by the Surfside Board of Trustees. Requests shall be made in writing and shall provide a detailed explanation of the funding, including specifics on the project scope of work, material/equipment needed, reasons for the specific equipment/material and actual costs as determined through quotes from providers, consultants, or manufacturers. The Surfside Bookkeeper shall verify funds available for the expenditure.
2. The Business Manager or Water System Manager and the Board Treasurer shall review the proposal for expenditure of contingency funds and determine that all required information is included and shall have a minimum of 10 days to complete review of the proposal before submitting to the Board for consideration. If the proposal is deemed complete, the request will then be submitted to the Board of Trustees for action through a motion and vote for approval by the Board at the next available regular monthly Board meeting. The presentation and request for contingency funds shall be part of the

Treasurers report at the Regular Board meeting and included in the Board minutes with actions taken.

3. The person/department submitting the expenditure of contingency funds shall be notified of the Board decision in writing by the Business Manager.

BOARD POLICY – CORRESPONDENCE

1. The Business Manager is charged with the responsibility for the control of all correspondence. (incoming and outgoing)
2. Copies of all incoming correspondence shall be retained on file in the Surfside Homeowners Association Business office.
3. All incoming correspondence shall be date stamped upon receipt.
4. Original correspondence addressed to an individual Board member shall be placed in the individual's office box.
5. No original correspondence addressed to Surfside Homeowners Association shall be removed from Surfside Business office.
6. Copies of all relevant correspondence shall be directed to the appropriate Trustee/Designated Trustee, Department Manager, or Committee Chair.
7. Every letter and email should have a rapid acknowledgement of receipt, if the sender can be identified, and a response within ten (10) business days to the subject matter contained therein.
8. Correspondence shall not be copied except for administrative use within Surfside.
9. A file of incoming correspondence shall be maintained for use by the Board of Trustees staff and committees-
10. Correspondence requiring Board action shall be referred to the Board at the monthly meeting and shall be handled under "New Business". Correspondence requiring more immediate action will be brought to the attention of the Business Manager, Water System Manager, Field Superintendent, Board Secretary, or the Board President for action, i.e., "Special Meeting".
11. Members in good standing may review correspondence, except those of legal or personnel nature. Prior arrangements must be made through the Business Manager, his/her designee, or the Board Secretary.
12. All Board outgoing correspondence must be approved by the Board of Trustees and shall carry the signature of the Board President, Business Manager, Water System Manager or Committee Chair. This shall not limit the filling of routine requests for information by other managers or staff.
13. The Business Manager or his designee shall take the appropriate action on all incoming correspondence.
14. Letters requiring answers by Board Members, Designated Trustees, Committee Chairs, or department managers shall be referred to the proper party for a timely response.
15. Follow-up files shall be maintained to ensure all correspondence is closed out properly.
16. All outgoing correspondence by Board members, Committee, or department managers shall be processed through Surfside Business office to ensure that complete records are maintained.

17. Outgoing correspondence shall be maintained in an outgoing correspondence file for initialing by Board members. Any Board member who disagrees with outgoing correspondence for any reason, shall have seventy-two (72) hours to make his/her disagreement known to the originator of the correspondence. A majority of sitting Board members may halt any outgoing correspondence.
18. Form letters which have had prior Board approval do not need to be held for Board members initialing. Any deviation from the standard form letter shall require Board approval.

BOARD POLICY – DEVELOPMENT ON CONTIGUOUS LOTS

INTRODUCTION

1. The Restrictive Covenants of Surfside Estates contain, among other things, restrictions on the type of use permitted on the various lots in Surfside Estates. The Restrictive Covenants also contain provisions regarding garages, storage sheds and other structures which are accessory to permitted residential use on the lots, but which are not permitted as freestanding, independent development.
2. Many of the lots of Surfside Estates are relatively small. As a result, many homeowners own two or more adjacent lots and, in essence, use these lots as one developed parcel. This sometimes results in a freestanding garage or shed being located on a platted lot separate from the lot on which the residence is located. In instances where the adjacent lots are side by side along the same street, this is consistent with the Restrictive Covenants, as the lots appear to be one developed site, although there are intervening lot lines. However, in other instances, where the lots are not side by side or have a relatively short lot of lines in common, the development on the lots may appear less integrated and therefore may not be consistent with the Restrictive Covenants.

POLICY

1. The Architectural Committee will therefore use the following criteria to determine if two or more lots are considered contiguous for purposes of the Restrictive Covenants. If lots are contiguous according to the following standards, any accessory development which is allowed on a lot containing a principal use is allowed on the contiguous lot(s). If lots are not contiguous according to the following standards, then no development may be permitted on the lot not containing the principal use unless that development would be permitted as a freestanding, independent use. For purposes of this policy, two or more lots will be "considered contiguous if any of the following standards are met:
2. At least 20 feet of the side and/or rear lot lines of the lots are coterminous.
3. The Architectural Committee determines, in its discretion with appeal to the Board, that the layout and orientation of the lots and/or the design, orientation and screening of the proposed development will present the appearance from adjoining rights-of-way and nearby properties that the lots are developed and used as one site, rather than separate sites, and that visual impacts of the accessory development on nearby properties are significantly reduced.

BOARD POLICY – DISPOSAL OF REFUSE

The Articles of Incorporation of the Surfside Homeowners Association make provisions for the collection and disposal of refuse. To address this requirement in a cost- effective manner, Surfside has established this policy to control the refuse removal needs of the membership. A centralized refuse disposal area has been established and no individual lot pick-up shall be supplied. The use of the refuse disposal area by members of Surfside is subject to the following rules and regulations.

Eligibility for use

1. Members in good standing of Surfside Homeowners Association shall receive one yearly compactor pass.
2. Guest with one day entry pass.
3. Members must request pass from Surfside Homeowners Association’s Business office.
4. Pass must be presented to compactor attendant upon entering refuse disposal area.
5. Compactor attendant will retain pass.

Entry Passes

1. Entry passes are issued each year at the Surfside Homeowners Association’s Business office to members who have paid their yearly dues and assessments.
2. One pass maximum for each membership, with the exception of property rentals. A “renters pass” will be issued for the renter.
3. Member shall provide office with the Division, Block and Lot numbers or street address of property.
4. Dues and Assessments must be current March 1 of current year for issuance of entry pass.

Attendant

1. The attendant shall be an employee of Surfside.

Attendant duties.

1. Shall be on duty during all open hours.
2. Shall check “entry passes” and “guest passes” on all entering the refuse disposal area.
3. Shall refuse admission to any person not meeting eligibility requirements above.
4. Shall direct disposal if required.
5. Shall direct vehicles to move out promptly after refuse has been unloaded.

Provided Facilities:

Compactor:

- Maintained for the disposal of kitchen or “wet” garbage.
- Wet garbage or refuse must be sealed in plastic moisture-proof bags.
- Two 45- gallon bags (or equivalent) per day limit per member

- Drop Box/Boxes.

Large drop boxes shall be maintained for the disposal of other than “wet” garbage/refuse. DRY refuse not to exceed two (2) 45- gallon bags or equivalent per day per member.

Material not accepted in drop boxes.

- Construction or remodeling refuse

Large household items, e.g., rugs, TV’s, mattresses and box springs, appliances, or other furniture

Yard debris, e.g., grass, shrub, and tree trimmings

- Recycling Bins

Surfside Homeowners Association may provide a recycling bin, with separate storage areas for various kinds of paper, glass, metals, or other recyclable materials.

Compactor Attendant will monitor and enforce proper placing of recyclable materials.

Hazardous Materials

Disposal of hazardous materials (as defined periodically by Federal, State, or local regulatory agencies) is strictly prohibited at the Surfside Homeowners Association’s refuse disposal site.

Compactor Attendant and the Surfside Homeowners Association Business office will provide information to members on methods and locations for hazardous waste disposal.

NOTES:

Each member and guest are responsible for placing refuse in the compactor, drop boxes and recycling bins. All members and guests shall clean up any spills or dropped material.

Surfside Homeowners Association urges all to recycle all material possible. Recycling helps the environment and helps to offset our disposal costs.

BOARD POLICY – ELECTIONS

Elections are held annually to elect a minimum of three members to the Board of Trustees. Other special items requiring a vote of the membership shall be taken up at the Annual Meeting or at special elections called by the Board of Trustees

The Board of Trustees has the responsibility and authority to conduct the election process for the selection of Trustees. Such responsibility and authority is provided through the By-Laws of the Surfside Homeowners Association.

1. An Election Committee Chairperson shall be appointed by the Board of Trustees at the January Regular Board Meeting each year.
2. The Election Committee Chairperson shall be a Member of the Board of Trustees, unless voted otherwise by a majority of the sitting Board.
3. The Election Committee Chairperson shall be responsible for the following:
 - a. Complete oversight of the Election process.
4. Act as Designated Trustee and Board Adviser to the Nominating Committee.
5. Find and bring forward to the Board of Trustees a Designated Election Committee Chairperson to oversee the actual election of Trustees, and the handling of all the election process as specified in Operating Procedure #101. (NOTE: DECC Duties and Responsibilities are covered in “Committee Charter”)
6. A Nominating Committee Chairperson shall be appointed by the Board of Trustees on the advice of the Election Committee Chairperson at the February Regular Board Meeting.
7. The Nominating Committee Chairperson shall be a member in good standing of the Surfside Homeowner Association.
8. The Duties and Responsibilities of the Nominating Committee Chairperson are described in the “Committee Charters” section.
9. A Designated Election Committee Chairperson shall be hired by the Board of Trustees, with the advice of the Election Committee Chairperson, in May of each Year.
10. The Designated Election Committee Chairperson, (Hereafter referred to as the DECC), shall have no affiliation with the Surfside Homeowners Association, nor shall they be related to any Trustee or person running for a position on the Surfside Homeowners Association Board of Trustees.
11. The person hired as the DECC shall be an impartial, bonded, reputable person with previous election experience whenever possible.
12. The Duties and Responsibilities of the DECC are set out in “Committee Charter” section.
13. The election process shall be conducted in accordance with Operating Procedures #101.

BOARD POLICY – EMPLOYEE WAGE AND SALARY ADJUSTMENTS

The policy of the Board of Trustees is to attract and retain the highest quality employees. Within budget limitations, Surfside endeavors to pay wages and salaries competitive with those of other employers in the local labor market. Surfside plans for its labor related fiscal needs through prudent wage and salary compensation administration practices.

The Board of Trustees has set compensation ranges for each of its job descriptions. The ranges identify a minimum (entry) level and a maximum (journeyman) level for each position. Employees will be hired on or promoted to a level commensurate with their experience, training, knowledge, and proven capability as determined at their hiring or promotion. Employees will graduate from starting level rate to the maximum level over a period of several years.

Employees will be eligible for wage and salary adjustments within the ranges identified in their job description-based job performance, time on the job, and meeting training and certification goals established at their job evaluation.

Although this policy provides for annual employee reviews and compensation adjustments, the Board of Trustees may review an employee's performance or adjust any employee's pay rate at any time.

The Board of Trustees is under no obligation to approve wage and salary adjustments recommended by management.

The procedure for annual review of merit and cost of living raises will be:

1. Wage and Salary Adjustments:

1. The Water System Manager and the Business Manager will conduct employee evaluations of all employees under their supervision during the first two weeks of June each year.
2. The Water System Manager and the Business Manager will prepare confidential reports that include the completed employee evaluations and recommendations for wage or salary adjustments within the ranges identified in their job description for each employee under their supervision.
3. The Water System Manager and the Business Manager will deliver the confidential reports to the Board of Trustees no later than the first Wednesday in August.
4. The Board of Trustees will consider the recommended merit increases at their September regular meeting. The Board of Trustees may approve a larger or smaller adjustment than recommended by the Water System Manager or the Business Manager. Wage and salary adjustments approved by the Board of Trustees will become effective on the first day of January following approval.

2. **Wage and Salary Compensation Studies:**

1. The Business Manager will prepare a wage and salary compensation study at a minimum every three years in the month of May.
2. The Business Manager will prepare the wage and salary compensation study using the following resources:
 1. Bureau of Labor Statistics most recent Occupational Employment Statistics; and
 2. Surveys of other employers on the Peninsula who employ comparable employee classifications. (i.e., Water System Operators, Managers, Bookkeepers, Equipment Operators)
 3. Social Security Administration Supplemental Security Income (SSI) benefits cost-of-living adjustments.
3. The Business Manager will deliver the wage and salary compensation study to the Board of Trustees no later than the first week of August.
4. The Board of Trustees will use the Wage and Salary Compensation Study to make adjustments to the wage and salary ranges identified in the job descriptions.

Adopted 11/16/2013

BOARD POLICY – PROCEDURES AND SCHEDULES OF FINES

INTRODUCTION:

Article 6 of the Restrictive Covenants of Surfside Estates contains procedures for enforcement of the Covenants. Section 6.4 of the Covenants states as follows:

13. Fines. Surfside may impose fines for violation of these covenants consistent with a schedule of fines adopted by the Board. The Board may establish procedures regarding fines, and appoint personnel (members, employees, or others) with the authority to impose fines. If a fine is imposed, a letter will be sent to the owner subject to the fine which includes the following information:
 - a. The amount of the fine.
 - b. The reason for the fine.
 - c. A statement that the fine may be appealed to the Appeal Process (defined below) within twenty-one (21) days of the date of the Letter.
 - d. A statement that, if the fine is not appealed, it will be deemed to be valid and will constitute a lien on the owner's parcel."

Section 64.38.020 of the *Revised Code of Washington (RCW)* states that one of the powers of Surfside is as follows:

“(11) Impose and collect charges for late payments of assessments and, after notice and an opportunity to be heard by the board of directors or by the representative designated by the board of directors and in accordance with the procedures as provided in the bylaws or rules and regulations adopted by the board of directors, levy reasonable fines in accordance with a previously established schedule adopted by the board of directors and furnished to the owners for violation of the bylaws, rules and regulations of Surfside.”

This Policy is intended to implement Section 6.4 of the Covenants consistent with this provision of state law.

GENERAL FINE PROCEDURES

1. This Policy is intended to supplement the procedures in the Covenants. This Policy does not supersede the Covenants. Except in the case of an emergency as determined by the authorized personnel (as defined below) a warning letter (the “Warning Letter”) will be sent out before a fine is imposed advising the member that a fine will be imposed if the violation is not corrected, or if the violation is repeated, as the case may be, within a specified time.
2. If the Warning Letter is not complied with, or in the case of emergency as determined by the authorized personnel, the authorized personnel shall issue a fine letter (the “Fine Letter”) containing the information required by the Covenants as well as other information determined appropriate by the authorized personnel sending the Fine Letter.
3. All Warning Letters and Fine Letters will be sent as required in Section 6.6 of the Covenants. The authorized personnel may, but is not required to, send a copy of any Warning Letter or Fine Letter to the member at such other address or in such other manner as the authorized personnel determines to be appropriate, but failure to do so shall not in any

way affect the validity of the letter or the fine imposed. The twenty-one (21) daytime period to appeal a fine will commence on the day the Fine Letter is mailed. At the conclusion of the appeal period or appeal process, whichever applies, if the violation(s) still exist, the following fines shall be imposed:

- a. A fine of \$20.00 per day is assessed for each lot on which there is a violation of Surfside covenants for thirty (30) days.
 - b. Commencing on the 31st day and continuing until the violation is brought into compliance with Surfside covenants, \$30.00 per day for each lot on which there is a violation.
4. Fines shall be paid by mail or in person at the Business office of Surfside. Surfside shall issue a receipt for the payment of any fine. Under no circumstances may a fine be paid directly to the authorized personnel outside the Business office of Surfside.
 5. A fine may be appealed consistent with the Covenants. A fine constitutes a lien on the lot or lots owned by the member under the jurisdiction of Surfside, and failure to pay a fine may result in legal action being initiated. The imposition and/or payment of a fine in no way relieve the member of the obligation to comply with the Covenants, and Surfside has the right to enforce the Covenants, in addition to the imposition and collection of fines, as established in the Covenants.
 6. The Board hereby appoints the following personnel to impose fines pursuant to Section 6.4 of the Covenants, which personnel shall be referred to in this Policy as the “authorized personnel”:
 - a. The Compliance Officer of Surfside or other employee(s) of Surfside whose duties include enforcement of the Covenants.
 7. The chairperson of any committee of Surfside of that committee has been specifically charged by the Board with enforcement of the specific Covenant for which a fine is imposed.
 8. Warning Letters, Fine Letters and other letters authorized by this Policy may be signed by the Authorized personnel, by the Business Manager of Surfside or by the President or other specifically authorized Trustee of Surfside.
 9. The authorized personnel shall keep records documenting the violation and containing the Warning Letter, the Fine Letter and other correspondence and information regarding the violation, but failure to maintain such records will not invalidate any fine that is imposed.
 10. The authorized personnel have discretion in the performance of authority and responsibility under this Policy and Section 6.4 of the Covenants. This includes, but is not limited to, discretion regarding how to investigate an alleged violation, the frequency of investigating an alleged violation and, except as otherwise specified in the Covenants or this Policy, whether a series of related actions or inactions represents one or multiple violations.
 11. In an appropriate circumstance, as determined by the Business Manager or President of Surfside, Surfside may, at any time, enter into a compliance agreement with a member regarding a Covenant violation and/or to obtain compliance with the Covenants on that

member's lot or lots. This compliance agreement may either be in written form, signed by the member and the authorized personnel, or in oral form if the substance of the agreement is contained in a letter sent by the authorized personnel to the member. This compliance agreement may include, among other things, waiving fines for violation of the Covenants if the member complies with the agreement. However, each compliance agreement must require that if it is not complied with all fines for violations as established in this Policy shall be imposed and collected.

12. In the event of any inconsistency between the provisions of Section 1 (General Fine Procedures) of this Policy and the provisions of another Section of this Policy related to fines for violations of a specific Covenant provision, the provisions in the other Sections of this Policy shall prevail with respect to violation of that Covenant provision.

FINES PERTAINING TO TREE HEIGHT

1. Section 2.16 of the Covenants mandates that tree height be limited to the height established in the Covenants for the house or other structure on the lot.
2. The provisions of this Section III establish the fine schedule and related procedures regarding this Covenant provision.
3. The first action taken when a member's property is in violation of the tree covenants will be a Notification Letter, to be sent by the Compliance Officer or designee. The Notification Letter will explain that the member is in violation of Section 2.16 of the Covenants, and request that the member develop a plan to remediate the violation. The members proposed plan must be received within twenty-one (21) days from receipt of the Notification Letter and must include a final date for compliance with Section 2.16. The Compliance Officer will work with the member to develop a mutually agreeable plan for compliance. If the member does not respond within twenty-one (21) days, or if agreement on the compliance plan cannot be achieved, a Warning Letter will be sent to the member.
4. Prior to sending any Warning Letter, the authorized personnel may, but is not required to, send a letter notifying the member that the trees or other vegetation on that member's property is in violation of the Covenants and requesting that the member propose a plan, including a final date for compliance, to bring the member's lot into compliance with Section 2.16 of the Covenants. This letter shall request a response within twenty-one (21) days. If the member does not respond within twenty-one (21) days or if the authorized personnel is not able to work out a satisfactory compliance plan with the member, then authorized personnel shall send the Warning Letter.
5. The Warning Letter shall state that a fine will be imposed unless the member brings the s property into compliance with Section 2.16 of the Covenants within ninety (90) days, or another date, if deemed appropriate by the Compliance Office or Designee. The Warning Letter will include the fine schedule for violation of Covenant Section 2.16 established in this Policy. The Warning Letter shall state that a fine will be imposed unless the member brings the vegetation on the member's lot or lots into compliance with Section 2.16 of the Covenants within a specified time. Unless the authorized personnel determines that another date is more appropriate, this compliance date shall be the date which is ninety (90) days after the date of the letter described in Subsection 3.1 above, or if no such letter

was sent, ninety (90) days after the date of the Warning Letter. The Warning Letter shall include the fine schedule for violation of Covenant Section 2.16 established in this Policy.

6. If the violation has not been corrected by the date specified in the Warning Letter, the following fines shall be imposed:
7. a. \$20.00 per day for the first thirty (30) days for each lot in violation of Section 2.16 of the Covenants.
8. b. \$30.00 per day commencing on day thirty-one (31), which will continue until the property is brought into compliance with Section 2.16 of the Covenants.
9. The Board of Trustees, or the Board's Designee may determine that extenuating circumstances exist which justify an exception to the date of compliance specified in the Warning Letter. The Board of Trustees will make this determination with input from the appropriate committee (s).

If no remediation occurs after six (6) months from the date fines commenced, the violation will be referred to the attorney for further enforcement and collection efforts,
Revised 10/15/2022.

BOARD POLICY: Disposal of Refuse

Background: Fire is an increasing threat to Surfside lives and homes. In 2023, Surfside completed a Wildfire Prevention and Management Plan to address this threat. This plan identified dense housing, the presence of ladder fuels, limited water supply and windy, dry summers as factors increasing this threat. That plan recommended removing dead vegetation, tree trimming, creating defensible spaces and clearing lot debris as excellent prevention measures each homeowner and Surfside can take. Restrictive Covenants 5.0 through 6.0, among others, specify the covenant authorities for Surfside to address these issues.

Policy: Surfside members shall be required to remove vegetation debris/refuse from their lots. Vegetation debris/refuse is defined as dead tree trunks or limbs, dead brush or grass, dead or cut vegetation or similar piles of vegetation debris/refuse in excess of one 3x3x3 ft pile. This requirement can be part of a compliance agreement, the result of proactive compliance enforcement or can result from a member complaint. This requirement does not apply to neatly stacked firewood.

Fines Pertaining to Disposal of Refuse

1. Disposal of Refuse fines require a written warning letter to a member with a 21- day deadline from the date of the letter to correct the threat. Members may be given up to 60 days from the date of the letter to remove the debris with extenuating circumstances as part of a compliance agreement. Fines will begin upon failure to complete the work or follow an approved compliance agreement as determined by the Board or its designee. The Board, or its designee, may find

that extenuating circumstances exist, which justify establishing a compliance agreement date for completion beyond the sixty (60) day period.

2. The following fines shall be imposed for failure to complete the compliance agreement or remove the vegetation/debris by established deadlines. A fine of \$20 per day shall be assessed for each lot with a violation for the first 30 days following the specified compliance deadline from (1) above, and \$30 per day thereafter until the debris is gone.

Update 9/2/2024

FINES PERTAINING TO RV'S

1. RV fines require a written 10-day warning letter to correct the complaint. Fines will begin on the 11th day after the letter. If the violation has not been corrected within the time specified in the Warning Letter, the following fines shall be imposed:
 - a. A fine of \$10.00 per day is assessed for each lot with a violation of Section 2.9 of the Covenants for thirty (30) days.
 - b. Commencing on the 31st day and continuing until the violation is brought into conformance with Section 2.9 of the Covenants, \$15.00 per day for each lot containing any RV in violation of Section 2.9 of the Covenants.
2. The Board may find that extenuating circumstances exist, which justify, in some circumstances, establishing a compliance date for violations of Section 2.16 of the Covenants beyond the twenty-one (21) day period of Section 6.3d of the Covenants.
- 3.

FEE PERTAINING TO WATER SHUT OFF FOR NON-PAYMENT ON ACCOUNT

A Fee of \$75.00 will be charged for disconnecting the water service for non-payment on account and a fee of \$75.00 will be charged to re-connect the water service.

Updated 4/19/2024

Fine Policy Related to Section 5.14 of the Restrictive Covenants. Section 5.14 of the Restrictive Covenant reads in part “Dogs are to be confined to the owner’s property or kept on leash.” After confirmation that a violation of the above quoted language has occurred, a warning letter shall be sent to the owner of the dog or other person who may be responsible for the dog. The matter will then stay open for a period of 60 days after this warning letter is sent. If there is another confirmed violation of the above-quoted language within this 60-day period, then.

- a. a fine of \$100.00 a day, for each day in which one or more confirmed violations occur, will be assessed against the owner of the dog or other person responsible for the dog.
- b. the letter described in Section 6.4 of the Restrictive Covenants will be sent to the owner of the dog or other person responsible for the dog and

- c. The matter will then stay open, and fines will be assessed, until there have been no confirmed violations for six months. If there is no confirmed violation within this six-month period, then the matter will be closed.

Confirmation of violations of the above-quoted language may be by any credible means (including, but is not limited to, photographic evidence and reliable eyewitness account) that the dog is off the property of the owner or other person responsible for the dog and is not on a leash held by a person.

Fine Policy Related to Section 5.8 of the Restrictive Covenants.

After confirmation that a violation of the above quoted language has occurred, a warning letter shall be sent to the Surfside member. The matter will then stay open for a period of 60 days after this warning letter is sent. If there is another confirmed violation of the above quoted language within this 60-day period, then.

- a. the letter described in Section 6.4 of the Restrictive Covenants will be sent to the member.
- b. a fine of \$100.00 a day for each day in which one or more confirmed violations occurs, will be assessed against the member.
- c. the matter will then stay open until there have been no confirmed violations for six months. If there is no confirmed violation within this six-month period, then the matter will be closed.

Confirmation of violations of the above quoted language may be by any credible means (including but is not limited to, photographic evidence, reliable eyewitness, or audio recording).

Revised 06/10/2020

BILLING & COLLECTION OF FINES

9. All accounts which are delinquent for more than sixty (60) days from the date of the notice of a fine shall be charged a 1% service charge per month on the unpaid balance.
10. If any account is not paid in full within 180 days/six (6) months from the date of the notice of a fine, a lien shall be placed on the property. All lien fees associated with the placement and removal of the lien on the property shall be paid by the property owner.

Revised 10/08/2020

BOARD POLICY-FISCAL POLICY

SECTION 1.1 – FINANCIAL RECORDS AND REPORTING

- Surfside Homeowner Association's (the Association) fiscal period begins January 1 and ends December 31.
- The financial records of the Association shall be maintained on a cash basis of accounting for internal budget and management purposes during the year, but the annual financial statements will be prepared in accordance with accepted accounting principles. At year end, management will provide cash basis financial records and the external auditor will do adjusting entries for preparation of full accrual financial statements. Management's review and approval of the financial statements is part of the process.
- All financial records of the Association must be properly maintained in a locked cabinet or secure area with limited access to authorized staff, Board President, Secretary, and Treasurer.
- The Business Manager will be given correspondence from financial institutions unopened. Upon opening the correspondence, the Business Manager will date and initial all the documents as an indication that he/she has reviewed them. The Business Manager will then turn custody of the documents over to the Bookkeeper.
- The Bookkeeper will receive the payroll reports directly from the department managers. The Bookkeeper will review the reports to determine that the pay rates for all employees are as authorized and hours worked by hourly employees are within expected ranges.
- On a monthly basis, the Bookkeeper will reconcile the accounts receivable detail ledger and accounts payable detail ledger to the ledger, and the bank reconciliation to the ledger.
- The accounts receivable detail ledger and the accounts payable detail ledger will be reviewed monthly by the Business Manager to determine that the balances are appropriate.
- The purpose of the accounting system is to systematically record, summarize, and report all financial transactions of the Association. The system shall be designed so that all aspects of the Association's operations are included in the system, including cash-basis transactions only. To that end, the Business Manager will cause the following financial reports to be prepared and submitted to the Board of Trustees each month at their regular meeting. If they do not have a regular meeting scheduled for that month the report will be presented at the next scheduled regular meeting.
 - Summary of Cash Balances in all Accounts
 - Budget Comparison
 - Annual Spend Plan
 - Receivable Summary
 - Check Register

Effective control and accountability must be maintained for all assets of the Association, including cash, investments, fixed assets, and other assets. The Association must adequately safeguard all assets of the Association and assure that all assets are used for authorized purposes.

SECTION 1.2 – SEGREGATION OF DUTIES

The segregation of duties is one of the most effective internal controls in combating fraud and embezzlement. The Association's system of checks and balances will include the segregation of duties the extent practicable for a small office. Duties to be segregated include cash receipts, accounts receivable, cash disbursements, payroll, and inventory control.

Ideally, no individual person will handle more than one of the following duties in a single process; custody of assets, record keeping, authorization, and reconciliation. The Association will, as much as is practicable, separate these functions amongst employee/management personnel.

When red flags are noted by an auditor or other source, the Board President will employ compensating controls until they are no longer needed. Compensating controls, in most cases, will include the services of an independent, properly authorized, person either in Surfside's employ or by contract who has experience in accounting and recognizing red flag conditions who does not have custody, record keeping, authorization, or reconciliation responsibilities regularly reviewing reports, analyze reports and investigate any discrepancies found between reported activity and expectations.

SECTION 1.3 – BUDGET

- Fiscal responsibility for Surfside funds is maintained through adherence to the Annual Operating Budget. The Annual Budget expresses Surfside's allowable expenditures for operations, capital investments, reserves, etc., and is the basis for the determination of annual membership fees and assessments.
- The amount of annual membership dues and lot assessments shall be determined from the total budget for operating expenses and capital expenditures.
- The Budget Committee shall develop and prepare an annual budget in accordance with Operating Procedure #103.
- The Budget Committee Chairperson shall be the Board Treasurer.
- The Bookkeeper and Business Manager shall be regular members of the Budget Committee.
- The Budget Committee shall be responsible only to the Board of Trustees but will have complete autonomy in the development of the Annual Operating Budget.

NOTE: See Operating Procedure #103 for budget expenditure rules and restrictions.

SECTION 2.1 – CASH DISBURSEMENTS

- All disbursements are to be made by issuing checks drawn on the established Association Checking Accounts.
- No checks may be made out to "cash". A Petty Cash account will be maintained in the Business office and balanced monthly by the Business Manager or his/her designee.
- When appropriate, the request for disbursement must be supported by original documentation that justifies the purpose of the disbursement and is attached to the request. Requisition and purchase orders shall be issued by the Business Manager in accordance with Policy # 106 “Purchasing, Contracting, Surplus Property Dispensation Policy”.
- Authorized check signers must be re-affirmed annually by the Board of Trustees.
- All checks must be signed by two authorized check signers, one of which must be a member of the Board of Trustees (see Board Policy-Control of Association Funds).
- The Association will carry a fidelity bond or appropriate insurance coverage for any director, officer, or employee who handles agency funds.
- A monthly listing of all checks issued must be made available to and approved by the Board of Trustees at a regular meeting in open session.
- Expense reporting to the Board of Trustees will be accomplished in the following manner:
 - Expenses which are fully anticipated and are included in the approved budget will be paid and those amounts will be listed in the cash account summaries prepared for Regular Board meetings.
 - Expenses which are included in the approved budget or project plan but are of such a size or nature that they should be considered by the Board will be brought before the Board for approval prior to disbursement. (See Operating procedure #106 Purchasing policy).

SECTION 3.1 – PURCHASES AND CONTRACTING

The Association will make all Purchases in accordance with Board Policy #106 “Purchasing, Contracting, Surplus Property Dispensation Policy”.

SECTION 4.1 – CASH ADVANCES OR OTHER PAYMENTS TO STAFF

- Cash advances are paid to staff at a rate of \$75.00 per day only if the staff person is traveling out of town on business for the Association. An expense report is due from the staff person within five days of their return.
- The Association will reimburse staff for reasonable business expenses incurred in connection with the business of the Association that have been properly approved and are submitted for payment with proper documentation.

- No loans or advances on payroll will be made to a staff person with the exception of a mid-month draw.

SECTION 5.1 – PAYMENTS TO BOARD OF TRUSTEES

- No compensation will be paid to any member of the Board of Trustees for services as a member of the Board.
- Board members may be reimbursed for reasonable travel expenses submitted in writing within 30 days of attendance at meetings, seminars, tradeshow or other educational event that has been preapproved by the Board for attendance. Reasonable travel expenses may include airfare (not first class), airport shuttle service, taxi, and/or mileage reimbursement. Mileage will be paid at the prevailing IRS approved rate for round-trip mileage. Airfare will be reimbursed only for trips exceeding a two-hour, one-way driving time.
- The President and Business Manager will approve any and all payments in advance of reimbursement. Reimbursement will be made within 15 days of submission for reimbursement.
- No loans will be made to any member of the Board of Trustees.

SECTION 6.1 – CASH RECEIPTS AND DEPOSITS

- Cash receipts will be logged daily into a “Check Log” by the Secretary to the Board, or in his/her absence, the Business Manager. A hard copy of the check log will be given to the Business Manager daily.
- Deposits will be made at least once per work week. A photocopy of the bank’s deposit receipt will also be given to the Business Manager daily. The Business Manager will match the total from the check log to the total from the bank’s deposit receipt, and initial them on the corresponding forms. The Business Manager will file the matching check logs and bank deposit receipts.
- Funds received by the Association will be deposited timely to the credit of the Association in a financial institution that the Board of Trustees has authorized, provided however, that each institution in which funds are deposited must be an institution where such deposits are insured by an agency of the federal government.
- Cashing of checks out of currency receipts is prohibited.

SECTION 7.1 – ANNUAL AUDIT REQUIREMENT

- RCW 64.38.045(3) states:

“At least annually, the association shall prepare, or cause to be prepared, a financial statement of the association. The financial statements of associations with annual assessments of fifty thousand dollars or more shall be audited at least annually by an independent certified public accountant, but that the audit may be waived if sixty seven percent of the votes cast by owner, in person or by proxy at a meeting of the association at a quorum is present, vote each year to waive the audit.”

The Board at this time prefers to have an annual full audit.

Selecting an Auditor:

- The Audit Committee will be responsible for determining the auditor selection criteria and Statement of Qualifications scope and for performing that process. The Audit Committee will recommend for approval to the full board the auditing firm identified through the proposal process.
- When directed by the Board but not less than triennially, the Audit Committee will advertise for Statements of Qualifications and conduct interviews of interested CPAs requesting three-year proposals with the option of extending beyond three years if both parties prefer. The Audit Committee will include an invitation to the Association’s current CPA unless requested otherwise by the Board.
- The Audit Committee will review the audited financial statements and recommendations of the auditor, as well as management's response to the recommendations. The Audit Committee will present the audit to the Board of Trustees with a written recommendation to accept or reject the audit and where appropriate, make recommendations for adjustments to the Association’s policies and procedures.
- The Board of Trustees must review and approve all audits, select, and contract with all auditors, and review all of management's response to audit opinions or findings. The Board of Trustees votes to accept or not accept all audits by motion or resolution.
- RCW 64.38.045(2) states:
 - “All records of the association, including the names and addresses of owners and other occupants of the lots, shall be available for examination by all owners, holders of mortgages on the lots, and their respective authorized agents on reasonable advance notice during normal working hours at the offices of the association or its managing agent. The association shall not release the unlisted telephone number of any owner. The association may impose and collect a reasonable charge for copies and any reasonable cost incurred by the association in providing access to records.”
- In harmony with RCW 64.38.045(2) the Audit Committee will cause annual financial statements and audit reports to be mailed to members upon request and for a fee to cover the cost of reproduction and postage.

SECTION 9.1 – BORROWING

- Any action by and on behalf of the Association in borrowing money, establishing, or canceling lines of credit, and or mortgaging, pledging, or authorizing liens on the property of the Association must be authorized by the Board of Trustees by motion or resolution.

SECTION 10.1 –RESERVE ACCOUNTS

- The Association will keep two reserve accounts Operating Reserve Account, (AKA Contingency account) defined as funds set aside to stabilize the Associations finances to make certain funds are available for unexpected incidents, i.e. losses of income or large unbudgeted

expenses. (WAC 246-290-100 water system financial viability¹) and a Capital Reserve Account as required by RCW 64.38.065 to fund major repairs and replacements of common property and infrastructure over a thirty-year horizon.

- See Board Policy – Operating Reserve. The procedure for establishing the three months of normal operating expenditures will be the total of the Business Office Budget, Administration Budget, Water Department Budget, Common Property Budget, Patrol Budget, Compactor Budget, RV Storage Budget. Divided the sum of those budgets by 12 multiply the quotient by 3. The product will be the amount of the Operating Reserve Account for the budget year.

Example:

Business Office Budget	227,639
Administration Budget	152,350
Water Department Budget	404,965
Common Property Budget	56,458
Patrol Budget	70,176
Compactor Budget	81,938
RV Storage Budget	20,000
Total	1,013,526 - Sum
Divided by 12	84,461 - Quotient
Times 3	253,383- Product

Operational Reserve will be \$ 253,383

- Operational Reserves will remain liquid assets and kept in an FDIC insured account.
- All assets valued between \$2,000.00 - \$9,999.99 shall be capitalized for the purpose of the annual audit requirements.
- Tangible Personal Property will be capitalized at the lower of cost or fair value in excess of \$2,000 at date of acquisition and a useful life beyond one year and depreciated on the straight-line method over the asset’s useful life.
- Land will be capitalized when the lower cost or fair value exceeds \$1 at date of acquisition.
- Easements will be capitalized when the lower of cost or fair value exceeds \$1 at date of acquisition and amortized on the straight-line basis over the useful life or contractual term.
- Buildings, Land Improvements, or other Improvements to Real Property will be capitalized at the lower of cost or fair value in excess of \$10,000 at date of acquisition and depreciated on the straight-line basis over the asset’s useful life.

¹ DOH Publication 331-405 Revised August 2013 – Financial viability for small water systems

balance as a “cushion” for unexpected expenditures. This amount will be referred to as the “base liquid funds.”

- Except for the base liquid funds, which must remain liquid, it is expected that reserve assets will be invested in non-liquid assets as follows:

Laddering Strategy

- Select individual securities that have maturities of one to five years. Structure these maturities so that an approximately equal proportion comes due every month. With matured funds consistently purchased securities at the long end of the maturity range. The Board may reduce the longest maturity as market conditions warrant. (i.e., during periods of very low interest rates, the Board may wish to purchase securities with maturities shorter than five years)
- The expectation of this strategy is that the assets will benefit from the longer-term rates which are commonly higher than short-term rates, while maintaining readily available funds for cash flow.
- In structuring maturities, review the Association’s Reserve Study along with spend plans) to ensure that maturing funds are sufficient to cover anticipated expenditures each year.

Annual Contributions

- Annually the Board shall contribute to the capital reserves at a minimum, the base-line contribution amount of \$140,000.

New Funds

- As the liquid portion of the reserve assets grows (from earnings and new reserve contributions), additional amounts will become investable into the non-liquid portion. Newly investable funds are defined as those in excess of the base liquid funds. Combine these newly investable funds with proceeds from the laddered securities when they mature; and invest the combined amount, maintaining the basic laddered structure.

Security Classes Selected

- The following securities meet the Board’s Goals and Objectives as stated above:
 - Association Bank Liquid Accounts.
 - Association money market mutual funds investing only in US Treasury and Treasury backed securities.
 - Certificates of deposit in FDIC-insured financial institutions, provided the balance’s do not exceed the FDIC insurance limits, unless additional deposit insurance is provided by the bank, and purchased with the intent to hold to maturity. Certificates of deposit will not be purchased on the secondary market and hence discount or premium (which is not insured by the FDIC) will not arise.
 - Treasury bills, notes, or bonds purchased with the intent to hold to maturity.

SECTION 10.3 – PROCUREMENT POLICY

- 5 Year strategic plan should include the following:
 - All planned capital investments over the next five years
 - Summary of capital investments listed in the reserve studies.
 - Identify capital investments which are not contained in the reserve studies.
 - Identify specific elements of the capital investment such as: feasibility studies, development of easements (as needed), development of project plans and schedules, development of procurement contracts.

SECTION 11.1 – CONFLICT OF INTEREST POLICY

- The Association will not enter into contracts or transactions with any other corporation, partnership, association, or other Association in which it’s Trustees or Managers are directors, officers, or have financial interest (there is potential conflict of interest) without prior approval by an affirmative vote of a majority of disinterested Trustees. Also refer to Board Policy – Conflict of Interest.

Adopted 8/19/2017

BOARD POLICY-FISHING THE WATERWAYS

The Board of Trustees believes in the renewal and protection of the fish in the waterways within Surfside. Each year, when the budget allows, the Board of Trustees likes to see some of the Surfside waterways stocked with fish for its members to enjoy, including kids and the Kid's Fishing Derby. The following are stated rules for fishing the Surfside Estates' waterways:

- THE WATERWAYS ARE TO BE FISHED BY SURFSIDE MEMBERS AND THEIR GUESTS ONLY
- LIMIT OF 8 FISH PER DAY
- LIMIT OF 16 FISH PER WEEK
- CLOSED TO EVERYONE DURING MARCH, APRIL, AND MAY
- NO FISHING FROM THE H STREET BRIDGE

Adopted March 16, 2019

BOARD POLICY – INDEMNIFICATION OF INSURANCE AND INSURANCE

1. The Board of Trustees, at a meeting held on August 23, 1980, adopted a resolution for indemnification coverage to be furnished by Surfside for Trustees, employees, and volunteer workers. This insurance coverage is renewed annually.
2. Insurance shall be provided by Surfside as follows:
3. Liability insurance for Surfside Homeowners Association Trustees, agents, employees, volunteers, and officials all while acting in their official capacity. NOTE: Property and bodily injury only
4. An additional liability policy for wrongful action shall be carried for directors and officers.
5. Surfside liability insurance shall be carried on all equipment, capital improvements, Surfside rights-of-way, etc.
6. Marine insurance shall be carried on the water system, excluding concrete reservoirs.
7. Medical insurance shall be provided for each full-time employee (32 hrs. or more per week)
8. Prior to the September meeting of the Budget Committee, the Board shall review and establish the amount of medical coverage for the coming fiscal Year.
9. Assure that appropriate bonding shall be maintained for all employees who have access to Surfside funds or materials.
10. An Insurance Committee shall be established for the purpose of coordinating all insurance needs and insuring maximum coverage at reasonable costs.
11. Insurance coverage shall be reviewed at least three months prior to policy renewal dates.
12. Bids, if possible, from three optional quotes shall be obtained on all insurance contracts.

BOARD POLICY – INVESTMENTS

1. The Treasurer of Surfside is empowered to invest Surfside’s funds pursuant to Article VII of the Bylaws. In order to meet the cash flow needs of Surfside, operating funds shall be invested in financial instruments with a duration of no longer than six (6) months. Capital (Reserve) funds shall be invested in financial instruments for a duration of no longer than two (2) years. Preservation of capital shall be the primary investment principle. Therefore, the Treasurer is limited to the following financial instruments for the investment of Surfside funds:
 2. U.S. Treasury Notes with duration of not more than two (2) years.
3. Time deposit open accounts, certificates of deposits and savings accounts in banks, mutual savings banks, and savings and loan associations. All funds must be covered by Federal Deposit Insurance (FDIC) or the Securities Investor Protection Corporation (SIPC).

BOARD POLICY – LIENS AND FORECLOSURES

1. It shall be the Policy of the Surfside Homeowners Association to use the Lien and Foreclosure method for settling all matters involving the collection of all delinquent accounts, or the settling of moneys owed to bring the members property into compliance for the noncompliance of a written complaint of covenant violation.
2. Property owners who remain delinquent in payment of dues and assessments beyond August 1st of each year become subject to lien action and ultimately foreclosure.
3. Owners who have been duly notified of violations of Restrictive Covenant or Architectural Guideline violations and have failed to rectify the violation are subject to the lien and foreclosure action for the amount of fund required to correct the violation as well as all legal and miscellaneous cost incurred in correcting said violation.
4. All Lien and Foreclosure proceedings will be handled according to Operating Procedure #102.

BOARD POLICY – MEETINGS

1. The President of the Board of Trustees shall have the right to vote on all issues at all meetings.
2. Notice of all meetings of Surfside shall be posted in Surfside Business office.
3. There shall be no smoking at any meeting of Surfside.
4. With respect to Annual and Special Membership Meetings only:
5. Article V, Section 3, of the Bylaws, states that "Ten percent of all the members of the Corporation shall constitute a quorum for the transaction of business."
6. Article II, Section 2, of the Bylaws, states that, "No membership shall be voted on unless... all dues and assessments are currently paid."

Monthly Board Meetings

1. The Board of Trustees shall hold regular meetings on the third Saturday of each month.
2. Meetings shall convene at 9:00 a.m.
3. Meetings shall be open to all Surfside members.
4. Meeting date will not be changed except by prior approval of the Board.
5. Any Surfside member wishing to place subject matter on the agenda shall notify Surfside's Business office or the Board Secretary at least six (6) business days prior to the meeting.

NOTE: See copy of Sample Regular Meeting Agenda.

Special Board Meetings

1. All Special Board Meetings shall be called as stated in Article V, Section 4, of the Bylaws.
2. Special Board Meetings may be open to the membership or special guests at the discretion of the Board.
3. Discussion and action at Special Board Meetings shall be limited to the subject or subjects stated in the meeting notice. The agenda may be amended by a vote of the majority of the Board members present at the start of the meeting.

Special Closed Board Meetings

1. Closed special meeting shall conform to RCW 64.38.035 (2), as stated:
 - a. *Except as provided in this subsection, all meetings of the board of directors shall be open for observation by all owners of record and their authorized agents. The board of directors shall keep minutes of all action taken by the board, which shall be available to all owners. Upon the affirmative vote in an open meeting to assemble in closed session, the board of directors may convene in closed executive session to consider personnel matters; consult with legal counsel or consider communications with legal counsel; and discuss likely or pending litigation, matters involving possible violations of the governing documents of*

Surfside, and matters involving the possible liability of an owner of Surfside. The motion shall state specifically the purpose for the closed session. Reference to the motion and the stated purpose for the closed session shall be included in the minutes. The board of Trustees shall restrict the consideration of matters during the closed portions of meetings only to those specifically exempted and stated in the motion. No motion, or other action adopted, passed, or agreed to in closed session may become effective unless the board of directors, following the closed session, reconvenes in open meeting and votes in the open meeting on such motion, or other action which is reasonably identified. The requirement of this subsection shall not require the disclosure of information in violation of law, or which is otherwise exempt from disclosure.

Annual Membership Meeting

2. The Annual Membership Meeting shall be held on the second (2nd) Saturday of July of each year. (Article 5, Section 1, of Surfside Bylaws)

Special Membership Meeting

1. Special Membership Meetings are controlled by Article 5, Section 2, of Surfside Bylaws:
 - a. "Section 2. Special meetings of the members may be called at any time by the president or a majority of the board of trustees or by members representing ten percent of the tracts within the jurisdiction of the corporation. Notice of a special meeting, stating the object thereof, shall be given by the secretary by mailing such notice to each member not less than five days prior to the date on which such meeting is to be held."
2. Discussion and action at all Special Meetings of membership shall be confined to the stated purpose of the meeting.
3. Except for the Board President, no Board member or other member may speak on any issue more than twice and speakers shall be limited to a total of five (5) minutes per individual.

NOTES: In current by-laws when submitting a proposal to change or alter the by-laws, "verified paid-up" should be added to Article 5, Section 2. Additional change should be to change five (5) day notice, to ten (10) days' notice.

SAMPLE REGULAR BOARD MEETING AGENDA

1. CALL MEETING TO ORDER AT 9:00 A.M.
2. FLOOR COMMENTS (20 MINUTES)
3. ADOPT AGENDA
4. APPROVE MINUTES OF PREVIOUS MEETING (REGULAR AND/OR SPECIAL)
5. OLD BUSINESS
6. NEW BUSINESS
7. COMMUNICATIONS
 - a. INCOMING
 - b. OUTGOING
 - c. MEETINGS/CONTACTS
8. STAFF AND COMMITTEE REPORTS:
 - a. WATER SYSTEM MANAGER'S REPORT
 - b. FIELD SUPERINTENDENT REPORT
 - c. WATER SYSTEM PLANNING COMMITTEE
 - d. LAND AND BUILDINGS COMMITTEE
 - e. ARCHITECTURAL COMMITTEE
 - f. BUDGET COMMITTEE
 - g. COMMUNITY RELATIONS COMMITTEE
 - h. TREE, BRUSH, & NOXIOUS WEED SUB-COMMITTEE
 - i. GRIEVANCE COMMITTEE
 - j. TREASURER'S REPORT
 - k. BUSINESS OFFICE REPORT
 - l. RV COMMITTEE
 - m. LAND AND BUILDINGS COMMITTEE
 - n. FISH & WATERWAY MANAGEMENT COMMITTEE
 - o. SHERIFF'S PATROL
 - p. IT REPORT
 - q. SAFETY COMMITTEE REPORT
1. RECEIPT OF COMMITTEE REPORTS
2. COMMENTS (10 MINUTES)
3. RECESS TO CLOSED SESSION ON PERSONNEL, LEGAL, CONTRACT ISSUES OR EMPLOYEE MATTERS (IF NECESSARY)
4. RECONVENE
5. FLOOR TOPICS FOR THE GOOD OF THE ORDER
6. ADJOURN

SAMPLE ANNUAL MEETING AGENDA

DATE:

REGISTRATION: 8:00 A.M. TO 10:00 A.M.

1. CALL TO ORDER 10:00 A.M.
2. ADOPTION OF AGENDA
3. INTRODUCTION OF BOARD MEMBERS, EMPLOYEES AND GUESTS
4. INTRODUCTION OF DECC
5. DECLARATION OF A QUORUM AND DISTRIBUTION OF PROXIES
6. ADOPTION OF ANY SPECIAL RULES
7. APPROVE MINUTES FROM LAST ANNUAL MEETING
8. NOMINATION OF CANDIDATES
9. NOMINATIONS FROM THE FLOOR
10. BALLOTING
11. PRESIDENTS ADDRESS
12. BUSINESS MANAGER'S REPORT
13. LEGAL REPORT
14. FINANCIAL REPORT
15. GUEST SPEAKERS
16. COMMITTEE REPORTS
17. MEMBER HEARING ON ANY COVENANT CHANGES
18. ANNOUNCEMENT OF ELECTION RESULTS
19. OLD BUSINESS
20. NEW BUSINESS
21. FLOOR COMMENTS
22. MOTION FOR ADJOURNMENT

NOTE: ANNOUNCEMENT OF THE ANNUAL PICNIC AT THE ASSOCIATION OFFICE FROM NOON TO 4:00 P.M. ALL MEMBERS AND GUESTS WELCOME

BOARD POLICY – NEWSLETTER

The purpose of the Surfside Homeowners Association’s newsletter is to advance the interests of Surfside, to inform the members of any matters affecting Surfside and/or its members, and to encourage communication and participation among the Board and all members. The newsletter is the official publication of Surfside, authorized by the Board of Trustees (Board).

- a. The title of the publication shall be the Surf-In-Sider unless re-titled by the Board.
- b. The newsletter shall be directed by the Business Manager, who may appoint additional persons to assist in the preparation and publication.
- c. Prior to publication, the Business Manager shall review the draft newsletter articles for assurance of accuracy. The Business Manager may also submit draft articles to the Board President for comment and/or suggested changes or additions.
- d. For purposes of this policy, the opportunity to express disapproval of newsletter copy by Board members shall be managed in the same manner as correspondence in Section 9.1 of the Board Policy on Correspondence.
- e. The newsletter shall be published at a minimum of two times a year.
- f. The publication schedule may be altered by the Business Manager. This includes cancellation of a regular edition if there is insufficient news to report or the additional publications as deemed necessary.
- g. The Business Manager may, with the Board's approval or by Board direction, add special editions before, between or beyond the regular annual two publications.
- h. The first issue each year shall be sent in January and shall contain a summary of the budget hearing, adopted budget details and other Association issues affecting the members that have occurred since the annual meeting in July.
- i. The second issue each year shall be sent in June and shall contain a synopsis of the issues to be voted upon at the annual meeting in July, and a resume and statement of each of the candidates for the Board.
- j. If deemed necessary by the Business Manager, a third newsletter may be sent in October.
- k. The Business Manager shall establish a specific schedule for regular publication of the newsletter at least twice a year. The mailing of the second newsletter in June shall be included with the annual meeting notification first class mailing.
- l. It is the intent that the newsletter concentrates on factual articles presented in a non-partisan manner. Articles to the Business Manager are subject to editing by the Manager, who shall have sole discretion whether any article (or portion thereof) shall be published, unless overruled by the President or a majority of the Board. Articles shall be limited to 250 words. At times it may be necessary to include larger articles given complex projects or issues. Approval of larger articles is at the discretion of the Business Manager.
- m. Clarification or interpretation of this Board Policy shall be made by the Board.

BOARD POLICY – OPERATING RESERVE

1. The Surfside Homeowners Association shall maintain a minimum Operating Reserve balance of 90 days and less than 150 days funding to maintain operations of Surfside should collection of dues and assessments be delayed for any reason beyond the control of Surfside or budget shortages. Operating Reserve funds in excess of 90 days may be used for the purchase of unanticipated and unbudgeted needs or transfer all, or a portion of the amount to Capital Reserves at the discretion of the Board of Trustees.
2. All unbudgeted purchases or other uses of these funds shall receive prior approval by the Board of Trustees.
3. The money available to fund the Operating Reserve is determined following the annual audit. Once the amount is determined, the Board of Trustees shall:
4. Transfer all of the excess to Capital Reserves; or
5. Retain a portion of the funds to increase the Operating Reserve level, except that a minimum of 50% of the available funds shall be transferred to the Capital Reserve account.
6. Exceptions: The Board of Trustees may waive the 50% transfer to Capital Reserves if:
7. The Operating Reserve balance is less than the required ninety (90) day funding level as specified in this policy.
8. The Operating Reserve balance exceeds the maximum 150-day funding level as specified in this policy, in which case any amount in excess of the maximum shall be transferred to the Capital Reserve account; or
9. In the event the assets of Surfside are damaged due to a cataclysmic event(s), the Operating Reserve, Capital Reserve, and any other available funding asset shall be available to fund the repair, replacement or provide core functions by any reasonable and responsible means available.

BOARD POLICY - USE OF RVs ON SURFSIDE LOTS

This policy is intended to supplement and clarify the procedures in the Covenants. This policy does not supersede the Covenants.

The purpose of the RVs on Surfside lots policy is to ensure that appropriate use of recreational vehicles on member lots is consistent with the Surfside Covenants. The covenant compliance designee and business manager shall share the responsibility for carrying out provisions applicable to RVs on Surfside lots.

As defined in Covenant Section 1.3, Recreational Vehicle (RV), shall mean a vehicular type portable structure without permanent foundation, which can be towed, hauled, or driven and is primarily designed as temporary living accommodation for recreational, camping and travel use and includes, but is not limited to, travel trailers, truck campers, camping trailers, and self-propelled motor homes. RVs also include boats and boat trailers. RVs must be licensed for full-time road travel and must be in movable condition within one (1) hour.

1. Each RV must be registered, licensed, and maintained in a mobile condition at all times and shall be used as specified in Covenant Section 2.9.
2. A Temporary Conditional Use Permit for each vehicle to be placed on a platted parcel must be obtained annually at the Association Office. These permits (decals and/or permits) must be prominently displayed and visible from the street.
3. Summer Occupancy Conditional Use Permits are issued for the period of March 15 through October 31
 - a) RVs must display a current motor vehicle license and meet all health codes for temporary recreational use.
 - b) One-time registration at the Association Office is required at the first visit each summer.
 - c) A Summer Occupancy Conditional Use Permit and a numbered registration decal will be issued by the Association Office.
4. Winter Occupancy Conditional Use Permits are issued for the period of November 1 through March 14.
 - a) RVs must display a current motor vehicle license and meet all health codes for temporary recreational use.

b) Short-term permits shall be issued from the Association Office for periods up to 21 days, not to exceed 60 days total.

c.). During winter use, recreational vehicles must be occupied. Boats and boat trailers do not need to be occupied.

5. Winter storage of an RV is not allowed on any platted parcel except in a carport or enclosed building, (except for those parcels listed in Covenant Section 2.9b). Such RVs may be parked anywhere on residential premises for time needed during loading or unloading (Covenant Section 2.9a3).

6. During construction periods, an RV may be used as a temporary dwelling under the following conditions.

a) Proof of County building permit.

b) Active and continuous building construction.

c) Septic and water connections are available and in use.

d) Permits will not exceed one-year duration unless the following steps occur in this order:

6.1a. The Architectural Committee grants the owner a building extension on their building permit.

6.1b The owner applies at the Association Office for a temporary extension after the Architectural Committee has granted a building extension.

6.1c. The Architectural Committee approves the application for the building extension.

7. No commercial use of RVs shall be permitted in Surfside.

8. RV provisions applicable to certain designated lots in specific divisions are listed in Covenant Section 2.9b.

9. Sewage and wastewater from RVs and/or tent sites must be disposed of per Washington state regulations.

10. All RV usage, parking, and storage shall occur outside of the County right-of-way and adhere to the minimum setbacks for the division in which the RV is being temporarily occupied

Added 12/06/2024 approved at the November 2024 Board Meeting

ARD POLICY – RV STORAGE LOT²

1. The parking of recreational vehicles for extended periods of time is prohibited in most Divisions of Surfside Estates. This made it necessary for Surfside to make available suitable off-lot storage for RV's. The RV Storage Lot is a result of Surfside trying to meet the needs of all the members. There are specific rules and regulations as well as the fees, which govern the use of this area. These rules, regulations and fees shall be posted in the Business office and at the RV site at all times. The qualifications for, and the use of, the RV Storage Lot shall be delineated here.
2. The RV Storage Lot is for the exclusive use of members in good standing of the Surfside Homeowners Association. Occupancy of stored vehicles is prohibited.
3. Property renters of property owners being in good standing shall be allowed use of RV Storage Lot providing space is available.
4. Storage in RV Storage Lot is limited to recreational vehicles³ and utility trailers only. RVs and boats will have priority when it comes to space availability.
5. Use of this facility is subject to the payment of a storage fee, which is determined by the Board of Trustees.
6. The member shall have the option of renting his/her storage space with or without electrical power. Spaces using the electrical power hookups shall be billed at a higher rate than those choosing not to use the power connection.
7. Members shall store their RV only in the assigned storage space. Violators of this rule will be subject to having their RV towed from the facility at their expense.
8. The rental fee "Year" shall run from November 1 through October 31.
9. RV Storage rates are as follows: Powered space (15 amp) \$400.00 per year, non-powered spaces \$200.00 per year, Mini spaces \$150.00 per year. A \$25 refundable key deposit is also required.
10. Violators of any of the rules and regulations or those who have failed to pay their space rental shall remove their RV in fifteen (15) days of notification of such violations or non-payment.
11. Members shall be responsible for maintaining adequate insurance, including liability.
12. RV units shall be maintained road ready and properly licensed.
13. A copy of the owner's current vehicle registration and proof of insurance shall be provided.

² Revised 8/17/2013, Revised 9/17/2016

³ Recreational Vehicle is defined in the Surfside Homeowners Association Restrictive Covenants, Section 1.3 as: "Recreational Vehicle (RV) shall mean a vehicular type portable structure without permanent foundation, which can be towed, hauled, or driven and is primarily designed for temporary living accommodation for recreational, camping and travel use and includes, but is not limited to, travel trailers, truck campers, camping trailers, and self-propelled motor homes. RV also includes boats and boat trailers. RV's must be licensed full time for road travel and must be in movable condition within one (1) hour.

14. Storage Site Disclaimer, as revised and approved on February 1^{7th}, 2001, shall be part of this policy.

Boats may be stored in the RV Storage Lot on a space available only option. These spaces shall be vacated when needed to store valid RVs as defined in this policy. Boats shall maintain current registration and licensing.

BOARD POLICY – RV STORAGE LOT MANAGEMENT PLAN

1. Purpose of the Management Plan is to ensure that the RV Storage lot is maintained in a safe and clean manner; and to ensure that the provisions for storing RV's and any other Board approved vehicles contained in the signed Storage Lot Disclaimer forms are enforced.
2. The Field Superintendent and/or covenant compliance designee shall jointly share the responsibility for carrying out this plan upon review and approval of the Business Manager.
3. Storage Site Disclaimer Form filled out and signed by renters is part of this plan; that form is referenced in the Board Policy entitled RV Storage Lot and is available in the Surfside Business office.
4. The Business Manager or his/her designee shall have primary responsibility for ensuring that records are maintained in such a way that each rented RV Storage space is properly assigned; that each space has appropriate limitations placed upon it (length, and type of vehicle permitted, electricity or not); that Storage Site Disclaimer Forms are complete and up-to-date for each rented storage space; that renters are aware of the provisions regarding maintenance of their vehicle; that rents are paid on time and in the correct amount; that related records are kept; and that non-payment and maintenance provisions are enforced.
5. The Field Superintendent and covenant compliance designee shall work jointly to ensure that the RV Storage Lot is maintained in a safe and clean manner; that each rental space is uniquely numbered; that parking lines are clearly visible and repainted as necessary; that information of the vehicle length and availability of electricity information for each space, as maintained by the Business Manager or his/her designee, is correct and up-to-date; that only assigned vehicles are parked in the correct assigned space; that electrical service is functioning at each electrical space and that overall storage lot electrical service, including lighting, is maintained; that electricity is tuned on or off for cause at each space; that fencing is maintained; that necessary grading, graveling, and/or paving of the conducted of the entire storage are; and that, from the quarterly inspection, a report is prepared for the Business Manager and the designated Board Trustee on all matters in this paragraph, including violations of the conditions in the Storage Site Disclaimer Forms and/or rental agreements.
6. The Board of Trustees shall review the reports provided by the Field Superintendent, covenant compliance designee or Business Manager or his/her designee, not less than quarterly, and shall take action deemed appropriate to ensure the maintenance of a safe and clean RV Storage lot, and enforcement of RV Storage Lot Storage Site Disclaimer Forms and/or rental agreements.
7. The Board shall direct that renters not in compliance with rental agreements be notified by the Business Manager or his/her designee that they must come into compliance within a reasonable time (not to exceed 90 days), or remove their units, and that failure to do so may result in removal of their unit from the rental area by an independent contractor at the owners expense or other legal action as determined by Surfside legal counsel.

BOARD POLICY – RIGHTS-OF WAY AND SURFSIDE-OWNED PROPERTY

1. The Surfside Water Department, under the supervision of the Water System Manager, is authorized to construct and/or replace water mains, water services and other Surfside Water Distribution System equipment that may be located in the road right-of-way.
2. The Surfside Water Department is also empowered to construct, repair/replace, and maintain utilities/water distribution system equipment on Surfside-owned properties.
3. In the course of construction, maintenance, repair or replacement of utilities in road rights-of-way, there may be obstructions placed or constructed by property owners that will require removal in order to complete work necessary.
4. Owners of the any property within the Surfside Water Service Area shall be required to remove any and all existing improvements or obstructions that may be necessary in order to construct water mains or perform repair, replacement or maintenance of water system facilities or water system related projects. This requirement applies to both planned construction activities and emergency activities that may occur.
5. Surfside shall provide advance written notice to owners of pending construction projects adjacent to their property and that possible existing private improvements or obstructions associated with their property may be located within the right-of-way and will be impacted by any construction project. However, emergency repairs that require removal of obstructions or improvements existing in the right-of-way by the Surfside Water/Field Services crew may be done without the notification to property owners to make all necessary repairs.
6. Property owners shall remove all obstructions and/or improvements at their own expense. If the owner fails to remove such obstruction or improvement in a timely manner, Surfside has the authority to remove said obstruction or improvement and may assess the owner any costs incurred as part of the required work. Surfside shall not be responsible to replace any obstruction or improvement in the road right-of-way or on any Surfside-owned property that may be required in conjunction with water distribution system construction, maintenance, or repairs; EXCEPT that existing driveways will be replaced with gravel or like material to allow functional use of the driveway portion within the right-of-way. No existing asphalt or concrete surfaces will be replaced at Surfside expense. Surfside will replace mailboxes to functional use that are required to be removed in conjunction with any construction or maintenance/repair projects. Where roadway improvements other than standard paving are encountered, Surfside may consult with Pacific County prior to any work being done.
7. Surfside is not and will not be liable for the cost for any repairs for any damage or destruction of private improvements that are located in the road right-of-way.

BOARD POLICY – SHERIFF PATROL

1. The Board of Trustees of the Surfside Homeowners Association shall provide for Sheriff's Patrol for the purpose of maintaining the security and safety of all Surfside.
2. It shall be the objective of the Board of Trustees to contract with Pacific County Sheriff's Office to have an agreement mutually beneficial which will provide cost-effective patrol of Surfside area as well as enhancement of the security of the North end of the Long Beach peninsula.
3. To this end it is mandatory that: Surfside Sheriff's Patrol personnel shall be a commissioned reserve/regular officer of Pacific County.
4. Surfside shall abide by all terms and conditions of the negotiated contract between Surfside and Pacific County and the Pacific County Sheriff's Office.

BOARD POLICY – TIDE GATE MAINTENANCE

The existing north and south outfalls to the beach shall be maintained and operated only by Pacific County Flood Control District No. 1, under the guidance of Pacific County Public Works Department. Surfside shall maintain and control only the intakes located on the inland side of each of the two beach outfalls.

At such time Surfside receives a complaint regarding necessary maintenance and/or repair of the north and south beach outfalls be necessary, Surfside management shall notify Pacific County Public Works with details of the request/complaint.

BOARD POLICY – TREE AND PROPERTY BOUNDARY MARKING

Volunteers and/or staff will not go onto member properties to mark property boundaries or mark over height trees, brush or noxious weeds. If it appears that the violation is not on the property which received the complaint, that complaint will be dismissed. At that time, the compliance designee will contact the complainant and provide an explanation as to why the complaint was dismissed.

In the event the complaint is confirmed but the member claims that the violation does not belong to him/her, it will be up to him/her to prove that the violation is not his/hers by confirming the location of the property line. Determining the property line may be done by:

- Working with neighbors to resolve the complaint.
- Locating the property pins and stringing a line or mark between the markers.
- Having a licensed surveyor locate property markers then mark the property line.
- Having a registered survey done then personally mark the property line.
- Other legally acceptable means.

Adopted 11/18/2017

BOARD POLICY – WEEKENDER

Surfside has a weekly newsletter which shall be available to the membership dated Friday of each week. When possible, it will be published by Thursday end of day to give part-timers a chance to make plans for travel the following day. Members who wish to place an article/flyer into the WEEKENDER need to have it at the Business office by 1:00 p.m. Thursday afternoon.

The WEEKENDER is intended to provide updates of the goings on in Surfside and on the peninsula. The WEEKENDER shall:

- Include fact-based articles only
- Promote harmony
- Include short articles only
- Will promote not-for-profit businesses and/or churches
- Include community activities put on by not-for-profit or churches

The WEEKENDER will not:

- Promote personal blogs
- Advertise for-profit businesses
- Be more than 15 pages

The Board of Trustees gives authorization to the Business Manager to administer the WEEKENDER. When needed, the Manager has the authority to make exceptions regarding placement into the Weekender in the event of a questionable article or length of newsletter.

Adopted 06/17/2017

BOARD POLICY – POSITION DESCRIPTION

BOARD OF TRUSTEES

REQUIREMENTS / QUALIFICATIONS:

1. The requirements and qualifications to serve as a member of the Board of Trustees are stated in the Bylaws of the Corporation in Article IV, Trustees and Officers. The only requirement is that the candidate must be a member in “good standing” of Surfside.
2. A “member in good standing” for a Trustee means;
 - a. The member has dues and assessments paid in full or is up to date on a payment plan.
 - b. The member has no outstanding compliance issues in fine status.
 - c. The member meets qualifications for coverage by a fidelity bond to protect Surfside from financial losses caused by a Trustee.

CONTROL AND AUTHORITY:

1. The Board of Trustees is authorized by the Articles of Incorporation and the Bylaws of Surfside. Order of Succession:
 - a. President
 - b. Vice-President
 - c. Secretary
 - d. Treasurer
 - e. Trustees by seniority

TRUSTEE ELECTIONS AND APPOINTMENTS:

1. The procedures for regular Trustee elections are identified in Operating Procedures 101, with a term of three (3) years.
2. If a Trustee resigns or is not able to complete his or her term the position is considered vacant. As defined in the Bylaws, Trustee vacancies occurring in the Board of Trustees are filled by appointment with a majority vote of the remaining Board. The President of the Board, shall recommend a member to fill empty Trustee positions after determining the member is in good standing as defined in the requirements for the position. The person appointed shall hold office temporarily until the next annual meeting of the membership. The position is then considered vacant and will be open for election. (Bylaws, Article IV Section 7)
3. In the event, the number of The Board of Trustees falls below the four (4) identified positions of the President, Vice-President, Secretary and Treasurer, the

remaining Board Members shall call for and complete, a special election. The special election shall be held no later than sixty (60) days following an abbreviated timeline of the election procedures identified in Operating Procedure 101.

BASIC ASSIGNMENT:

1. The basic assignment, duties and responsibilities of the Board of Trustees is set out in the Bylaws and the Articles of Incorporation. These Articles set the Board of Trustees as the legal controlling body of Surfside and set standards as to how these powers are to be used. It shall be the duty of the Board of Trustees to act at all times in the best interest of Surfside and all its members.
2. Trustee responsibilities;
 - a. Attend all Board meetings either in person or remotely unless excused by the President.
 - b. Accept assignments to committees as recommended by the President and adopted by the Board and actively participate in committee meetings.
 - c. Remain a “member in good standing” as defined in “Requirements/Qualifications”, item 2 during their term of office.

DUTIES AND RESPONSIBILITIES:

1. Review incoming and outgoing mail no at least weekly.
2. Inform office staff when out of town, giving location and method of contact.
3. Inform the Business manager, when requests are made to office staff for work on business needs, beyond daily office duties.
4. Annually assess, in cooperation with the Business Manager, the effectiveness of the Board, and make any needed changes to the By-Laws, Covenants, Board Policies, Committee Charters, Position Descriptions or Operating Procedures within the jurisdiction of the Board and make recommendations to improve the operations of the Board.

Amended May 20, 2023

BOARD PRESIDENT

REQUIREMENTS / QUALIFICATIONS:

1. The President of the Board of Trustees is elected by, and from, the full Board of Trustees at the first regular or special meeting following the Annual Meeting.

POSITION CONTROL AND AUTHORITY:

1. The Office of Board President is authorized in the Bylaws of Surfside as stated in Article VII, Section 1.

BASIC ASSIGNMENT:

1. Article VII, Section 1. The President shall preside at all meetings of the trustees and members; he shall sign as President all certificates of membership and all contracts or other instruments in writing authorized by the board of trustees; he shall call special meetings of the trustees or of the members whenever he deems it necessary; he shall have and exercise under the direction of the board of trustees the supervision of the affairs of the corporation.

DUTIES AND RESPONSIBILITIES:

1. The President shall follow the additional assigned duties and responsibilities not covered in Article VII, Section 1.
2. Shall be a member of the Executive Committee, ex-officio, a member of all committees, both standing and temporary.
3. Shall serve at the pleasure of the Board of Trustees.
4. Shall serve no more than two (2) consecutive terms in office.
5. Shall not be a signature on Surfside checks or other financial accounts or instruments.
6. Shall appoint Designated Trustees to any and all Surfside departments, functions and committees with Board approval.
7. Shall have the power to appoint and/or remove all committee chairpersons &/or committee members with Board approval.
8. Shall hear all complaints lodged against Trustees, Designated Trustees, and committee chairpersons.
9. Shall be a member of and shall preside over all meetings of the Executive Committee.
10. Annually assess, in cooperation with the Business Manager, the effectiveness of the office of the President, and make recommendations to the Board on any needed changes to the By-Laws, Covenants, Board Policies, Committee Charters, Position Descriptions or Operating Procedures pertaining to the jurisdiction of the office of the President and make recommendations for improvement of the operation of the office of the President.

BOARD VICE PRESIDENT

REQUIREMENTS / QUALIFICATIONS:

1. The Vice-President of the Board of Trustees is elected by, and from, the full Board of Trustees at the first regular or special meeting following the Annual Meeting.

POSITION CONTROL AND AUTHORITY:

1. The Office of Vice-President is authorized in the Bylaws of Surfside as stated in Article VII, Section 2.

BASIC ASSIGNMENT:

1. Article VII, Section 2. Vice-President. The Vice-President shall preside at all meetings of the trustees and members in the absence of the President, and in case of the absence or disability of the President shall perform all other duties of the President which are incidental to his/her office.

DUTIES AND RESPONSIBILITIES:

1. The following are the assigned duties and responsibilities of the Vice-President which are not covered in Article VII, Section 2:
2. Shall be a member of the Executive Committee,
3. Shall perform all other duties assigned by the Board President.
4. Annually assess, in cooperation with the Business Manager, the effectiveness of the office of the Vice-president, and make recommendations to the Board on any needed changes to the By-Laws, Covenants, Board Policies, Committee Charters, Position Descriptions or Operating Procedures pertaining to the jurisdiction of the office of the Vice-president and make recommendations for improvement of the operation of the office of the Vice-president.

BOARD SECRETARY

REQUIREMENTS / QUALIFICATIONS:

1. The Secretary of the Board is elected by, and from, the full Board of Trustees at the first regular or special meeting following the Annual Meeting.

POSITION CONTROL AND AUTHORITY:

1. The Office of Board Secretary is authorized in the Bylaws of Surfside as stated in Article VII, Section 3.

BASIC ASSIGNMENT:

1. Article VII, Section 3. Board Secretary. The Secretary shall preside at all meetings of the trustees and members in the absence of the President and or Vice-President. The Secretary shall issue all notices and shall attend and keep the minutes of all meetings; he/she shall have charge of all corporation books, records and papers; he/she shall be custodian of the corporate seal, shall attest his/her signature and impress with the corporate seal all written contracts of the corporation, and shall perform all such other duties as are incidental to his/her office.

DUTIES AND RESPONSIBILITIES:

1. The following are the assigned duties and responsibilities of the Board Secretary not covered in Article VII, Section 3. The Board Secretary.
2. Shall be a member of the Executive Committee,
3. Shall fulfill all duties assigned by Operating Procedure #101 concerning elections,
4. Annually assess, in cooperation with the Business Manager, the effectiveness of the office of the Secretary, and make recommendations to the Board on any needed changes to the By-Laws, Covenants, Board Policies, Committee Charters, Position Descriptions or Operating Procedures pertaining to the jurisdiction of the office of the Secretary, and make recommendations for improvement of the operation of the office of the Secretary.

BOARD TREASURER

REQUIREMENTS / QUALIFICATIONS:

1. The Treasurer of the Board of Trustees is elected by, and from, the full Board of Trustees at the first regular or special meeting following the Annual Meeting.

POSITION CONTROL AND AUTHORITY:

1. The Office of Board Treasurer is authorized in the Bylaws of Surfside as stated in Article VII, Section 4.

BASIC ASSIGNMENT:

1. Article VII, Section 4. Board Treasurer. The Treasurer shall preside at all meetings of the trustees and members in the absence of the President, Vice-president, and Board Secretary. The Treasurer shall keep safely all money and securities of the corporation and disburse the same under the direction of the Board of Trustees. He/she shall cause to be deposited all funds of the corporation in a bank selected by the Trustees. At each Annual Meeting of the members, and at any time directed by the Trustees, he/she shall issue and present a full statement showing in detail the condition of the affairs of the corporation.

DUTIES AND RESPONSIBILITIES:

1. The following are the assigned duties and responsibilities of the Board Treasurer not covered in Article VII, Section 4. The Board Treasurer.
2. Shall be a member of the Executive Committee,
3. Shall be the Chairperson of the Budget Committee,
4. Shall be the Chairperson of the Investment Committee,
5. Shall be the Chairperson of the Audit Committee,
6. Shall ensure the integrity of the Safety Deposit Box,
7. Shall oversee all functions concerning the making and keeping of the permanent financial records,
8. Annually assess, in cooperation with the Business Manager, the effectiveness of the office of the Treasurer, and make recommendations to the Board on any needed changes to the By-Laws, Covenants, Board Policies, Committee Charters, Position Descriptions or Operating Procedures pertaining to the jurisdiction of the office of the Treasurer and make recommendations for improvement of the operation of the office of the Treasurer.

DESIGNATED TRUSTEE

REQUIREMENTS / QUALIFICATIONS:

1. The requirements and qualifications to be a Designated Trustee are as follows:
 - a. Be a member of the Board of Trustees
 - b. Be willing to serve when appointed by the Board President
 - c. Have a working knowledge, or obtain such knowledge, of the duties and workings of the assigned department or committee

CONTROL AND AUTHORITY:

1. The authority for this position was granted by a resolution of the Board of Trustees for the purpose of allowing the Board President to delegate authority and responsibility to those of his/her choice.

BASIC ASSIGNMENT:

1. The Designated Trustee is an arm of the President of the Board. He/she is appointed by the President to be a liaison between the President and the Board and the assigned department or committee. The Designated Trustee shall be responsible for the policy oversight of the department, committee or other function assigned to him/her. The Business Manager shall have direct responsibility for the day-to-day management of all departments, committees, or other functions of Surfside, and shall seek guidance from, and consult with, the Designated Trustee for a particular function.
2. In the case of an assignment to a Surfside Homeowners Association Department, (Business Office, Water Department, Sheriff's Patrol, Compactor/RV Storage Area or Legal Representative) it shall be the duty of the Designated Trustee to familiarize them self with the operation of the activity. The oversight of these activities shall include policy review and guidance to the Business Manager and department manager on the efficient and effective operation of the activity, participation in the annual goal setting and evaluation of the manager, employees, and operation of the department.
3. In the case of committee assignment, the Designated Trustee should be an active member of the committee.
4. Annually assess, in cooperation with the Business Manager, the effectiveness of the assigned area of responsibility and make recommendations to the Board on any needed changes to the By-Laws, Covenants, Board Policies, Committee Charters, Position Descriptions or Operating Procedures within the jurisdictions of the assigned area of responsibility and make recommendations for improvement of the operations of the assigned area of responsibility.

ARCHITECTURAL COMMITTEE

PURPOSE:

1. To provide for the orderly review of all submitted plans for buildings, and any other structures proposed in areas under the control of the Surfside Homeowners Association. To render an opinion as to whether the plans in for review meet all the requirements and restrictions of the bylaws and covenants of Surfside. These decisions shall be consistent and fair to all applicants.

DURATION:

1. This committee shall have permanent status.

APPOINTMENT:

1. The chairperson of the architectural committee shall be appointed by the President of the Board of Trustees, at the first regular board meeting following the annual meeting each year, with the advice and consent of a majority of the sitting board. The chairperson shall choose the remainder of his committee with the concurrence of the Board. This committee shall have no fewer than three members.

QUALIFICATIONS:

1. The chairperson and each member of the Architectural Committee shall be a member in good standing of Surfside.

DUTIES AND RESPONSIBILITIES:

1. The committee shall hold weekly meetings in Surfside Business office.
2. The committee chair shall determine the day and time.
3. The day and time will be the same each week unless unusual circumstances make change necessary.
4. Meetings will be held only when there is a necessity; Regarding plans to review or other committee business.
5. .
6. Special committee meetings may be called by the chairperson if the need should arise.
7. The committee shall review all plans and applications in accordance with the terms and conditions set forth in Operating Procedure #104.
8. All action taken by the committee shall not be in conflict with the Articles of Incorporation, Bylaws, Covenants/Architectural Guidelines or Operating Procedure #104.
9. The Committee has the authority to grant extensions on a case-by-case basis.
10. All unresolved problems or applications shall be brought to the Board of Trustees.
11. A Designated Trustee shall be appointed by the Board President to assist the committee and as act liaison between the Committee and the Board of Trustees.

12. Set up a Sub-Committee to work with the covenant compliance designee on matters involving inspection of property and enforcement of all Committee related bylaws and covenants.
13. Annually assess, in cooperation with the Business Manager, the effectiveness of the Committee, and make recommendations to the Board on any needed changes to the By-Laws, Covenants, Board Policies, Committee Charters, Position Descriptions or Operating Procedures within the jurisdiction of the Committee and make recommendations for improvement of the operation of the Committee.

COMMITTEE CHARTER

ARCHITECTURAL COMMITTEE

PURPOSE:

1. The purpose of this sub-committee is to supplement the workings of the architectural committee by providing an inspection and enforcement arm.

DURATION:

1. This sub-committee is an extension of the architectural committee and as such has permanent status.

APPOINTMENT:

The chairperson of this sub-committee shall be appointed by the Committee Chair. The other members of this sub-committee shall be appointed from the members of the regular architectural committee. The Committee members shall be Board approved.

DUTIES AND RESPONSIBILITIES:

1. Shall be responsible for property inspections and reviews relating to development projects.
2. Shall work with the covenants compliance designee to handle complaints arising from the covenant and Bylaw violations as they pertain to the areas governed by the Architectural Committee.
3. Annually assess, in cooperation with the Business Manager, the effectiveness of the Committee, and make recommendations to the Board on any needed changes to the By-Laws, Covenants, Board Policies, Committee Charters, Position Descriptions or Operating Procedures within the jurisdiction of the Committee and make recommendations for improvement of the operation of the Committee.

COMMITTEE CHARTER

SUB COMMITTEE – TREE, BRUSH, VEGETATION & NOXIOUS WEED

PURPOSE:

1. This committee has the responsibility to ensure that the restrictive covenants are adhered to in all matters regarding tree height, slash, overgrowth of vegetation and noxious weeds. The Committee shall work in conjunction with the covenant’s compliance designee on all Covenant violations related to the Committee.

DURATION:

1. This committee shall have permanent status.

APPOINTMENT:

1. This committee shall have three or more members. The committee chairperson shall be appointed by the President of the Board of Trustees with the approval of the board. Additional members will be appointed by the Committee Chairperson with Board approval.

QUALIFICATION:

1. All members of this committee must be members in good standing.
2. Meetings of this Committee shall be called by the Chairperson as often as required to fulfill this charter.
3. Determine whether trees or other vegetation on a platted parcel “and that these trees or other vegetation do not comply with the height restrictions as stated in Covenant 5.3 and Exhibit “A” of the Restrictive Covenants.
4. The Committee shall work with the covenant compliance designee on written complaints received in the Surfside Business office. No verbal or telephone complaints shall be accepted or acted upon.
5. The Committee may initiate actions to achieve compliance with the restrictive covenants, may make recommendations to the Board for changes to the covenants, and may initiate enforcement of the covenants.
6. The Committee has the authority to grant extensions on a case-by-case basis.
7. Enforcement of this Restrictive Covenant shall conform to the provision of Covenant. 6.0 The owners right of appeal shall be governed by the provisions set out in Covenant 6.8
8. The Committee shall research the removal of noxious weeds and provide information and/or educational materials (when available) to the membership.
9. The Committee shall bring all findings of their investigation of complaints to the Business Manager or his designee for the appropriate action, i.e., finding of no problem, finding of problem requiring a letter be sent or the finding of noncompliance of previous letter.
10. The Committee Chairperson shall bring those complaints requiring legal action to the Board through the Business Manager.

11. The Chairperson shall prepare a written report for each monthly Board Meeting.
12. The Committee will submit to the Business Manager any information he/she deems important regarding current rules or regulations having to do with burning, fire danger, tree debris or methods of control, for publication in Surfside's newsletter.
13. The committee Chairperson shall annually supply the Secretary to the Board with a current list of all Committee members' names and addresses.
14. Annually assess, in cooperation with the Business Manager, the effectiveness of the Committee, and make recommendations to the Board on any needed changes to the By-Laws, Covenants, Board Policies, Committee Charters, Position Descriptions or Operating Procedures within the jurisdiction of the Committee, and make recommendations for improvement of the operation of the Committee.

COMMITTEE CHARTER

RV COMMITTEE

PURPOSE:

The purpose of the committee shall be:

1. To examine and ensure consistency with the Surfside HOA Bylaws, Covenants, Operations Manual, Permit Documents, and Recreational Vehicle (RV) Storage and Use documents.
2. To support the Compliance Coordinator during such time as the Committee is in session.
3. To serve as liaison between members of Surfside HOA and the Board of Trustees.

DURATION:

The Committee shall have status as a standing committee. It shall meet at the direction of the President of the Board of Trustees when required to update, review, change or make recommendations to governing documents.

APPOINTMENT:

The Committee shall have at least three members, one of which shall be a member of the Board of Trustees. The Committee Chairperson and the Trustee shall be appointed by the President with the approval of the Board. The Chairperson shall select the remaining members of the Committee. Committee members shall be Board approved.

QUALIFICATION:

All members of this Committee shall be members in good standing as defined in Board Policy - Committees. Surfside employees or agents will serve as advisory staff to the Committee.

DUTIES AND RESPONSIBILITIES:

Meetings of the Committee shall be called by the Chairperson at their discretion as often as necessary to fulfill the Committee Charter.

1. The Committee will work in conjunction with the Land, Buildings & Waterways Committee and the Water Systems/Field Operations Manager for long range planning and improvements to the RV Storage Area.

2. The Committee may make recommendations to the Board regarding changes to the Covenants and other governing documents.
3. The Chairperson shall prepare a written report for monthly Board meeting during such times as the Committee is in session.
4. The Committee may submit to the Business Manager any information deemed important to the membership of the Surfside HOA regarding current rules and/or regulations pertaining to RVs for publication in Surfside's media. Rev. 10/16/23
5. The Chairperson of the Committee will provide a written report to keep the Board apprised of any RV related management issues.
6. The Chairperson of the Committee will submit each August a current list of all members of this Committee to the Secretary to the Board.
7. The Committee will annually assess, in cooperation with the Business Manager, the effectiveness of the Committee, and make recommendations to the Board of any needed changes to the Bylaws, Covenants, Operations Manual, Permit Documents, RV Storage and Use Documents, Committee Charter and other matters pertaining to RVs within the jurisdiction of the Committee as well as making recommendations for improvement of the operation of the Committee.

Revised 10/16/2023

COMMITTEE CHARTER

EMERGENCY MANAGEMENT COMMITTEE

PURPOSE:

1. To identify potential emergency management issues facing Surfside; assess their potential seriousness, frequency and likelihood; identify means for protecting Surfside lives and property from loss or damage; develop recommendations for Surfside members to protect their health and safety; identify measures SHOA can take to protect lives and property in the event of emergencies; work cooperatively with federal, state, and local emergency management agencies and resources; assess the effectiveness of emergency management at all levels; and make improvements.

DURATION:

1. The committee shall have permanent status.

APPOINTMENT:

1. The chairperson of the Emergency Management Committee shall be appointed by the President of the Board of Trustees at the first regular Board meeting following the annual meeting each year, with the advice and consent of the majority of the sitting Board. The chairperson shall choose the remainder of his/her committee with the approval of the Board. The committee shall have no fewer than three members.

QUALIFICATION:

1. The chairperson and each member of the Emergency Management Committee shall be a member in good standing.

DUTIES AND RESPONSIBILITIES:

1. The committee will develop an emergency plan for the Surfside Homeowners Association.
2. The committee will have an educational component. It is anticipated that workshops, lectures, and brochures will be developed for emergency issues for Surfside.
3. The committee will develop liaisons with other governmental and non-governmental organizations to plan and manage emergency situations which may occur.
4. Prepare recommendations for the Board, to include mitigation, response, recovery, and preparedness.
5. The committee shall hold monthly meetings, and as the need arises.
6. A designated trustee shall be appointed by the Board President to assist the committee and act as a liaison between the Committee and the Board of Trustees.
7. Annually assess, in cooperation with the Business Manager, the effectiveness of the committee, and make recommendations to the Board on any needed changes of the By-Laws, Covenants, Board Policies, Committee Charters, Position Descriptions or

Operating Procedures within the jurisdiction of the committee and make recommendations for improvement of the operation of the Committee⁴.

⁴ Adopted 9/15/2012
Revised 03/15/2014

COMMITTEE CHARTER

AUDIT COMMITTEE

PURPOSE:

1. To work with external auditors to ensure correct accounting policies are being followed and that a qualified and experienced firm is hired based on their credentials and to keep a line of communications open among the Board, auditors, and committee members.

DURATION:

1. This committee shall have permanent status.

APPOINTMENT:

1. This committee shall be the budget committee with one additional member who is not a Surfside Homeowners Association Board or Committee member, or a Surfside Homeowners Association employee. The appointment must be confirmed by the Board of Trustees. The Committee members shall be Board approved.

QUALIFICATION:

1. All members of this Committee shall be members in good standing of Surfside Homeowners Association.
2. Quarterly review of revenue and expense statements.
3. Quarterly verify bank balances and financial position of Surfside Homeowners Association.
4. Annually review of revenue and expense statements and verify bank balances.
5. Annually make recommendations of hiring external auditors based on credentials.
6. Annually analyze, in cooperation with the Business Manager, the effectiveness of the committee and make recommendations to the Board of any needed changes to the By-Laws, Covenants, Board Policies, Committee Charters, Positions Descriptions or Operating Procedures within the jurisdiction of the committee and make improvement of the operations of the committee.
7. Prepare written reports to the Board of Trustees.

COMMITTEE CHARTER

BUDGET COMMITTEE

PURPOSE:

1. To develop and present a complete budget covering all the needs and requirements of Surfside in accordance with operating procedure #103.

DURATION:

1. This committee shall have temporary status.

APPOINTMENT:

1. This committee shall have no more than four members at large. The Board Treasurer shall be the Chairperson, the Bookkeeper and the Business Manager shall be members of this Committee. The Chairperson shall select the remaining members. The Committee members shall be Board approved.

QUALIFICATION:

1. All members of this Committee shall be members in good standing of Surfside Homeowners Association or paid employees or agents.
2. Collect and collate all information from all Managers, Designated Trustees and Committee Chairpersons whose planning or operations will impact Surfside funds.
3. Develop and present a budget in conjunction with the computerized accounting program and ledger used for the financial reports and statements of Surfside.
4. Ensure the complete coordination of all budget items and departments.
5. Submit a list of the names and addresses of all Committee members to the Board Secretary.
6. Submit monthly written reports to the Board of Trustees during the active life of the Committee.
7. A final draft of the proposed budget will be submitted to the Board at the October monthly Board meeting.
8. Annually assess, in cooperation with the Business Manager, the effectiveness of the Committee, and make recommendations to the Board on any needed changes to the By-Laws, Covenants, Board Policies, Committee Charters, Position Descriptions or Operating Procedures within the jurisdiction of the Committee and make recommendations for improvement of the operation of the Committee.

COMMITTEE CHARTER

COMMUNITY RELATIONS COMMITTEE

PURPOSE:

1. To enhance communication among the members, between the board and the members, and between Surfside and the external community; to provide needed information to new and existing members; to increase member involvement and participation in the community; to plan, implement, and improve activities for members.

DURATION:

1. This committee shall have permanent status.

APPOINTMENT:

1. There may be 2 Co-Chairpersons of the Community Relations Committee. In the event that they choose to have co-chairs, they shall be appointed by the President of the Board of Trustees, at the first regular Board meeting following the annual meeting each year, with the advice and consent of a majority of the sitting Board. The Co-Chairpersons shall choose the remainder of his/her committee with the approval of the Board. This committee shall have no fewer than three members.

QUALIFICATION:

1. The Co-Chairs or Chairperson and each member of the Community Relations Committee shall be a member in good standing.

DUTIES AND RESPONSIBILITIES:

1. The Committee shall have the option to provide input for articles submitted, or topics to be addressed, in Surfside publications, such as the newsletter, weekender and web page. This input is to further the committee's purpose, to enhance communications between members and the board by addressing issues that are relevant. The Committee shall also have the option to review the content of the newsletter before editing and submission to the first print, at a time when additions or deletions can be added.
2. The committee shall plan and carry out other activities in conformance to this Charter.
3. The committee shall hold meetings as the need arises.
4. The committee chair shall determine the day and time.
5. A designated trustee shall be appointed by the Board President to assist the committee and act as liaison between the committee and the Board of Trustees.
6. Annually assess, in cooperation with the Business Manager, the effectiveness of the Committee, and make recommendations to the Board on any needed changes to the By-Laws, Covenants, Board Policies, Committee Charters, Position Descriptions or Operating Procedures within the jurisdiction of the Committee and make recommendations for improvement of the operation of the Committee.

Revised 11/17/18

COMMITTEE CHARTER

ELECTION COMMITTEE

ELECTION COMMITTEE CHAIRPERSON

1. Instructions to and qualifications for the Election Committee Chairperson.
2. The Election Committee Chairperson shall oversee the entire Election Process.
3. Election Committee Chairperson shall be a member of the Board of Trustees. This requirement can be waived by a majority vote of the sitting Board.
4. The Election Committee Chairperson shall select a Nominating Committee Chairperson and present that name to the full Board of Trustees for appointment in February.
5. This person may be chosen by the Election Committee Chairperson from a list of volunteers or by any other process which is agreeable to the Board.
6. The Election Committee Chairperson shall act as the Designated Trustee and Board adviser to the Nominating Committee.
7. The Election Committee Chairperson shall find and bring forward to the full Board of Trustees a Designated Election Committee Chairperson for the purpose of handling the Management Proxy Voting, Floor Ballots, and vote tallying for and at the Annual Meeting. This shall be a paid position under a contract drawn by Surfside's attorney.
8. The Election Committee Chairperson shall act as liaison between the DECC and the Board of Trustees.
9. It shall be the duty of the Election Committee Chairperson to supervise the printing and safe keeping of all Management Proxies and floor ballots until they are mailed or turned over to the DECC.
10. Annually assess, in cooperation with the Business Manager, the effectiveness of the Committee, and make recommendations to the Board on any needed changes to the By-Laws, Covenants, Board Policies, Committee Charters, Position Descriptions or Operating Procedures within the jurisdiction of the Committee and make recommendations for improvement of the operation of the Committee.

COMMITTEE CHARTER

NOMINATING COMMITTEE

PURPOSE:

1. The purpose of the Nominating Committee will be to obtain qualified candidates to run for open positions on the Board of Trustees.

DURATION:

1. This committee is of temporary status. The Committee shall operate from February to July of each year.

APPOINTMENT:

1. The Nominating Committee Chairperson shall be selected by the Election Committee Chairperson and appointed by the Board of Trustees at the regular Board meeting in February. The NCC will then select at least three qualified members in good standing of the Surfside Homeowners Association to serve on the Committee. The Committee members shall be Board approved.

DUTIES AND RESPONSIBILITIES OF THE NOMINATING COMMITTEE CHAIRPERSON AND NOMINATING COMMITTEE

1. The NCC and Nominating Committee shall consult and update the ECC on all actions taken by the Committee.
2. The NCC shall call as many meetings of the committee as needed to successfully complete their charter.
3. The Committee shall solicit and/or obtain the names of Surfside Homeowners Association members who may wish to serve on the Board of Trustees. It shall be the duty of the NCC to validate all applications submitted for consideration. (This shall be done in conjunction with Surfside Homeowners Association office personnel)
4. The committee will inform the potential candidates of the obligations and workload required of Board candidates. The Nominating Committee shall submit all valid applications to the Board of Trustees
5. A brief synopsis of each candidate shall be prepared by the committee, using the resume and results from the committee review.
6. The synopsis along with the application, resume, candidate's statement, and candidate's questions will be presented to the Board of Trustees at the regular Board Meeting in May.

Annually assess in cooperation with the Business Manager, the effectiveness of the Committee, and make recommendations to the Board on any needed changes to the By-Laws, Covenants, Board Policies, Committee Charters, Position Descriptions or Operating Procedures within the jurisdiction of the Committee; and make recommendations for improvement of the operation of the Committee.

SAMPLE BOARD OF TRUSTEE CANDIDATE APPLICATION

The purpose of this application is to give you, the candidate, a forum to express your willingness to serve on the Surfside Homeowners Association Board of Trustees, and to list your reasons and qualifications, via resume, to do so. Surfside requires that you be a “Member in Good Standing” (membership dues paid in full) of Surfside Homeowners Association, and that you have a real desire to make Surfside a better place for all our members.

NAME: _____

ADDRESS: _____

TELEPHONE: _____ (home) _____ (work)

DIVISION _____ BLOCK _____ LOT _____

Submit a resume including your specific skills, abilities, and experiences that you feel would make you an asset to Surfside.

Submit a short Candidate Statement, no more than 75 words, to be given to the Board of Trustees and to be used in the Surfside Homeowners Association newsletter, etc. If the Candidate Statement is over 75 words, the Nominating Committee has the right to edit to the correct amount of words. The Candidate has final approval over what is in the Candidate Statement.

You will receive an agenda of events, a current Surfside Homeowners Association handbook, and be asked to participate in some local activities to meet the Surfside Homeowners Association members you will be serving.

BY MY SIGNATURE BELOW, I CERTIFY THAT ALL INFORMATION GIVEN IN MY RESUME, CANDIDATE STATEMENT, CANDIDATE QUESTIONS AND APPLICATION IS ACCURATE AND TRUTHFUL.

CANDIDATE’S SIGNATURE: _____

Thank you for your interest in running for the Board and for supporting Surfside.

Your Application, Resume, Candidate’s Statement, and Candidate Questions are to be submitted no later than _____. Please return the documentation to the Surfside Homeowners Association office, either in person or by mail:

Surfside Homeowners Association
ATTENTION: Nominating Committee
31402 H Street
Ocean Park, WA 98640

(continued on back)

****DO NOT WRITE BELOW LINE NOMINATING COMMITTEE USE****

DATE/TIME RECEIVED IN Surfside HOMEOWNERS ASSOCIATION BUSINESS

OFFICE _____

MEMBERSHIP VERIFIED: _____ BY: _____ (initials)

DATE VERIFIED: _____

APPLICATION received _____

RESUME received _____

STATEMENT received _____

QUESTIONS received _____

Candidate Statement accepted by Candidate

(Candidate signature)

CANDIDATE INFORMATION SHEET AND AGENDA OF EVENTS AND EXPECTATIONS

Submit Candidate Information Cover Sheet, your formal resume, your candidate statement, and a formal photo to:

Surfside Homeowners Association

ATTENTION: Nominating Committee

31402 H Street, Ocean Park, WA 98640

by 4:00 p.m. the last business day of April.

Candidates' photo can be taken at the Business Office during normal business hours.

Candidates will be introduced to the Board at the May Board meeting. No candidate comments will be made, and no questions taken. Candidates are invited to attend the regular Board meetings in May and June.

Candidates will be asked to participate in Surfside Homeowners Association election events.

All candidates will be introduced at informal public meetings, separate from regular Board meetings in May and June to answer questions of the membership and Trustees.

The Nominating Committee will interview each candidate. The recording of the interview will be available on the Surfside Website.

The Nominating Committee will review applications to ensure they are complete.

The placement of candidate names on election materials will be done by a random draw.

Amended May 20, 2023

SAMPLE INTERVIEW QUESTIONS FOR BOARD OF TRUSTEE CANDIDATES

1. Candidate Name: _____ Date: _____

2. Why do you want to be a Trustee?

3. Is there any reason you would not be able to attend, in person or electronically, at least 60% of the following meetings:

- a. Regular Business meetings, third Saturday of the month?
- b. Special meetings of the Board?
- c. Committee meetings of which you are a member?

4. All Trustees will be assigned to oversight committees such as: Water System Planning and Community Relations committees. You may be elected to serve as President, Vice-President, Secretary or Treasurer. Are you willing to accept these responsibilities?

5. There is a conflict-of-interest clause in the Operations Manual of the Surfside Homeowners Association.

- a. Have you read it?
- b. Do you understand it?
- c. Do you have questions about it?
- d. Are you willing to recuse yourself from voting on an issue if you have a Conflict of Interest?

6. Except for Board authorized travel, there is no travel allowance or reimbursement. Are you willing to serve under these conditions?

7. What offices have you held in other organizations? Explain organization, time frame, and your office.

8. Additional Comments (if any):

Amended May 20, 2023

BOARD OF TRUSTEE INFORMATION COVER SHEET

NAME: _____
ADDRESS: _____
TELEPHONE: _____ cell _____ other _____
EMAIL: _____

New candidate information is gathered between April 1 and April 30 each year.

The purpose of gathering this information is to give you, the candidate, a forum to express your willingness to serve on the Surfside Homeowners Association Board of Trustees, and to list your reasons and qualifications to do so.

Surfside requires:

1. The candidate dues and assessments are paid in full, or you are up to date on a payment plan.
2. The candidate has no compliance issues in fine status.
3. The candidate meets qualifications for coverage by a Fidelity Bond.

Please submit with this cover sheet:

1. Your RESUME which includes your skills, abilities, and volunteer experiences you feel would make you an asset to Surfside. Your resume should be formatted in the formal style (see attached example).
2. Your CANDIDATE STATEMENT which should be no more than 150 words.
3. A recent photo. You may have your photo taken at the business office.

The Nominating Committee has the right to ask candidates to adhere to these standards.

Please return the documentation either in person, by email, or mail no later than 4:00 pm on April 28th to:

Surfside Homeowners Association
ATTENTION: Nominating Committee
31402 H Street, Ocean Park, WA 98640

Your resume, candidate statement, and photo will be used in the Surfside Homeowners Association newsletters, and on the Surfside website. In addition, your audio interview with the Nominating Committee will be available to the membership on the website.

You will be given several opportunities from April through June to meet in public forums to answer questions from members and Trustees.

BY MY SIGNATURE BELOW, I CERTIFY THAT ALL INFORMATION GIVEN IN MY RESUME, CANDIDATE STATEMENT AND INTERVIEW IS ACCURATE AND TRUTHFUL.

CANDIDATES SIGNATURE:

Thank you for your interest in running for the Board and for supporting Surfside.

“NOMINATING COMMITTEE USE ONLY”

DATE/TIME RECEIVED BY COMMITTEE:
NOTES:

Member	Resume	Statement	Interview	Dues Paid	Fine Status	Insurable

Amended May 20, 2023

COMMITTEE CHARTER

DESIGNATED ELECTION COMMITTEE CHAIRPERSON

PURPOSE:

1. It is the responsibility of the Designated Election Committee Chairperson (DECC) to insure a fair and impartial election, and that the election process adheres to the guidelines set out in the Articles of Incorporation, Bylaws, and Operating Procedure #101.

DURATION:

1. This is a temporary paid position. The position shall be filled at the regular May Board meeting and shall terminate when all election results and reports are presented to the full Board of Trustees.

APPOINTMENT:

1. The DECC shall be hired by the Board of Trustees at a regular Board meeting. The names of candidates for DECC shall be brought forward by the Election Committee Chairperson. The person hired shall be paid according to the contract drawn up by Surfside's attorney.

QUALIFICATION:

1. The DECC shall have no affiliation with the Surfside Homeowners Association, nor be related to any Board member or candidate for office. The DECC shall have previous election experience whenever possible.
2. The DECC shall be of reputable character, bonded and totally impartial.
3. The DECC shall coordinate all activities with the Election Committee Chairperson.
4. The DECC shall use the Election Committee Chairperson as his/her liaison to the Board of Trustees.
5. The DECC shall have complete autonomy regarding all aspects of the Management Proxy and Floor Ballot voting and tabulation of results and the reporting of said voting.
6. The DECC shall adhere to all Election procedures as set out in the Articles of Incorporation, the By-Laws, and Operating Procedure #101.
7. The DECC shall oversee the function and operation of the Registration Committee.
8. The Registration Committee shall be composed of Surfside Homeowners Association office personnel and those others deemed necessary by the DECC.
9. The DECC shall hire additional people for the committee who are deemed necessary by the DECC to complete the Committee Charter. These other people shall be paid by Surfside as per a prior agreed upon hourly rate negotiated with the DECC and the Board of Trustees.

10. The DECC shall be supplied with a copy of Operating Procedure #101, a copy of the Committee Charter and a copy of the Surfside Homeowners Association Articles of Incorporation and By-Laws, and any other material needed by the DECC to complete his/her assigned duties.
11. The DECC shall annually assess in cooperation with the Business Manager, the effectiveness of the function and make recommendations to the Board on any needed changes to the By-Laws, Covenants, Board Policies, Committee Charters, Position Descriptions or Operating Procedures within the jurisdiction of the Committee and make recommendations for improvement of the operation of the Committee.

Amended May 20, 2023

COMMITTEE CHARTER

REGISTRATION COMMITTEE

PURPOSE:

1. To facilitate the efficient and effective registration of members for elections and meetings where registration is required.

DURATION:

1. This Committee shall be appointed and terminated on an as needed basis. In the case of the annual membership meeting, the Committee shall be organized in June and terminated at the conclusion of the annual meeting.

APPOINTMENT:

1. The Registration Committee shall be comprised of the office personnel of Surfside Homeowners Association, and any others deemed necessary by the DECC. These additional assistants shall be either members in good standing of Surfside Homeowners Association or the hired assistants of the DECC.
2. The Registration Committee will report to and be directed by the DECC and/or the Election Committee Chairperson.
3. The Registration Committee shall take no action that would put the Committee in conflict with the rules and regulations set out in the Articles of Incorporation, the By-Laws, or Operating Procedure #101, or instruction issued by the DECC or the Election Committee Chairperson.
4. The Responsibility and Duties of the Registration Committee shall be as follows;
 - a. To establish and organize all the records and paperwork necessary to check the eligibility of effectively and efficiently, and to register qualified members of the Surfside Homeowners Association in the allotted time prior to the Annual Membership Meeting or other designated election or function.
 - b. To ensure that all needed information, material, and records are available at the designated time and place of the Annual Meeting or other election or function. It shall also be the responsibility of the Registration Committee to ensure all of the election material and records are collected and returned to the Surfside Homeowners Association's Business office.
 - c. To assist the DECC, the Election Committee Chairperson and the Board Secretary as needed or directed.
 - d. To access annually in cooperation with the Business Manager, the effectiveness of the Committee, and make recommendations to the Board on any needed changes to the By-Laws, Covenants, Board Policies, Committee Charters, Position Descriptions or Operating Procedures within the jurisdiction of the Registration

Committee and make recommendations for improvement of the operation of the Committee.

Amended May 20, 2023

COMMITTEE CHARTER

EXECUTIVE COMMITTEE

PURPOSE:

1. To formulate decisions or plans necessary to handle situations of an immediate nature which do not allow for a timely convening of the full Board of Trustees and/or to handle sensitive employee or employment problems and legal issues.

DURATION:

1. This Committee shall have permanent status.

APPOINTMENT:

1. This committee shall be comprised of the elected officers of the Board of Trustees, i.e.: President, Vice-President, Secretary and Treasurer.

QUALIFICATION:

1. Duly elected officers of the Surfside Homeowners Association.
2. The President of the Board of Trustees shall be the Chairperson of the Executive Committee.
3. Meetings of this committee shall be called at the discretion of the chairperson or two or more of the committee members.
4. Minutes of all committee meetings shall be kept, and a report of all meetings shall be given at the next regular Board meeting.
5. Any action or formal acceptance of any recommendations shall be placed in the minutes of the next regular Board meeting.⁵
6. Meetings may be partially or wholly telephonic depending on the nature of the subject requiring committee action.
7. Annually assess in cooperation with the Business Manager, the effectiveness of the Committee, and make recommendations to the Board on any needed changes to the By-Laws, Covenants, Board Policies, Committee Charters, Position Descriptions or Operating Procedures within the jurisdiction of the Committee and make recommendations for improvement of the operation of the Committee.

⁵ Action taken at Executive Committee meetings that deal with employment, employee or legal/financial problems shall be handled according to the Revised Code of Washington (RCW – 64.38.035(2)) pertaining to these matters.

COMMITTEE CHARTER

LAND, BUILDINGS AND WATERWAYS COMMITTEE CHARTER

PURPOSE:

1. Prepare short term (one year) and long term (five year) plans for Surfside land and buildings use, maintenance, upgrades, and repairs.
2. In cooperation with the Water System Planning Committee prepare, maintain, and update the Washington State required reserve study.
3. Promote waterways useful for fishing and small boating by developing and implementing a fish and waterways management program (preventing pollution, controlling weeds, and eliminating invasive or undesirable fish).
4. In coordination with members, other committees, the county, the state, and conversation groups, repair, sustain, and protect all Surfside riparian areas.

DURATION:

This Committee shall have permanent status.

APPOINTMENT:

This Committee shall have at least three members, one of which shall be a member of the Board of Trustees. The Committee Chairperson and the trustee shall be appointed by the President, with the approval of the Board. The Chairperson shall select the remaining members of the Committee. The Committee members shall be Board approved.

QUALIFICATION:

All members of this Committee shall be members in good standing or employees or agents of Surfside Homeowners Association.

DUTIES AND RESPONSIBILITIES:

1. Meetings of the Committee shall be called by the Chairperson at their discretion as often as necessary to fulfill the Committee Charter.
2. The Committee shall investigate any proposed purchases or listing for sale of Surfside land or buildings and report their findings of the investigation to the Board of Trustees.
3. The Committee shall create and maintain a complete physical inventory of all Surfside properties and buildings. The inventory record will be filed in Surfside's Business office and the Business Manager will control custody of the inventory record. The inventory

will be updated each December and presented to the Board of Trustees at their January regular meeting for approval and adoption.

4. The Committee will make recommendations on fish stocking and management to the Board of Trustees once each year.
5. The Committee will make recommendations on maintenance and treatment of the waterways to the Board of Trustees once each year.
6. The Committee will ensure current community fishing regulation signs, hazard, and waterways acceptable use signs are posted and maintained.
7. The Committee will develop a riparian area maintenance and improvement plan in coordination with the Tree, Brush, Vegetation and Noxious Weeds Committee, regulatory and conservation groups while being conscious of member property rights and Surfside easements.
8. The Committee will ensure all management plans adhere to county, state, and federal laws, regulations, and permitting requirements.
9. The Committee will prepare a financial plan each year and present the plan to the Budget Committee at their initial Budget Committee meeting for use in preparing Operations, Maintenance, and Capital Improvement budgets.
10. The Chairperson of the Committee will provide a written report to keep the Board apprised of any Land, Buildings and Waterways management problems.
11. The Chairperson of the committee will submit annually a list of all members of this Committee to the Board Secretary.
12. The Committee will annually assess, in cooperation with the Water System Manager and Business Manager, the effectiveness of the Committee, and make recommendations to the Board on any needed changes to the By-Laws, Covenants, Board Policies, Committee Charters, Position Descriptions or Operating Procedures within the jurisdiction of the Committee and make recommendations for improvement of the operation of the Committee.

Revised 09/02/2022

COMMITTEE CHARTER

FISHING DERBY COMMITTEE

PURPOSE:

1. To coordinate the annual “kid’s fishing derby.”

DURATION:

1. This Committee shall have temporary status.

APPOINTMENT:

The Committee Chairperson shall be appointed by the President with the approval of the Board. The Committee shall have no less than three members. The Committee Chairperson shall select the members of his/her Committee. This Committee will be activated at the February regular Board meeting. The Committee members shall be Board approved.

QUALIFICATION:

1. All members of this Committee shall be members in good standing or employees of Surfside Homeowners Association.
2. Meetings of this Committee shall be called at the discretion of the chairperson as required to fulfill this charter.
3. The Chairperson of this Committee shall coordinate with the Chairperson of the Fish Management Committee and the Field Superintendent.
4. All expenditures will be coordinated with the Bookkeeper through the Business Manager.
5. The Chairperson shall submit to the Board Secretary a list of the names and addresses of all Committee members.
6. The Committee shall be responsible for the following;
7. Recruiting volunteers from Surfside members to handle:
 - a. Derby registration
 - b. Fish measurement
 - c. Preparation and distribution of refreshments
 - d. Procurement and distribution of prizes
 - e. Photographing the event
 - f. Mapping of fishing sites and assigning adult supervision to ensure compliance with derby rules
 - g. Publicity for the event
 - h. Posters and sign-up sheets for office
 - i. Article for Surfside Weekender and Newsletter publications.
8. Annually assess in cooperation with the Business Manager, the effectiveness of the Committee, and make recommendations to the Board on any needed changes to the By-

Laws, Covenants, Board Policies, Committee Charters, Position Descriptions or Operating Procedures within the jurisdiction of the Committee and make recommendations for them.

COMMITTEE CHARTER

HUMAN RESOURCES COMMITTEE

PURPOSE

1. Support the Board of Trustees and management staff by conducting a periodic review of Surfside's human resource/personnel board policies and employee manual, recommending changes to ensure legal compliance and adherence to state and federal law. Review HR best practices and recommend changes to the BOT.
2. Review policies and regulations adopted by the Surfside BOT to govern the aspects of hiring practices, performance measures, disciplinary procedures, working conditions, compensation, and benefits for employees.
3. Review and update position descriptions, with input from the Business Manager and the Water Systems/Field Operations Manager.
4. Review findings from compensation studies to ensure conformity to industry standards, state and federal laws and Surfside governing documents. Per the Board Policy - Employee Wage and Salary Adjustments, wage and compensation studies will be prepared at a minimum of every three years in the month of May.
5. Review and recommend adjustments to salary ranges for all positions based upon compensation studies. Recommend to the Board of Trustees proposed changes in compensation and benefits for Surfside employees.
6. Review and recommend updates to performance evaluation criteria contained in the Board Policy - Employee Wage and Salary Adjustments and the Employee Manual.
7. Review and recommend updates to procedures for annual review of merit and cost-of-living raises contained in the Board Policy - Employee Wage and Salary Adjustments, and the Employee Manual.

DURATION

This committee shall have status as a special assignment committee. It shall meet at the direction of the President of the Board of Trustees when required to update, review, change or make additions to human resources/personnel practices of the Surfside Association.

APPOINTMENT

1. The President shall appoint a designated trustee to oversee and act as liaison between the Committee and the Board. The Designated Trustee shall serve as the chairperson and member of the Committee. The Chairperson shall be appointed by the President of the Board of Trustees, with the approval of the Board.
2. The Committee Chairperson shall select other members, (no less than three and no maximum number). The Committee members shall be Board approved.
3. The duties and responsibilities of this Committee are as follows:
 - a. Review all changes and proposed changes in personnel practices in the Operations Manual and Employee Manual to ensure that these changes conform to state and federal law and to the Articles of Incorporation, Bylaws and Restrictive Covenants of Surfside as applicable.
 - b. Upon review of changes or purposed changes, a written report shall be submitted to the Board of Trustees reflecting the Committee findings or recommendations.
4. The Business Manager or designee shall note all changes voted upon by the Board of Trustees and shall ensure that the appropriate changes are included in all existing manuals.
5. The Chairperson shall submit annually a list of committee members' names and addresses to the Board Secretary.
6. Annually assess in cooperation with the Board President, the effectiveness of the committee and make recommendations to the Board on any needed changes to the Bylaws, Restrictive Covenants, board policies and procedures, and make recommendations for improvement of the operation of the committee.

REV 2/10/23

COMMITTEE CHARTER

INSURANCE COMMITTEE

PURPOSE:

1. To ensure that all the insurance requirements as set forth by the Board policy are fully implemented and current.

DURATION:

1. This Committee shall have temporary status.

APPOINTMENT:

The Chairperson of this Committee shall be appointed by the President, with the approval of the Board of Trustees. The Committee shall have no fewer than two or more than three members. One member of this committee shall be a Board member. The Committee members shall be Board approved.

QUALIFICATION:

1. All members of this Committee shall be members in good standing of Surfside Homeowners Association.
2. Meetings of this Committee shall be called at the discretion of the Chairperson as needed to fulfill this charter.
3. Coordinate insurance coverage with Board Policy, Indemnification, and Insurance.
4. Obtain three bids, if possible due to coverage needs, on renewable policies well in advance of renewal date (check with the Bookkeeper for the renewal dates of all policies)
5. Submit bids and a written recommendation to the Board of Trustees for final selection.
6. Obtain additional insurance coverage as needed for Association vehicles and property.
7. Oversee the insurance files in the Business office.
8. Master authorized vehicle operators list
9. Claim forms
10. Billings and payment records
11. Submit estimate of insurance to Budget Committee in September of each year.
12. Submit annually a list of Committee members' names and addresses to the Board Secretary.
13. Annually assess in cooperation with the Business Manager, the effectiveness of the Committee, and make recommendations to the Board on any needed changes to the By-Laws, Covenants, Board Policies, Committee Charters, Position Descriptions or Operating Procedures within the jurisdiction of the Committee and make recommendations for improvement of the operation of the Committee.

COMMITTEE CHARTER

INVESTMENT COMMITTEE

PURPOSE:

1. To develop an investment plan and make recommendations to the Board of Trustees for the secure investment of Surfside funds.

DURATION:

1. This Committee shall have temporary status.

APPOINTMENT:

1. This Committee shall have no fewer than two members or more than four. The Board Treasurer shall be the Chairperson of this Committee. The Bookkeeper shall also be a member. Any additional members may be appointed by the Chairperson. The Committee members shall be Board approved.

QUALIFICATION:

1. All members of this Committee shall be members in good standing or a paid employee or agent of Surfside Homeowners Association. Members with strong financial background preferred.
2. Meetings of this Committee shall be called at the discretion of the chairperson as needed to fulfill this charter.
3. Bi-monthly meetings shall be held to review all investments and deposits.
4. Develop an investment plan which is not in conflict with "Board Policy" dealing with investments. (See Board Policy section, "Investment")
5. Submit annually a list of committee members' names and addresses to the Board Secretary.
6. Present a written report to the Board of Trustees at regular or special Board Meetings as requested.
7. Annually assess in cooperation with the Business Manager, the effectiveness of the Committee, and make recommendations to the Board on any needed changes to the By-Laws, Covenants, Board Policies, Committee Charters, Position Descriptions or Operating Procedures within the jurisdiction of the Committee and make recommendations for improvement of the operation of the Committee.

COMMITTEE CHARTER

POLICY & PROCEDURES COMMITTEE

PURPOSE:

1. Review, rewrite, alter or initiate new documentation at the request of the Board of Trustees. Assure complete coordination of new or revised copy presented to the Board at a special or regular Board meeting.

DURATION:

1. This Committee shall have temporary status. It shall meet at the direction of the Board, when required, to update, review, changes or additions of this Policy and Procedures (Operations) Manual.

APPOINTMENT:

1. The Chairperson of this Committee shall be appointed by the President of the Board of Trustees, with the approval of the Board. The President shall appoint a designated trustee to oversee and act as liaison between the Committee and the Board. The Designated Trustee shall be a member of the Committee. The other members of the Committee (committee total membership of no less than three and no maximum number) shall be selected by the Committee Chairperson. The Committee members shall be Board approved.
2. The duties and responsibilities of this committee are as follows:
 - a. Review all changes and purposed changes in this manual to ensure that these changes conform to existing policy and the Articles of Incorporation, Bylaws and Restrictive Covenants of Surfside.
 - b. Upon review of changes or purposed changes a written report shall be submitted to the Board of Trustees reflecting the committee's findings or recommendations.
3. The Business Manager or his designee shall note and copy all changes voted upon by the Board of Trustees and shall ensure that the appropriate changes are placed in all existing manuals.
4. Submit annually a list of committee members' names and addresses to the Board Secretary.

5. Annually assess in cooperation with the Business Manager, the effectiveness of the Committee, and make recommendations to the Board on any needed changes to the By-Laws, Covenants, Board Policies, Committee Charters, Position Descriptions or Operating Procedures within the jurisdiction of the Committee and make recommendations for improvement of the operation of the Committee.

Amended May 20, 2023

COMMITTEE CHARTER

TECHNOLOGY (TECH) COMMITTEE (INACTIVE)

PURPOSE:

To review the Surfside Homeowner Association's (HOA's) overall capabilities and strategic direction in matters of information technology and innovation that could have a positive impact on the HOA's operations and pursuit of its strategic goals.

The Tech Committee will identify, evaluate, and recommend to the Board of Trustees (BOT) cost-effective technology solutions to —

- better inform and engage the membership;
- more efficiently conduct the day-to-day business of the association
- improve the efficiency and effectiveness of the Board of Trustees; and
- promote transparency of Board, Committee and Compliance actions.

The Committee is an ad hoc committee formed to explore the initiatives described in this charter, which may be of benefit to the BOT, Business Office, and Members. The Board will periodically review the need to continue the Tech Committee.

COMPOSITION AND OPERATION

The Committee shall be comprised of at least three HOA Members in good-standing (current on dues, assessments, and other payments due to the Association) a majority of whom shall have experience with hosted website technologies, remote video- and/or teleconferencing technologies and other innovative technologies which may make it easier for Members to be engaged, streamline business operations and operate the HOA more cost effectively. One Committee member will be a representative of the Community Relations Committee, and another will represent the Business Office (this would be a non-voting member, unless they are also a Member of the HOA). All other members would be chosen by the Chair from volunteers. The Committee Chair, who shall be nominated and approved by the BOT, is responsible for the leadership of the Committee, including preparation of meeting agendas. The Committee shall meet as often as it deems necessary to effectively perform its responsibilities. The Committee shall keep minutes of its meetings and other records as it deems appropriate, and the Committee Chair shall report monthly on its activities to the BOT.

DUTIES AND RESPONSIBILITIES

In furtherance of the purposes described above, the Committee shall:

- Review the HOA's existing technology capabilities, assess short-term and long-term needs and recommend a technology and innovation strategy to the BOT.
- Assess the current knowledge, understanding and proficiency of the BOT, Staff and Members about technology and innovation.

- Review and advise on the HOA's technology expenditures (both internal and contracted), including the level of innovation, technical relevance, and efficiency of activities.
- Assess the current level of Member participation in BOT and committee meetings, Surfside activities and events, Annual Meetings, and voting.
- Solicit feedback using surveys, town hall meetings, the Weekender, and other means to assess Members' interest in implementing technology and innovation initiatives. Such initiatives may include live webcasts or teleconferences of Board and Committee meetings, outsourcing Surfside's website to a firm specializing in hosting HOA websites, replacing mailings with electronic communications, providing online discussion forums, providing an electronic marketplace for Members to buy and sell, electronic voting and other innovations as may be identified by the Committee.
- Meet with Trustees, Managers and HOA employees as necessary to assist the Committee in carrying out its duties.
- Review and provide guidance on such other technology-related issues of importance to the Board and Staff as the Board may from time to time prescribe.
- Advisors
- The Committee may request approval from the BOT to retain and obtain advice and assistance from such advisors as it believes may be necessary to fulfill its responsibilities. If approved, the BOT must approve any fees, expenses, and other terms of retention of such advisors, in advance of any engagement by the Committee.

Adopted 2/17/2018

Amended 8/18/2018

COMMITTEE CHARTER⁶

WATER SYSTEM PLANNING COMMITTEE

PURPOSE:

1. Prepare, maintain, and update the Department of Health required comprehensive water system plan and in cooperation with the Land and Buildings Committee prepare, maintain, and update the Washington State required reserve study.

DURATION:

1. This Committee shall have permanent status.

APPOINTMENT:

This Committee shall have a minimum of five members. The Committee Chairperson shall be appointed by the Board President, with the approval of the Board of Trustees. The Water System Manager shall be a member of this Committee. The Designated Trustee for the Water System and the Field Services Department shall also be a member of the Committee. The Committee Chairperson shall select the remaining members of their Committee. The Committee members shall be Board approved.

QUALIFICATION:

1. All members of this Committee shall be members in good standing of Surfside, employees or agents of Surfside.
2. The Committee meetings shall be called by the chairperson, at his discretion, as required to fulfill this charter.
3. The Committee will work with the Water System Manager to monitor the water quality and condition of the supply and distribution system.
4. The Committee will work with the Water System Manager to inventory all stock materials, water system infrastructure, tools, vehicles, and equipment annually and report the condition of inventory to the Board of Trustees at their January regular meeting.
5. The Committee will prepare a financial plan each year and present the plan to the Budget Committee at their initial Budget Committee meeting for use in preparing Operations and Capital Improvement budgets.
6. The Committee will cause a written report to be prepared and presented at each regular meeting of the Board of Trustees. The report will be presented by the Water System Manager.
7. The Committee will coordinate efforts with the Land and Buildings Committee as needed.
8. The Committee will maintain a list of the names and addresses of all Committee members and submit a copy of the list to the Secretary to the Board at the January regular meeting of the Board of Trustees.

⁶ Revised February 16, 2013 by Resolution 2013-02-01

9. The Committee will annually assess, in cooperation with the Business Manager, the effectiveness of the Committee, and make recommendations to the Board on any needed changes to the By-Laws, Covenants, Board Policies, Committee Charters, Position Descriptions or Operating Procedures within the jurisdiction of the Committee and make recommendations for improvement of the operation of the Committee.

OPERATING PROCEDURE #101

ELECTIONS

This Operating Procedure is written to set out the general procedures for handling all elections conducted by the Surfside Homeowners Association, including but not limited to, the election of new members of the Board of Trustees at the Annual Meeting.

1. Board of Trustee Action:

a. The President shall appoint, subject to Board approval an Election Committee Chairperson (ECC) at the January Regular Board Meeting.

b. The ECC will be a current member of the Board of Trustees (Board), unless waived by a majority vote of the sitting Board of Trustees.

c. The Board will appoint a Nominating Committee Chairperson (NCC), with the recommendation of the ECC, at the January Board Meeting.

d. The Board will hire a Designated Election Committee Chairperson (DECC), with the recommendation of the ECC, at the May Board Meeting.

2. Responsibilities of ECC:

a. The ECC shall have complete oversight of all election procedures and will act as liaison between all election committees and the Board of Trustees.

b. The ECC will appoint a Nominating Committee Chairperson with the consent of the Board of Trustees no later than the February Board Meeting. (ECC Charter.)

c. The ECC shall present to the Board of Trustees a DECC no later than the May Board Meeting. This person shall be contracted by a vote of the Board of Trustees. (See DECC Charter.)

d. The ECC shall supervise the printing and safekeeping of all proxy forms, election ballots, and floor ballots.

3. Nominating Process

a. This process shall be conducted by the Nominating Committee Chairperson (NCC) with oversight of the ECC.

b. The NCC shall conduct his/her action in accordance with the Nominating Committee Charter as defined in the Operations Manual.

4. Nomination of candidates for Board of Trustees:

a. The Nomination committee shall solicit members to stand for Trustee elections in April each year.

b. Trustees are elected to serve for a term of three (3) years. During the Association annual meeting each year, held in July, three (3) Trustee positions shall be voted on. In addition, all open positions (if any) are voted on for the remainder of the term of the position in accordance with Bylaws Article IV section 2.

5. Designated Election Committee Chairperson:

a. The DECC shall conduct the Election Process in accordance with the DECC Charter, with oversight by the ECC.

b. The DECC shall be hired by the Board of Trustees per a written contract signed by all parties.

6. Trustee Election Ballot

a. Both the Trustee Election Ballot – Proxy (mailed to the membership) and the Trustee Election Ballot (distributed at the annual meeting) shall include:

i. A list of the names of all nominated candidates who have completed the nomination process defined by the Nominating Committee.

ii. A write-in candidate line.

iii. A designation of a proxy individual to represent the member for election ballots only if so deemed by the member or the members legal representative.

b. Should a write-in candidate receive enough votes to become a Trustee, he or she will complete the formal vetting performed by the Nominating Committee within 30 days of

the election to determine if the write-in candidate is deemed to be a member in good standing as defined by the Board Policy – Position Description for the Board of Trustees.

c. Members vote for new Trustees each year. This includes three Trustee positions each year defined in the Bylaws, and any vacant positions that were appointed by the Board or open prior to the annual Trustee elections.

d. At each annual election of Trustees, members will be instructed to vote for all open positions as designated on the election ballot from three (3) to nine (9).

e. Members will cast one vote for each of the open positions. If there are four open positions members can vote for up to four candidates. If there are five open positions, members can vote for up to five candidates, etc.

f. Candidates with the highest vote counts will be assigned to the three-year Trustee terms. All others, in order, shall be awarded Trustee positions of partial terms in sequence.

g. Members may vote only once for each candidate. No cumulative voting shall be allowed.

7. Proxy Authorization:

a. Members who are not able to attend the annual meeting or desire to have a representative vote on their behalf, may authorize a representative to vote for candidates or for floor motions.

b. Any completed Proxy forms shall indicate how the member's votes or floor motions are cast. The designated proxy shall cast the votes as specified on the proxy form, and the corporation shall disregard any attempt to vote otherwise. The proxy designations shall be treated as follows:

i. When a member signs a proxy form but does not indicate a proxy representative, the proxy ballot is distributed equally to the available Board members to vote for Trustee candidates and floor motions.

ii. Trustees running for re-election shall not receive or vote any partially completed Trustee Election Ballot-Proxy forms to select trustee

positions. They may vote representing the member as proxy for floor motions.

iii. When the member votes for all open Trustee positions, this action is considered a directed proxy. Votes shall be counted as directed by the member.

iv. When the member does not vote on any open the member has delegated to the proxy the ability to vote as the proxy shall determine.

v. When a member does not select candidates for all open Trustee positions, the member may direct the proxy to complete the voting or direct the proxy to not complete the voting.

c. Each proxy must be signed by the member and received by the corporation before the vote at which the proxy is to be used.

d. A member who submits to the corporation a properly executed proxy for a meeting shall be deemed present at that meeting for all purposes.

8. Declaration of a Quorum:

a. The Bylaws (Article V, Section 3), define a quorum as ten percent (10%) of the members in attendance at any meeting. The actual count for determining a quorum will be the number of members in attendance and the number of valid ballots, returned to the DECC, (in the absence of a quorum, no business or elections can be valid.)

b. The Secretary of the Board of Trustees, in conjunction with DECC, shall report to the President of the Board that a quorum, for the election ballots has been achieved.

c. The Secretary of the Board of Trustees, in conjunction with the DECC, shall report to the President of the Board that a quorum for floor ballots has been achieved.

9. Management of Trustee Election Ballots and Election Ballot Proxies:

a. The ECC supervises the handling of all Election Ballots and shall be responsible for their control and safekeeping until they are mailed to the membership or turned over to the DECC.

b. Before printing and mailing occurs, the ECC shall coordinate with the DECC to rent a post office box to receive the election ballots.

c. The ECC shall mail in June to all members of record to announce the Annual Meeting. This mailing shall include:

i. The notice for the time and place of the annual meeting.

ii. The Trustee Election Ballot – Proxy form.

iii. A return envelope with the PO Box address to return the Proxy form.

d. The mailing of Annual Meeting notice and Trustee election ballot shall be at least twenty (20) calendar days prior to the date of the Annual Meeting.

e. A member who mailed his/her election ballot to the DECC, but requests to change their vote, may ask the DECC to return their ballot. The DECC will remove and destroy the original ballot and provide a replacement ballot to the member. This change in voting may be requested by the member by noon ten (10) calendar days before the annual meeting otherwise the member may make this request the day of the election before the meeting has begun.

f. The DECC shall keep an alphabetical file of all returned election mail.

g. The DECC shall verify all current member address changes in the master membership list.

h. Upon the receipt of returned election ballots, the DECC shall convene staff and shall proceed with the following tabulation and verification procedure.

i. The DECC shall verify identified proxies are members in good standing as defined in the Bylaws.

ii. The DECC will verify the authenticity of the election ballots.

iii. No election ballot shall be counted or otherwise considered which is received after the cutoff date stated on the election ballot.

iv. No election ballot shall be counted or otherwise considered if it not signed and dated or submitted by any individual who is not a Surfside member in good standing.

v. No election ballot shall be counted or considered if it has been altered in any way including a copy of the original ballot sent to the member.

vi. The DECC shall count and collate all returned election ballots.

A tally shall be kept of all items listed on the election ballot.

i. Members may vote only once for each candidate. No cumulative voting shall be allowed.

j. After counting all valid election ballots, all ballots, and tally sheets shall be placed in a secure container for storage and transport to the Annual Meeting.

k. All Election Ballots shall be brought to the Annual Meeting by the DECC.

10. Registration for Annual Meeting:

a. The Registration Committee shall verify members entering the Annual Meeting in accordance with the Committee Charter.

b. Registration shall begin at 8:00 AM the morning of the Annual Meeting and shall continue until all eligible members in attendance have been permitted to enter the meeting. The cut-off for registration shall be determined by the DECC.

c. Members in good standing will be confirmed from the most current master membership list.

d. The Annual Meeting shall be called to order after all members attending the meeting are verified.

e. The Registration Committee shall return all records to the business office at the conclusion of the Annual Meeting.

11. Distribution and Management of Floor Ballots at the Annual Meeting:

a. Each member in good standing present at the Annual Meeting shall be issued a colored floor ballot to vote for floor motions brought forward by members.

b. Designated floor ballot proxy holders shall be furnished a summary floor ballot to vote the number of assigned designated proxies.

c. No floor ballot shall be counted or otherwise considered if not signed and dated.

d. The DECC shall count and collate all returned floor ballots.

12. Distribution and Management of Election Ballot, Floor Ballot Proxy Designations at the Annual Meeting:

a. During the Election Confirmation meeting, the DECC shall present to each designated proxy holder two summary sheets, one for the election ballot and one for the floor ballot.

b. Each sheet will contain the names of each voting member authorizing the proxy holder to vote on your behalf.

c. The election ballot summary sheet will include the names of all Trustee candidates.

d. The floor ballot summary sheet will contain numbered sections for each possible floor motion. See the attached example summary sheet.

13. Election Agenda (to run concurrently with the Annual Meeting)

a. The meeting is called to order by the President.

b. The agenda is adopted.

c. The DECC is introduced to the Trustees and the membership.

d. The DECC distributes election ballot and floor ballot summary sheets to designated holders.

e. The proxy holders are given 15 minutes to cast votes for Trustee candidates and return them to the DECC.

f. The meeting is paused while the DECC counts the additional election ballots and tabulates the final count. The Annual Meeting is called to order.

g. When all election ballot summary sheets have been received and counted, the DECC will pause the annual meeting and reconvene the Election Confirmation Meeting.

h. The DECC announces the results of the Trustee election.

i. The Election Confirmation Meeting is adjourned.

14. Voting on Floor Motions Submitted at Annual Meeting:

a. Floor Motions provide an opportunity for member concerns to be addressed by the Board.

b. The Board adopted Roberts Rules of Order (12th Edition) (RRONR) as the parliamentary authority during the Board meetings.

c. Known motions for By-Law changes shall be listed on the annual meeting agenda accompanying the notice for the annual meeting.

d. The President shall open the meeting to hear floor motions.

e. Floor motions made during the annual meeting shall conform to the Board approved format.

i. A motion is a formal proposal to direct the Board to take certain action.

Personal attacks are not a part of motion language or procedures.

ii. The member shall be acknowledged by the President of the Board in order to speak. The member has the right to speak introducing a motion but must wait before speaking a second time until all other members desiring to introduce motions have been heard.

iii. The member has the floor.

iv. The member approaches the microphone and states their motion. Motions must describe a forward description of action by the Board.

v. The following language is the recommended format to introduce the motion “Mr./Madam President/Chair, I move that...” Member offers only the motion, with no debate or rationale.

vi. The member sits down.

vii. When one member has made a motion, it must be seconded before the motion shall be considered.

viii. The chair states the question, “It has been moved and seconded...the motion is restated.”

ix. When a motion is restated by the chair, the motion is then before the membership for a brief debate (time to be determined by the President).

x. The floor motion is added to the list of motions to be voted on by the full membership. All motions voted on in sequence as received.

f. Members will vote on the final approved motions by official ballot after legal review.

g. All motions that receive seconds will be submitted for legal review by Surfside legal.

h. Within 15 days after the annual meeting, an official ballot will be sent to all members in good standing to vote on motions that have been approved by legal, for compliance with current RCW language and conformity with the Association’s governing documents.

i. A ‘for’ and ‘against’ statement summarizing the pro and con statements during the annual meeting on each motion will accompany the official ballot mailed to members.

j. Official ballots received by the association will be tabulated by DECC and reported to the membership within 45 days of the annual meeting.

15. Certification of Election and Floor Ballots.

a. After all election and floor ballots have been counted, a certified tally sheet shall be prepared, dated and signed by the DECC.

b. The tally sheet shall reflect the total number of mail-in ballots, the total number of proxy ballots, the representative election tallies for each candidate, and the total number of floor ballots for each motion brought forward.

c. This final combined tally sheet shall then be signed, dated, and certified by the DECC.

d. Two copies of the final combined tally sheet shall be prepared and certified by the DECC.

i. One copy shall be presented to the Board Secretary to report and certify the results of the election.

ii. The second copy will be used by the DECC to report the election results to the membership.

iii. The Board Secretary's copy of the certified election result shall be placed in the Surfside Homeowner's Association Office security vault with all election ballots, floor ballots, and tally sheets of the election until ordered destroyed by the Board of Trustees after four (4) years.

e. If on the final combined tally sheet, candidates for Trustee are separated by less than one-half of one percent, the DECC will undertake an immediate recount of votes affecting those persons only.

f. If on the final combined tally sheet, the results of ballot issues not related to office holders, (i.e. funding, building, etc.) is separated by less than one-half of one percent a recount of votes will be undertaken.

g. The DECC shall hold the election ballots, floor ballots and tally sheets in his/her possession and shall be responsible for their safekeeping until handed over to the Secretary of the Board of Trustees at the conclusion of the Annual Meeting.

Amended May 20, 2023

OPERATING PROCEDURE # 102

PRE-FORECLOSURES, LIENS AND FORECLOSURES

The Board of Trustees has adopted this Pre-Foreclosures, Liens and Foreclosures procedure to facilitate the consistent and fair collection of delinquent accounts. It is the responsibility of the Business Manager to initiate the process according to the guidelines set forth in this Operating Procedure. The actual foreclosure process shall be handled by the Surfside attorney. However, failure to follow this policy will not constitute a defense in any action brought by Surfside against a member to foreclose Surfside's lien and/or to collect any amount owed to Surfside nor, in any way, invalidate or otherwise affect any action taken by or on behalf of Surfside.

1. Pre-foreclosure

- a. Pre-foreclosure notices will be at 61 days past due.
- b. Notices will be sent by mail, and email to all addresses known to Surfside.
- c. Notices must be provided in English, and the owner's preferred language if known.
- d. No further collection action may be taken for 15 days after the notice is sent, except for actual print and mailing cost, a \$10 administrative fee, and a single late fee of \$50 or 5% of the delinquent amount, whichever is less.

2. Lien Action

a. Accounts delinquent as of August 1st of each year shall be sent an "Intent to Lien" form letter by Certified Mail.

b. Accounts still delinquent as of September 1st shall have a Lien filed against the delinquent owner's property.

3. Foreclosure Action

a. Accounts remaining delinquent for a period of six (6) months shall be sent a "Notice of Intent to Foreclose" letter by registered mail.

b. Accounts which remain unpaid thirty (30) days after the mailing of the "Notice of Intent to Foreclose" letter shall be turned over to Surfside attorney for foreclosure action.

c. Surfside's attorney has authority to collect a judgment in any way allowed by law, except that Surfside's attorney may not pursue sale of a member's lot in Surfside or other subdivisions over which Surfside has authority, unless that action is approved by the Trustees.

d. All legal fees and court costs shall be paid by the delinquent property owner.

4. County Tax Foreclosures

a. On a case-by-case basis, the Trustees may authorize either of the following actions when, after consultation with Surfside's attorney, they determine that it is in the best interest of Surfside to do so:

b. Pay amounts due Pacific County, and/or other taxing authorities, to prevent property subject to Surfside's lien being sold for unpaid property taxes or other governmental assessments.

c. Bid at the County foreclosure sale to attempt to acquire property subject to Surfside's lien. The Trustees shall establish the maximum bid amount in their authorization to bid.

OPERATING PROCEDURE #103

BUDGET DEVELOPMENT

1. This operating procedure is written to provide a set procedure for the initiation, development, and adoption of the yearly operating budget of the Surfside Homeowners Association. This process shall be in full compliance with Board Policy - Budget Process and Washington State Laws.
2. The Budget Committee shall be formed at the August regular Board meeting each year. The Committee shall consist of the Board Treasurer, who shall act as the Committee Chairperson, the Bookkeeper, the Business Manager and no more than four additional members who shall be appointed by the Committee Chairperson.
3. The Budget Committee Chairperson shall meet with the Board of Trustees after the August regular Board meeting to review employee wages, benefits, and other issues pertinent to the budget process. Department and committee heads shall utilize information obtained from this meeting when preparing budget proposals prior to the September Board meeting.
4. The following Department Heads and/or Designated Trustees and Committee Chairpersons shall submit preliminary budgets through the Business Manager to the Budget Committee Chairperson no later than the regular September Board meeting. These budgets shall cover all expenses needed for the upcoming fiscal year. Separate budgets shall be submitted for operating expenses, and capital improvements.
 - a. Water System Manager
 - b. Bookkeeper
 - c. Field Superintendent
 - d. Committee Chairpersons/Designated Trustees of committees who expect to expend Surfside funds:
5. The Budget Committee shall prepare an operating budget and a capital expenditure and reserve funds budget from the input from all the above-named sources along with the computerized year to date financial statements provided by Surfside's Business office and the audited financial statements of the prior fiscal year.
6. The Budget Committee shall present a final draft of the proposed budget at the October regular Board meeting for Board approval.
7. Budget must be accepted or rejected at this meeting.
8. Accepted proposed budgets will be printed and a special membership meeting for budget approval shall be scheduled.
9. All members shall be mailed a summary budget letter and a proxy ballot, informing the membership of the time, date and place of the special budget meeting, and giving voting instructions for those wishing to vote by proxy.
10. The meeting shall be no sooner than fourteen (14) days nor more than thirty (30) days from the date of the mailing.

11. Members attending the budget meeting and those voting by proxy, shall vote on the acceptance or rejection of the adopted budget.
12. Budgets which fail to receive a majority negative vote shall be considered ratified as stated in the Revised Code of Washington (RCW), Section 64.38.025.
13. The budget committee may present a new budget using the same process listed above.
14. If no new budget is ratified, the previous year's budget shall govern assessments and spending in the next fiscal year or until a new budget is ratified by a vote of the membership as stated in RCW Section 64.38.025.
15. Budget development shall be made considering long range plans and needs of Surfside. A five (5) year plan should be the goal of these considerations.

All budget and budget development procedures shall conform to the guidelines outlined in the Washington State Laws regarding Homeowners Associations, which is specifically defined in the Revised Code of Washington (RCW) Section RCW 64.38.

Revised 09/15/2018

OPERATING PROCEDURE # 104

ARCHITECTURAL COMMITTEE OPERATION

This operating procedure is written to set out the step-by-step procedure the Surfside Homeowners Architectural Committee shall use in the performance of their charter. This procedure shall be followed in all actions taken by the committee and all its members. The Chairperson shall be responsible for ensuring that this operating procedure is followed as written.

Committee Duties: Determine that all plans submitted for approval conform to all Surfside Bylaws and Covenants/Architectural Guidelines.

1. Chairperson will:
 - a. Preside at all Committee meetings,
 - b. Determine that all plans are submitted with the proper forms and the correct number of copies,
 - c. Verify that all forms and paperwork is completed at all steps during the approval process,
 - d. Submit a written Committee Action report at the monthly Board Meeting.
 - e. Architectural Committee complaints will be referred to the covenant's compliance designee.
2. Vice-Chairperson will:
 - a. Assume all duties of Chairperson in his/her absence.
 - b. Verify that at the end of the building process, or at the Two (2) year time frame, that the inspection process is completed, and the proper action is taken, or the proper report is filed. Process to be done on a monthly basis.
3. Committee Members will:
 - a. Review all submitted building, or other plans,
 - b. Determine that all plans meet Association covenant requirements,
 - c. Visit property sites to determine decisions to be rendered on all requests for approval of plans which are questionable or unusual due to location or type of construction. Requests for opinions by interested parties will not be addressed outside of an official meeting; interested parties will be advised to attend the next regular meeting or submit a written request for an opinion.
 - d. Property may be visited by the committee if so, instructed by the committee chairperson or inspection committee.

Official Meeting Requirements:

1. Meetings shall be held on a weekly basis, time, and day to be determined by the Chairperson. Time and day will remain constant unless unusual circumstances dictate otherwise. Time and day of meetings shall be posted in the business office.

2. Special meetings may be called by the Committee Chairperson.
3. A regularly scheduled meeting may be cancelled with proper notice to applicants and committee members. Notice of a cancelled meeting shall be posted at the Surfside business office.
4. No meeting shall be held with less than three members physically present.
5. Minutes shall be kept of each meeting.
6. Committee “Minutes Form” will be used.
7. All action taken by the Committee shall be noted in the minutes, plans submitted, approved/disapproved, other action taken.
8. Minutes shall be typed and placed in a committee file and made part of the public records of Surfside.
9. All meetings shall be open to all Surfside members.

Plan Submission Procedures:

- a. A plan submission packet shall be available at Surfside office.
- b. All members wishing to submit plans for approval shall fill out all applicable sections of the packet.
- c. Plans shall not be reviewed without the proper Surfside forms being completed.
- d. Plans and forms must be submitted to the Business office at least forty-eight (48) hours prior to the meeting date.
 - o Two (2) copies of all plans must be submitted to be reviewed.
 - o One (1) copy shall be returned to the member with approval notice,
 - o One (1) copy shall be retained by Surfside for Two (2) years.

Plan Approval Process:

1. Each submitted plan shall be checked by the committee for compliance with all covenant and architectural guidelines, this would include, but is not limited to, single family residence, mobile units, multiple residence, commercial structures, and other property development and improvements.
2. The Water/Field Services staff shall review the plot plan for the septic tank and drain field on behalf of the Architecture Committee only to verify placement in relationship to ‘Surfside water lines and connection location.
3. Plot plan should show distance of septic tank and drain fields to property lines, wells and buildings. The plot plan shall also show the size and placement of the proposed dwelling on the parcel.
4. Once the plot plan has been reviewed, it will then be signed off by the Surfside Water/Field Services Department. The applicant will submit the reviewed plan to Pacific County Health Dept. for final approval,
5. Building plans;

- a. Building Covenant Check List shall be filled out for each plan submitted,
 - b. Plans are reviewed by entire present committee, and if plans are in conformance with all requirements they are approved and signed and dated by a majority of the Architectural Committee members present. (See covenant requirement 4.1b4)
 - c. Plans found not to be in compliance are rejected and returned to the member along with written explanation of the reason plans were rejected,
 - d. Approved plans along with all supporting documentation shall be filed in Surfside office for a period of two (2) years,
 - e. Complete recording and filing of approved plans.
 - f. Approved building and plot plans, covenant check list, approval request form and copy of the letter sent to the requesting member shall be filed in the Architectural Committee file cabinet by Surfside Office Secretary.
 - g. Prior to filing, data on building approval shall be entered in Master Record File. The date of the committee's approval of the dwelling and the review of the septic tank and drain field location shall be provided on the map.
6. Final inspection:
- a. Upon notification of property owner that exterior of building is complete, or at the end of the two (2) year period, the vice- chairperson or a committee appointed by the vice-chairperson shall check the building for exterior completion in compliance with Surfside covenants. The Master File and office map shall be updated to reflect changes.

Board Decisions

1. :

Various places within the Restrictive Covenants administered by the Surfside Estates Homeowners Association (“Restrictive Covenants”) specify that certain decisions on proposed development must be approved by the Board. This includes, but is not necessarily limited to, the following sections of the Restrictive Covenants: Section 2.8 regarding commercial signs, Section 2.10 regarding manufacturing uses, Section 2.11 regarding commercial uses, Section 3.1c regarding height for multi-family residences and commercial structures, Section 4.6a regarding waivers to the minimum size requirements for houses and Section 5.6.1 of the Architectural Committee Guidelines regarding variances. Section 5 of this Operating Procedure describes the procedures and criteria for making decisions on proposed development that requires Board approval.

2. Application:

- a. The applicant for the proposal shall make the request in writing, on the form provided for the request, to the Architectural Committee. The applicant for the proposal shall include, with the application, the information required in Section 5.5.2 of this Operating Procedure.

- b. Application Fee. The request must be accompanied by an application fee in the amount established from time to time by the Board. The request will not be processed until this fee is paid.
 - c. Architectural Committee Review. The Architectural Committee shall review every application that requires Board approval and make a recommendation to the Board; provided, however, that where the 128 Restrictive Covenants give authority for the Architectural Committee to make the decision, subject to Board approval and/or confirmation, the Architectural Committee shall make the decision and if the Architectural Committee approves the proposal send the same to the Board. In any event, the Architectural Committee shall include, with its recommendation and/or decision as the case may be, any explanation and/or proposed conditions it deems appropriate.
 - d. The Architectural Committee is authorized by the Board to approve applications for single-family residences in the platt of Surfside.
1. Consideration by the Board:
- a. Within 60 days of receipt of the recommendation from the Architectural Committee, the Board shall consider the proposal. The request will be considered at a regularly scheduled meeting of the Board, but the Board may call a special meeting if it deems it appropriate to do so.
2. Notice:
- a. At the time of application, the applicant must provide the Business office of Surfside Homeowners Association with a copy of the relevant portion of the plat map for Surfside Estates or other areas subject to the Restrictive Covenants. The map must designate the subject property and graphically show all properties within Surfside Estates and other areas subject to the Restrictive Covenants that are within 300 feet of any property line of the subject property. At least 10 days prior to the hearing of the Board on the proposal, the office staff of Surfside Homeowners Association shall send a notice of the upcoming hearing, including the time, place and a brief description of the subject of the hearing, to each person or entity then shown in the Surfside Homeowners Association's records as the owner or contact person for each of the lots in Surfside Estates and other areas subject to the Restrictive Covenants within 300 feet of any property line of the subject property. However, this notice is a courtesy notice, and neither the failure to provide this notice nor any deficiency in this notice or its timing will affect the jurisdiction of the Board to hold the hearing and decide the matter.
3. Hearing:
- a. At the date and time specified in the Notice, the Board shall hold a hearing on the proposal. The Board will consider written and oral comments received from the applicant and from any property owners and/or resident within Surfside Estates and other areas subject to the Restrictive Covenants. People may appear and make

comments personally, or through representatives. The Board may limit the length of oral comments. The Board may continue the hearing as it deems appropriate.

4. Decision:

- a. Following the hearing, either at that meeting or at a subsequent meeting, the Board shall deliberate and make a decision on the request using the criteria established in this Operating Procedure. The decision of the Board is the final decision for Surfside Homeowners Association on the matter.

5. Criteria:

- a. The Board shall use the criteria, as applicable, in Sections 5.6.1 through 5.6.5 below in making a decision to grant the request, deny the request or grant the request with conditions. The Board shall issue its decision in writing, either by adopting minutes which reflect its decision or by issuing a separate written document.

6. Variance Criteria:

- a. The Board may grant a variance request if it determines that all of the following criteria are met:
- b. That because of unusual circumstances related to the size, shape, topography, locations, surroundings or setting of the subject property the strict application of the Restrictive Covenants to the subject property will result in undue hardship to the property owner and/or unreasonable restriction on the development of that property.
- c. That granting the variance will not be materially detrimental or injurious to other properties or property owners in the area of the subject property.
- d. That granting the variance will not constitute a special privilege to the applicant or grant the applicant rights or privileges not enjoyed by other property owners in the area.
- e. That the variance requested is the minimum necessary to grant the property owner reasonable use of the property.
- f. See Board Policy – Surfside Service fees item #8 for variance fee.

7. Commercial Use Criteria:

- a. The Board may grant authorization to conduct a particular business or commercial use on a parcel where commercial use is allowed under the Restrictive Covenants if it determines that all of the following criteria are met:
- b. That the proposed business or use is permitted by the Restrictive Covenants.
- c. That either the proposed business or use will provide services and/or products to residents and property owners of Surfside Estates and/or other areas subject to the Restrictive Covenants or it will not have detrimental impacts on properties in the immediate area.

- d. That the traffic, noise, odor, light and glare and other specific reasonably anticipated effects of the proposed business or use will not have unreasonable impacts upon other properties in the area of the subject property.
8. Commercial Development Criteria:
 - a. The Board may approve specific development standards for commercial uses and other uses where the Restrictive Covenants require Board approval including commercial signs, setbacks, and height of commercial and multi-family structures) if it determines that all of the following criteria are met:
 - b. That the size, scale, orientation and appearance of the structure or sign, as the case may be, is compatible with its surroundings.
 - c. That the size, locations, orientation and illumination of the structure or sign, as the case may be, will not unreasonably interfere with any residential use in the area.
 - d. That the sign is not larger than is reasonably necessary for the use and is designed to be harmonious with its surroundings.
 9. Waiver of Minimum Square Footage Requirements Criteria:
 - a. The Board may approve a waiver granted by the Architectural Committee to the minimum indoor living area square footage requirements for single-story residences based on the criteria contained in the Restrictive Covenants.
 10. Manufacturing Use Criteria:
 - a. The Board may approve a proposal to permit a manufacturing use or activity on a parcel if it determines that all of the following criteria are met:
 - b. That any reasonably anticipated impacts from the proposed use or activity (including, but not limited to, traffic, noise, light, glare, odor, and vibration) will be no greater than what would be anticipated from single-family residential use or, if the Restrictive Covenants permit outright other use on the parcel, the impact that would be anticipated from that other use.
 - c. That there will be no exterior indication of the manufacturing use or activity on the parcel that is visible from any property line of the parcel.
 - d. That the proposed uses and activities will not involve or result in pollution of air, water or soil and will not involve the storage, production or use of any hazardous substance as defined by any federal, state or local law.
 11. Record Keeping:
 - a. All applications and other related material for a Board decision, as well as the decision of the Board, shall be kept in the Architectural Committee files located in the Surfside Business office.

Special Situations and Requests:

1. Plans for construction of unusual or questionable structures or development shall be taken up by the members present at a regular committee meeting,
2. Property may be visited by the committee (no less than three members) before a decision is reached,
3. All decisions made on these special requests shall be entered into the committee meeting minutes, and kept on file,
4. The property owner requesting the decision of the committee shall be notified in writing of all findings.

Enforcement of all Architectural Guidelines and related Surfside Covenants shall be investigated and enforced.

OPERATING PROCEDURE # 105

MEMBERSHIP REQUESTS⁷

Members are encouraged to make requests of the Board of Trustees regarding improvements to Surfside properties, changes in existing or development of new Board policies, or other actions that will require Board approval. In order for these requests to receive a proper hearing and response the Board of Trustees of the Surfside Homeowners Association has adopted this policy.

1. Member requests will be submitted to Surfside's Business Manager on forms provided by Surfside.
2. Surfside's Business Manager will evaluate the request and within seven (7) days of receiving the request forward the request to the chairman of the appropriate committee for consideration.
3. The chairman of the committee, at their discretion, will either call a special meeting of the committee or hold the request until the next scheduled meeting. The chairman of the committee will notify the Business Manager, within fourteen (14) days of receiving the request, the date and time of the committee meeting when the request will be considered.
4. Surfside's Business Manager will promptly inform the requesting member of the date and time of the committee meeting that will address their request.
5. At some point during the committee meeting where the members request will be considered the chairman will:
 - a. Announce that there is a member request to be considered and read the request to the committee.
 - b. The chairman will request a motion and second to consider the request.
 - c. If no motion or second to consider the request is obtained the request will be dead.
 - d. If a motion and second is obtained the request will be discussed with participation from the requesting member if present.
 - e. After discussion the committee chairman will consider motions:
 - i. to approve the request and direct the committee Trustee to present the request at the next regular meeting of the Board of Trustees for their consideration, or
 - ii. investigate the cost and/or feasibility of the request and report the findings to the committee at a future meeting(s) for action, or
 - iii. declare the request unfeasible and end further action on the request.
6. The chairman of the committee will accurately record discussion of, and actions taken on the request in the minutes of the meeting and promptly submit those minutes to the Business Manager.

⁷Adopted March 16, 2013 by Resolution 2013-03-01

7. If the requesting member is not satisfied with the decision of the committee assigned to consider their request they may request, in writing, the Business Manager place their request on the agenda of the next regularly scheduled meeting of the Board of Trustees. With approval of the President of the Board of Trustees, the Business Manager will place the request on the agenda for consideration at the next regular meeting of the Board of Trustees.

OPERATING PROCEDURE # 106

PURCHASING, CONTRACTING, AND SURPLUS PROPERTY DISPENSATION POLICY

SECTION 1 – PURPOSE

This document establishes the policies and procedures for purchasing supplies and materials, contracting for services, and the dispensing of surplus items by Surfside Homeowners Association (Surfside). The procedures set forth in subsequent sections of this manual are designed to assure Surfside members, Board of Trustees, and staff that Surfside is receiving maximum value for each dollar expended, and to enhance and assure fiscal responsibility in the procurement of goods and services and dispensing of surplus items.

1. Mission

- a. Surfside’s mission for contracting, purchasing, and property disposal includes:
 - i. Applying administrative policies and procedures, thus assuring the legitimacy of the purchasing, contracting, and dispensing of surplus, process.
 - ii. Organizing a uniform procurement system to supply Surfside operations with an unambiguous procedure for acquiring materials and services and dispensing surplus items.
 - iii. Buying competitively and wisely to obtain maximum value for the member’s dollars spent.
 - iv. Promoting advantageous vendor relations as well as reliable alternate sources of supply.
 - v. Keeping inventory losses at a minimum.
- b. In procurements, Surfside promotes competition, impartiality, conservation of funds, and fair and open operations done in a manner that ensures accountability, while seeking to realize the maximum value of every dollar.

2. Purchasing Code of Ethics

- a. Give first consideration to the objectives and policies of Surfside.
- b. Strive to obtain the maximum value for each dollar of expenditure.
- c. Decline personal gifts or gratuities.
- d. Grant all competitive suppliers’ equal consideration as far as state statute and Surfside policy permit.
- e. Conduct business with potential and current suppliers in an atmosphere of good faith, devoid of intentional misrepresentation.
- f. Demand honesty in sales representation whether offered through the medium of a verbal or written statement, an advertisement, or a sample of the product.
- g. Receive consent of originator of proprietary ideas and designs before using them for competitive purchasing purposes.
- h. Make every reasonable effort to negotiate an equitable and mutually agreeable settlement of any controversy with a supplier or contractor; and/or be willing to submit any major controversies to arbitration or other third-party review, as far as the established policies of Surfside permit.
- i. Accord a prompt and courteous reception as far as conditions permit to all who call on legitimate business missions.

- j. Foster fair, ethical, and legal trade practices.
- k. Questions regarding ethics issues should be referred to Surfside's Business Manager. In the event the ethics of the Business Manager is in question the issue should be directed to the President of the Board of Trustees.

3. Proper Authorization

- a. Only authorized employees or contract managers may obligate Surfside in the acquisition of goods and services. Any employees or contract managers purchasing goods on behalf of Surfside without proper authorization may be personally liable to the vendor and Surfside, and subject to disciplinary action.
- b. Purchase orders commit Surfside funds for the acquisition of goods or services. The Business Manager is authorized to issue purchase orders on behalf of Surfside in accordance with this policy. The Business Manager may, at their discretion, delegate the issuing of purchase orders to staff.

Monitoring and Compliance

- a. The Business Manager will enforce this policy. The Business Manager may delegate any of the duties outlined in the policy to Surfside employees or contract managers with the exception of signing purchase orders.
- b. The Business Manager will assure that all Surfside employees and contract managers are aware of penalties for intentional and willful violation of these policies and procedures. Ignorance of penalties for intentional and willful violation of these policies and procedures does not excuse employees and contract managers for non-compliance.

SECTION 2. – PURCHASING GUIDELINE

1. Determining the Cost of the Purchase

- a. Annual Cost – The anticipated annual need for a particular good or service should be used to determine the appropriate purchasing process. Projects and purchases shall not be split in order to avoid the required competitive bidding process. Closely related goods will be considered as one purchase on an annual basis when determining which purchasing process applies.
- b. Total Cost – The total cost of goods or services, including any applicable taxes and/or freight charges, shall be considered when determining which purchasing process applies.
- c. Total Quantity – Requirements for the total quantity of an item shall be considered together when determining which purchasing process applies.
- d. Items Used in Conjunction – If two or more items are designed or intended to be used in conjunction with each other, the total annual accumulated cost of all such items shall be considered together to determine which purchasing process applies, unless these components are not available from a single supplier.
- e. Purchase Requisition – The purchase requisition is the first step in the purchasing procedure. The requisition should be submitted to the Business Manager in a timely fashion to allow adequate time for review, price quotations if necessary, and the preparation of a purchase order. The length of time needed to obtain an item will depend upon the characteristics of the product or service sought, the number of alternative vendors or contractors, availability of the product, etc. A purchase requisition is an

internal instrument that communicates a department's needs to the Business Manager. It is not to be conveyed to the vendor.

SECTION 3 – MATERIALS, SUPPLIES & EQUIPMENT

1. Purchases – Less Than \$3,000

- a. Petty Cash – The purchase of small incidental items may be made using petty cash. Surfside Business Manager will manage the petty cash account.
- b. Field Orders - \$0 to \$250 – Surfside's Department Managers may verbally authorize Field Orders so that Surfside employees may make small purchases. Once purchase has been made Surfside employees will turn in receipts, pick tickets, shipping documents, or bills of lading to the Financial Administrator. Include written description of project or purpose of purchase.
- c. Purchases – \$251 to \$3,000 – For purchases over \$251 and less than \$3,000 the Business Manager will determine that the lowest practical price for the purchase has been obtained before a purchase order is issued. The Business Manager will issue all purchase orders over \$251 and less than \$3,000. A copy of the purchase order will be returned to the requesting employee. Once the goods or services are received, the employee will verify the order is complete, attach the packing slip to the copy of the purchase order, and return the paperwork to the Financial Administrator for payment processing. If a partial order is received, note on the packing slip that there are backorders, write the purchase order number on it, and forward it to the Financial Administrator. Attach the copy of the purchase order only when the order is complete, prices are as quoted, and final payment is approved.

In response to receipt of a purchase requisition the Business Manager will use his/her discretion to determine the appropriateness of the request and their knowledge of supplies, vendors, costs, and the market to determine if the issuance of a purchase order is appropriate. The Business Manager will see that goods and services are obtained as economically as possible, even if the procurement is small.

2. Vendor List Purchases - \$3,001 to \$10,000

- a. At least once a year, Surfside will publish, in the local newspaper, notice of the existence of a roster of vendors for materials, supplies, and equipment, and shall solicit names of vendors for the roster. Vendors from out of the area may also be solicited individually for addition to vendor list.
- b. Surfside will use the following process to obtain telephone and/or written quotations from vendors for the purchase of materials, supplies, or equipment:
 - i. The Business Manager, requesting employee or consultant shall prepare a written description of the specific materials, supplies, or equipment to be purchased, including the number, quantity, quality, and type desired, the proposed delivery date, and any other significant terms of purchase on a purchase requisition.
 - ii. The Business Manager, requesting employee or consultant will make a good faith effort to contact at least three (3) of the vendors on the roster to obtain telephone or written quotations for the required materials, supplies, or equipment. If there are not three vendors on the roster that can provide

responsive quotes the Business Manager or requesting employee will seek quotes from vendors not on the roster.

- iii. The quotations from one vendor shall not be shared with other vendors solicited for the quote on the materials, supplies, or equipment.
- iv. A written record shall be made of each vendor's quote on the material, supplies, or equipment, and of any conditions imposed on the quote by such vendor.
- v. Requesting employees shall present all quotations and a recommendation for award of the purchase to the Business Manager or their designee.
- vi. The Board of Trustees will approve and award all requisitions between \$3,001 and \$10,000 by motion at any regular or special meeting.
- vii. Once an award has been made the Business Manager will issue a purchase order. A copy of the purchase order will be returned to the requesting employee or contract manager. Once the goods or services are received, the receiving employee or contract manager will verify that the order is complete, attach the packing slip to the copy of the purchase order and return it to the Financial Administrator for payment processing. If a partial order is received, write the purchase order number on it, and forward it to the Business Manager. Attach the copy of the purchase order only when the order is complete and final payment is approved.

3. Invitation to Bid - \$10,001 or more

- a. For purchases expected to exceed \$10,001 the Business Manager, requesting employee or consultant shall prepare a clear and concise written specification and invitation to bid for advertisement. Such specifications should not contain features that unduly restrict competition. When it is impractical or uneconomical to make a clear and accurate description of the technical requirements, a "brand name or equal" specification may be used. Surfside has no obligation to accept proposed substitutions or engage outside consultants or experts to evaluate proposed substitutions. Acceptance of a substitute product proposed as an "equal" to that specified will be made in writing and other bidders will be notified.
- b. At least one Notice of The Call for Bids shall be published in a newspaper of business circulation a minimum of thirteen (13) days prior to bid opening. Other methods may be used to attract potential bidders in addition to, but not in place of, publication in the newspaper. For example, notices may be placed on Surfside's website, advertised in trade papers or magazines, or presented to targeted vendors.
- c. Sealed bids will be submitted to the Business Manager at the location specified in the invitation or call for bids. At the appointed time all bids will be opened and read aloud in the presence of the bidders or their representatives.
- d. The Board of Trustees will make all sealed bid awards at a regular or special meeting by resolution. Once an award is made the Business Manager will execute a contract and issue a purchase order to the successful bidder. All contracts shall be reviewed and approved by Surfside's attorney. Such purchase orders will be signed by the Business Manager and reference awarding resolution of the Board of Trustees by number.
- e. Once the goods or services are received, the requesting employee or contract manager will verify the order is complete, attach the packing slip to the copy of the purchase order, and return the paperwork to the Financial Administrator for payment processing.

4. Rejection of Bids

Surfside reserves the right to reject any bid not in substantial compliance with the bid documents (non-responsive) or all prescribed public bidding procedures and requirements and may reject for good cause any or all bids upon a finding of Surfside that it is in the members' interest to do so.

5. Open Purchase Order

Open purchase orders may be established when there will be a sufficient number of small purchases from a single supplier to complete a single project. Open purchase orders will be based on prices obtained through the bid process described in Section 3 of this policy.

6. Local Business Open Accounts

Surfside has established open accounts at certain local businesses. Purchases on these accounts may be made by authorized employees and contract managers. All purchases on these accounts will be conducted in accordance with the policies and procedures in Section 3 – Materials, Supplies & Equipment.

SECTION 4 – PUBLIC WORKS

1. Limited Public Works Projects Under \$3,001

- a. If a work, construction, alteration, repair or improvement project is estimated to cost less than three thousand one dollars (\$3,001), the Business Manager may solicit a quote from three qualified contractors, preferably on the small works roster.
- b. Award – The contract shall be awarded by the Business Manager to the lowest responsive and responsible bidder.

2. Small Public Works Process \$3,001 - \$35,000

- a. If a work, construction, alteration, repair, or improvement project is estimated to cost more than three thousand one dollars (\$3,001) and less than thirty-five thousand dollars (\$35,000), the Business Manager or their designee will prepare a Scope of Work and an estimated cost of the project. The Scope of Work and a request for proposal (RFP) will be sent to all contractors listed in the appropriate small works roster and any invited contractors who may provide a competitive bid though not listed in the small works roster. The RFP will provide the time and place of bid opening and a contact person for questions about the proposal. When practical an onsite pre-bid meeting will be held with all contractors. The Business Manager shall present all bids, and a recommendation for award of the contract to the lowest responsive and responsible bidder, to the Board of Trustees.
- b. Award – Contracts \$3,001 to \$35,000 shall be awarded by the Board of Trustees at any regular or special meetings by resolution. Awards will be made to the lowest responsive and responsible bidder whose bid meets the requirements and criteria set forth in the invitation for bids.

3. Public Works Process Greater than \$35,001

- a. If a work, construction, alteration, repair, or improvement project is estimated to cost more than thirty-five thousand one dollars (\$35,001) the Board of Trustees shall direct the Business Manager to contract with an engineer or architect to prepare a scope of work and a request for proposal (RFP) for advertisement. The Scope of Work and the RFP will be sent to all contractors listed in the appropriate small works roster and any invited contractors who may provide a competitive bid though not listed in the small works

roster. The RFP will provide the time and place of bid opening and a contact person for questions about the proposal. When practical an onsite pre-bid meeting will be held with all contractors. The Business Manager shall present all bids, and the engineer or architect recommendations for award of the contract to the lowest responsive and responsible bidder, to the Board of Trustees.

- b. Award – Contracts thirty-five thousand and one dollar (\$35,001) shall be awarded by the board of Trustees at any regular or special meetings by resolution. Awards will be made based on the engineer or architect recommendations to the lowest responsive and responsible bidder.

4. Rejection of Bids

Surfside reserves the right to reject any bid not in substantial compliance with the bid documents or all prescribed public bidding procedures and requirements and may reject any or all bids upon a finding of Surfside that it is in the members interest to do so.

SECTION 5 – EXEMPTIONS

1. Sole Source or Proprietary Procurements

- a. Occasions may arise when competition among potential vendors is not possible for a particular procurement. These situations may occur:
- b. When there is clearly and legitimately only one source capable of supplying the subject matter in a timely fashion.
 - i. when there are special facilities or market conditions that result in only one source.
 - ii. in the event of emergencies; and
 - iii. when there is only one source capable of supplying the products in a timely fashion and seeking competitive prices would be impractical.
- c. Purchases may be made directly from a sole source vendor without soliciting other bids or quotes.
- d. In the event the material, equipment, supplies, or services are available from only one supplier the Business Manager will provide written documentation demonstrating the appropriateness of requesting a sole source procurement be approved by the Board of Trustees. The Board of Trustees may declare a vendor's product or service a sole source at any regular or special meeting.

2. Emergencies

- a. Competitive bidding is not required when the President of the Board of Trustees declares an emergency exists; however, in making emergency purchases, an effort will be made to include the level of competition that is practical under the circumstances.
- b. The Business Manager is authorized to make emergency purchases upon a notification by the President of the Board of Trustees of the existence of an emergency. Such emergencies may include but are not limited to:
 - i. any condition where an emanate loss of property, or circumstances where water service is interrupted or is about to be interrupted; or
 - ii. situations where Surfside may suffer a substantial loss by reason of the time required for following the regular purchasing procedures.
- c. If an emergency exists and the President of the Board of Trustees is available, the

Business Manager is authorized to act and will, as soon as is reasonable after the emergency is resolved, seek authorization from the President of the Board of Trustees that will:

- i. declare an emergency situation exists/existed.
- ii. waive competitive bidding requirements; and
- iii. award, on behalf of SURFS, contracts necessary to address the emergency situation (including, but not limited to, engineering services).

SECTION 6 – PROTESTS

Vendors may appeal or protest a proposal solicitation or award of contract issued by Surfside, provided that the vendor strictly follows the procedures described below.

Prior to the deadline for submitting bids or proposals, vendors may appeal or protest specifications, terms, or requirements. After the deadline for submission of bids or proposals, vendors may appeal or protest the award or pending award to the apparent low bidder or the selection of the apparently most advantageous proposal.

1. Procedures for Initial Appeal or Protest

- a. The appeal or protest shall:
 - i. Be in writing; and
 - ii. Explicitly identify itself as an appeal or protest; and
 - iii. Explicitly identify the bid/project/request being appealed or protested; and
 - iv. Explicitly state all reasons and basis in law and fact supporting the appeal or protest, including, but not limited to, identification of any and all specifications, terms, requirements, or conditions to which the vendor objects; and
 - v. Include any and all supporting documents; and
 - vi. Be filed with the Business Manager.

2. Deadline for Filing Initial Appeal or Protest

If a vendor appeals or protests a purchase specification, term, condition, or requirement, any and all appeals and protests shall be filed with the Business Manager no later than seven (7) calendar days prior to the deadline for submission of bids or proposals. If the vendor appeals or protests an award or pending award, the appeal or protest shall be filed with the Business Manager no later than five (5) business days after the bidder is awarded the contract or a vendor's proposal is selected as most advantageous to Surfside. In no event will appeals or protests be heard or considered if these deadlines are not met. Surfside reserves the right to proceed with the purchase or contract without notice to the appellant or protestor, including execution of contracts, notwithstanding the pendency of any appeal or protest.

3. Consideration of Initial Appeal or Protest

A vendor's initial appeal or protest will be reviewed by the Board of Trustees, Surfside's attorney, or their designees. The initial appeal or protest will be decided based upon the written appeal or protest, supporting documents, and other information obtained by those reviewing the appeal or protest. A meeting or conference with the appellant or protestor will occur only if the Board of Trustees determines that a meeting or conference with the appellant or protestor would

materially assist Surfside in making its decision. Only those issues raised by the appellant or protestor in its initial written appeal or protest filed with the Business Manager will be considered. The Board of Trustees, Surfside's attorney, or a designee will issue a written decision no later than fifteen (15) business days after the filing of the initial appeal or protest with the Business Manager. The Board of Trustees may exercise discretion to extend the time for decision if more time is needed. The decision made by the Board of Trustees will be final.

SECTION 7 – PROFESSIONAL AND PERSONAL SERVICES

Professional or personal services are those services involving specialized skill, education, and special knowledge. These services include, but are not limited to, architectural, engineering, design services, accounting, art, bond brokerage, insurance brokerage, legal, real estate appraisal, relocation assistance, title abstracts, surveying, soils analysis, and core testing.

A competitive process is not required for professional or personal services, other than professional engineering or architectural services for the design of Surfside improvements.

Procurement and administration of such contracts is the responsibility of the Business Manager. Surfside's President of the Board of Trustees will sign all professional or personal service contracts upon approval of the Board of Trustees. The Board of Trustees will approve all professional or personal service contracts by resolution at any regular or special meeting. Surfside's attorney shall review all professional or personal service contracts.

1. Architectural, Engineering and Design Services

Professional engineering or architectural services should be selected either from a pre-qualified list or by advertising a request for qualifications for the specific project. The pre-qualified list is maintained by the Business Manager.

2. Advertisement

- a. Professional engineering or architectural services requirements should be published in advance in the local newspaper and in any other media reasonably likely to attract sufficient numbers of potential service providers. The announcement should state concisely the business scope and nature of the project or work requiring the services, and the address of a Surfside representative who can provide further details.
- b. Announcements should occur either by: (a) advertising an announcement for a specific project on each occasion when professional engineering or architectural services are required; or (b) advertising a business announcement for Surfside's projected requirements for any category or type of engineering or architectural services.
- c. Surfside encourages architectural and engineering firms to submit a statement of qualifications and performance data annually. When services are needed, Surfside will evaluate current statements of qualifications and performance data on file with Surfside, together with those that may be submitted by other firms regarding the proposed project.

3. Contract Negotiations

- a. Discussions will be conducted with one or more firms regarding anticipated concepts and the relative utility of alternative methods of furnishing the required services. Using criteria established by Surfside for the project, category, or type of services needed, a professional/personal services contractor will be selected that is deemed to be the most

highly qualified to provide the services required for the proposed project.

- b. Surfside will negotiate a contract with the most qualified firm at a price that Surfside determines is fair and reasonable. In making its determination, Surfside will take into account the estimated value of the services to be rendered as well as the scope, complexity, and professional nature of the services to be provided. If Surfside is unable to negotiate a satisfactory contract with the firm selected at a price that is determined to be fair and reasonable, negotiations with that firm will be terminated in writing. Another firm will then be selected, and the process continued until an agreement is reached or the process is terminated.

SECTION 8 – SURPLUS

The Board of Trustees may authorize the sale of property belonging to Surfside if it determines that the property is not and will not be needed and gives notice of intention to sell as provided in this section. Property with a value of less than five hundred dollars (\$500.00) may be sold by public or private sale without notice and at the discretion of the Business Manager. All sales of property with a value of five hundred and one dollars (\$501.00) or more in value shall be sold by public sale.

1. **Scrap Sales** – Scrap may be sold by private sale at prices established by current market conditions. Scrap is any equipment or material that cannot serve its original purpose.
2. **Trade-ins** – Trade-ins of old equipment to upgrade equipment of the same or reasonably related kind are permitted when it is in the best interest of Surfside. The Manger shall be responsible for the sale, trade, or other disposition of surplus property and scrap belonging to Surfside. **Public Notice** – The notice of intent to sell surplus property at a public sale shall be published once a week for two (2) consecutive weeks in the Chinook Observer, Daily Astorian, or industry related publications prior to the sale. The notice shall state the time and place of the sale⁸.

⁸ Adopted April 20, 2013 by Resolution 2013-04-01

OPERATIONAL PROCURE #107 – FINANCIAL PLANNING

○ This operating procedure describes the financial planning tools adopted by the association for the near-term and far term estimation of financial expenditures. The procedures will describe the following tools:

- Annual Spend Plan
- Annual Budget Model
- Two Year & Five-Year Budget and Dues Estimates

○ Annual Spend Plan. The annual spend plan is a spreadsheet model which tracks all operational expenditures, all capital expenditures (including expenditures from the reserve), all operational funds and all capital or reserve funds. The model compares inflows and outflows of monies monthly. The spreadsheet values are initially populated with estimates for each month based on previous historic data and the previous year end balances of the association cash accounts. As the year progresses, estimates will be replaced with actual values from the bank summaries and the association financial system. The annual spend plan will be developed by the Treasurer, the Water Systems Manager, and the Business Manager. The initial yearly Spend Plan will be presented to the Board of Trustees at the November Business meeting. The Business Manager will maintain and update the Spend Plan for each monthly board meeting or for Surfs. Committee Meetings where budgeting or expenditures are considered. In addition to providing a clear accounting of association spending, the model predicts end year balances in all cash accounts and the final results of all on-going projects.

○ Annual Budget Model. Following the budget procedures outlined in the By-Laws and the Operations Manual, the Annual Budget will be developed using a spreadsheet model maintained by the Surfside Business Manager. The spreadsheet model follows the structure contained in the Surfside accounting system. During Budget Development, the Business Manager, the Water Systems Manager, and the appropriate committees will input their budget requirements into the association budget spreadsheet. The spreadsheet will then contain the relevant details and actual calculations used to determine the budget and will serve as a reference to future budget committees explaining how previous budgets were derived. As the Budget Model is a spreadsheet additional rows and columns can be added to accommodate complex calculations. The Budget Model will be operated and maintained by the Business Manager. A new (relatively blank) Budget Model will be created prior to the beginning of each budget development cycle.

- Two Year and Five-Year Budget and Dues Estimate. Following the development of a new budget, the Treasurer will estimate the effects of that year's expenditures on the next two and five years. Assumptions about inflation, increased costs for operational and maintenance, planned new capital investments and required reserve study expenditures will be included. Impact on future member dues will be calculated. An example Five Year calculation is attached to this operational procedure.

• Attachment 1: Annual Spend Plan Example

The first two blocks of this example are essentially lists of planned expenditures.

2017 Profile Operational and Capital Expenses Spend Plan (Estimated)													
(Blue are actuals)													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Totals
Operational Expenditures (Estimated)													
	Actuals					Estimates based on 2016 Actuals							
Business Office	25,381	17,423	17,695	19,238	16,153	13,975	18,149	15,971	14,882	17,423	16,697	14,338	287,236
Administrative Department	39,499	14,914	1,011	3,539	10,364	37,159	15,672	14,029	6,193	1,011	6,446	15,672	165,511
Water Department	50,459	27,991	36,546	35,368	35,368	37,725	28,687	29,866	34,975	44,013	38,511	44,013	443,432
Common Property Department	940	2,604	2,182	10,276	2,041	3,001	4,997	8,009	7,883	6,616	-633	3,590	53,167
Sheriff Patrol Department	6,488	5,742	5,864	5,864	5,437	5,376	5,376	5,376	5,376	5,628	5,681	5,559	67,749
Refuse/Compactor Department	3,419	9,853	6	7,688	9,203	13,643	10,936	11,369	9,961	11,044	8,445	5,630	101,198
Recreational Vehicle Department	314	143	1,518	367	1,212	377	2,149	357	234	234	642	1,314	8,988
Surfside Activities				294	287	5,232	2,889					2,267	10,899
Totals	126,492	78,580	64,732	82,634	79,985	117,287	88,855	85,836	79,505	85,962	75,789	92,383	1,058,041
Capital Expenditures (Estimated)													
	Estimates based on WSP estimate and SHQA Reserve Study												
W/P Materials		42,000	7,500		15,000						10,000		74,500
W/P Labor	0	10,000	8,000	8,000	8,000					75,000	7,500	1,500	118,000
Oysterville Loop Materials						52,000							52,000
Oysterville Loop Professional			8,000					1,500					9,500
Oysterville Loop Labor						2,500	8,000	9,500					20,000
Oysterville Loop Easement					3,000								3,000
Treatment Plant Materials			80,000			25,000	5,000	175,000		60,000			345,000
Treatment Plant Professional	3,600	4,500	1,500	4,500	2,000	2,000	8,500	8,500	5,000	5,000	3,500	3,500	52,100
Treatment Plant Compliance				5,000		2,500							7,500
Treatment Plant Sub Contract							115,000						115,000
Treatment Plant Surfside Labor					3,500	3,500	3,500	3,500					14,000
Booster Pump Mechanical								27,596	27,596				55,191
Booster Pump Electrical									43,076	43,076			86,151
Booster Pump Replacement Professional								10,000		10,000			20,000
Backhoe Replacement				69,200									69,200
Storage Building Mezzanine Construction						22,000							22,000
Mini Excavator				10,000									10,000
Totals	3,600	56,500	105,000	86,700	31,500	100,500	140,000	235,596	75,671	193,076	21,000	5,000	1,063,142
Operational Funds													
Initial Balance	947,963												
Operational Funds From Dues 2017	491,008	118,153	63,830	40,742	24,898	14,939	19,918	27,614	10,865	8,148	7,516	900	828,132
Operational Funds Deposits in 2018	0	0	0	0	0	0	0	0	0	0	0	0	270,000
Payment of Operational Expenses	126,492	78,580	64,732	82,634	79,985	117,287	88,855	85,836	79,505	85,962	75,789	92,383	1,058,041
Capital Expense Withdrawal from O&M Funds	3,600	56,500	105,000	86,700	31,500	100,500	100,500	0	0	0	0	0	392,800
Operational Fund Balance	1,308,879	1,291,951	1,186,049	1,057,457	970,871	799,822	690,866	631,864	563,224	485,418	417,137	595,254	
			Six Month Expenses		538,578	Four Month Expenses		372,388					1,374,366
Reserve Funds													
Initial Balance	894,478												
Capital Funds from Dues	332,563	55,001	30,038	19,173	11,717	7,030	9,373	12,995	5,113	3,835	7,456	51,341	546,234
Operational Funds Added to the Reserve	3,600	56,500	105,000	86,700	31,500	100,500	0	0	0	0	0	0	0
Water Meter Funds Rolled Over	0	0	0	0	0	33,646	0	0	0	0	0	0	0
Water Main Funds Rolled Over	0	0	0	0	0	163,716	0	0	0	0	0	0	0
Payments of Capital Expenses From O&M	1,000	56,500	105,000	86,700	31,500	100,500	0	0	0	0	0	0	0
Payment of Capital Expenses From Reserve	0	0	0	0	0	0	140,000	235,596	75,671	193,076	21,000	5,000	678,342
Reserve Fund Balance	1,227,841	1,226,142	1,151,180	1,083,653	1,063,870	1,158,772	1,028,145	805,541	734,966	545,745	532,201	578,542	

The second two blocks are summaries of both operational and capital/reserve accounts. These blocks show how and when monies are spent and ensure that operational funds are not reduced below a 4 to 6-month safety margin. Year end balances in all cash accounts can be predicted from the model.

- Attachment 2 – Example Budget Worksheet

BIAS Acct Number		Previous Year Actuals	Previous Year Budget (2017)	2018 Budget	Estimation Method
	COMPACTOR - 534-60				
	REPAIR & MAINTENANCE				
	COMPACTOR BUILDING				
	DUMPSTER SHED				
	ATTENDANTS OFFICE				
	COMPACTORS				
	COMMON GROUNDS				
			2000		
	PAYROLL EXPENSES				
	SALARIES/WAGES		18360		
	Social Security				
	Medicare				
	L&I				
	Unemployment				
	Medical / Dental				
	Life Insurance				
	Pension				
			22494		
	ELECTRICITY				
			700		
	REFUSE COLLECTION				
			85000		
	SUPPLIES				
			1500		
	TOTALS Compactor 534-60		111694		

The calculations for all budget line items will be made in the “estimation method” column and any succeeding rows and columns needed to complete the calculation. The Budget Committee has the right to add additional columns to reflect more previous years’ actuals.

- Attachment 3 – Example 5 Year Budget Model and Projection

	2015	2016	2017 Budget	2018 Budget (Example) 2017 O&M + 1%	2019 Budget (Example) 2018 O%M + 1%	2020 Budget (Example) 2019 O%M + 1%	2021 Budget (Example) 2020 O%M + 1%	2022 Budget (Example) 2021 O%M + 1%
1. Total Operational Expenses	\$ 1,110,134	\$ 1,088,750	\$ 1,098,131	\$ 1,109,112	\$ 1,120,203	\$ 1,131,405	\$ 1,142,720	\$ 1,154,147
- (Projected Operational Offset from O&M Funds)			\$ (270,000)	\$ (60,000)	\$ (60,000)	\$ (60,000)	\$ (60,000)	\$ (60,000)
Net Operational Expenses			\$ 828,131	\$ 1,049,112	\$ 1,060,203	\$ 1,071,405	\$ 1,082,720	\$ 1,094,147
2. CAPITAL IMPROVEMENTS & RESERVE FUND:								
Business Office Computers				\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
Water Department Improvements	\$ 65,100	\$ 83,962	\$ -	\$ 15,000	\$ -	\$ 15,000	\$ -	\$ 15,000
Carbon Treatment Plant			\$ 544,500	\$ -	\$ -	\$ -	\$ -	\$ -
Oysterville Main			\$ 89,565	\$ -	\$ -	\$ -	\$ -	\$ -
Water Main Replacement			\$ 107,801	\$ 110,000	\$ 110,000	\$ 110,000	\$ 110,000	\$ 110,000
Ocean Beach Connection						\$ -	\$ -	\$ -
Div 14/15 Expansion				\$ -	\$ -	\$ -	\$ -	\$ -
Reserve Fund Contribution	\$ 140,000	\$ 140,000	\$ -	\$ 203,500	\$ 203,500	\$ 203,500	\$ 203,500	\$ 203,500
Reserve Fund Offset to Capital Improvements			\$ (177,500)	\$ -	\$ -	\$ -	\$ -	\$ -
Net Capital Expenses	\$ 205,100	\$ 223,962	\$ 564,366	\$ 329,500	\$ 314,500	\$ 329,500	\$ 314,500	\$ 329,500
3. Membership Dues Determination								
Number of Members			2,021	2,031	2,041	2,051	2,061	2,071
Number of Lots (adds 5 per year)			2,854	2,859	2,864	2,869	2,874	2,879
Membership Dues (\$100 per member)		\$ 201,300	\$ 202,100	\$ 203,100	\$ 204,100	\$ 205,100	\$ 206,100	\$ 207,100
Net Operational Expenses - Membership Dues			\$ 626,031	\$ 846,012	\$ 856,103	\$ 866,305	\$ 876,620	\$ 887,047
Operational Assessment Per Lot			\$ 219.35	\$ 295.91	\$ 298.92	\$ 301.95	\$ 305.02	\$ 308.11
Capital Assessment Per Lot			\$ 197.75	\$ 115.25	\$ 109.81	\$ 114.85	\$ 109.43	\$ 114.45
4. FEES & ASSESSMENTS Summary								
Waterline Assessment	\$ 55.00	\$ 55.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Membership dues	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00
Per Lot Operational Assessment	\$ 297.45	\$ 289.99	\$ 219.35	\$ 295.91	\$ 298.92	\$ 301.95	\$ 305.02	\$ 308.11
Per Lot Capital Assessment	\$ 71.50	\$ 72.21	\$ 197.75	\$ 115.25	\$ 109.81	\$ 114.85	\$ 109.43	\$ 114.45
Totals	\$ 523.95	\$ 517.14	\$ 517.10	\$ 511.16	\$ 508.73	\$ 516.80	\$ 514.45	\$ 522.56
			Reserve Fund Deficit	Replacement				
			\$ 317,500	\$ 63,500	\$ 63,500	\$ 63,500	\$ 63,500	\$ 63,500

Shown is a summary of Five-Year projected expenditures and members assessments. Relevant assumptions concerning inflation rates and increase/decrease in operational costs should be noted in the spreadsheet. Planned capital improvement projects and reserve expenditures should be listed in the spreadsheet. The Five-Year estimate will be presented to the Board of Trustees with the annual budget submission.

Adopted 8/19/17

OPERATING PROCEDURE #108 - CONDITIONS OF SERVICE

Rules Application

These terms and conditions for Water Service have been approved by the Surfside Homeowners Association Board of Trustees on September 16, 2017, and represent the lawful rules of the Association, pursuant to Chapter 64.38 RCW, Chapter 70.116 RCW, Chapter 70.119A RCW, Chapter 70.315 RCW, Chapter 246-290 WAC, and the Surfside Homeowners Association's Articles of Incorporation and By-Laws.

These terms and conditions for Water Service supersede all prior versions.

1. Definitions

The words and expressions listed below shall have the following meanings unless a different meaning is clear from the context of its usage:

- 1.1. **Application:** A written request for Water Service of which these terms and conditions are an integral part. Applications will be made using forms provided by Surfside.
- 1.2. **Air-Gap:** The unobstructed vertical distance through the free atmosphere between the lowest opening from any pipe or faucet supplying water to a tank, plumbing, fixture, or other device and the flood-level rim of the vessel. An Approved Air-Gap shall be at least double the diameter of the supply pipe, measured vertically, above the overflow rim of the vessel and in no case less than one inch.
- 1.3. **Applicant:** Any individual, partnership, association, firm, public or private corporation, limited liability company, government agency, institution, or group thereof applying to receive or use the Water Service. Applicants must be members of the Surfside Homeowners Association.
- 1.4. **Approved:** Accepted by Surfside as meeting an applicable specification as suitable for the proposed use. Approvals are only valid in written form dated and signed by an agent of Surfside.
- 1.5. **Auxiliary Water Supply:** Any water supply on or available to the premises other than the purveyor's approved public water supply. These Auxiliary Water Supplies may include water from another purveyor's public potable water supply or any natural source(s) (such as a well, spring, river, stream, harbor, and the like) or used waters. This water may be contaminated or polluted, or it may be objectionable and constitute an unacceptable water source over which the water purveyor does not have sanitary control.
- 1.6. **Backflow:** The reversal of the normal flow of water caused by either back pressure or back siphonage.

- 1.7. Backflow Preventer: A Surfside-approved assembly or means designed to prevent backflow.
- 1.8. Backpressure: The flow of water or other liquids, mixtures, or substances under pressure into the distribution pipes of a potable water supply system from any source(s) other than the intended source(s).
- 1.9. Back siphonage: The flow of water or other liquids, mixtures, or substances into the distribution pipes of a potable water supply caused by the reduction of pressure in the potable water supply system.
- 1.10. Board: The Surfside Homeowners Association Board of Trustees is the governing body of the water system.
- 1.11. Clean Water Act: The primary federal law in the United States governing water pollution, which is codified at 33 U.S.C. § 1251 et seq. Contamination: An impairment of the quality of the potable water by sewage, industrial fluids, or other materials to a degree which creates an actual or potential hazard to public health through poisoning or through the spread of disease.
- 1.12. Cross-Connection: Any physical connection or arrangement of piping or fixtures between two otherwise separate piping systems, one of which contains potable water and the other non-potable water or industrial fluids of questionable safety, through which, or because of which, backflow may occur into the water system. This would include any temporary connections, such as swing connections, removable sections, four-way plug valves, spools, dummy sections of pipe, swivel, or change-over devices, or sliding multiport tubes.
- 1.13. Cross-Connection Control by Premises Isolation: The installation of a backflow preventer commensurate with the degree of hazard at the Water Service connection that isolates the entire premises.
- 1.14. Cross-Connection Specialist: An individual who has a current certification from the Washington State Department of Health as a Cross-Connection Specialist.
- 1.15. Customer: Any individual, partnership, association, firm, public or private corporation, limited liability company, government agency, institution, or other entity that has agreed, either by written contract, verbal agreement, or implied understanding, to receive Water Service from Surfside. A customer must be a member of the Surfside Homeowners Association.

- 1.16. Delivery Point: The point of the physical connection between Surfside's and the Customer's facilities, beyond which the Customer receives and assumes responsibility and liability for the Water Service rendered.
- 1.17. Disconnection: The termination or discontinuance of Water Service.
- 1.18. Dispute Resolution Committee: The group of individuals appointed by the Surfside Homeowners Association Board of Trustees to resolve disputes between Surfside Homeowners Association Members or between Surfside Homeowners Association Members and Surfside.
- 1.19. Double-Check Valve Assembly: An assembly of two independently operating approved check valves with resilient seated shut-off valves on each end, plus properly located resilient seated test cocks for the testing of each check valve. The entire assembly shall meet the design and performance specifications determined by a laboratory and field evaluation program, resulting in an approval by a recognized and Surfside-utilities-approved testing agency for backflow prevention assemblies. To be approved, these assemblies must be readily accessible for in-line testing and maintenance.
- 1.20. Degree of Hazard: Based on an evaluation by a Cross-Connection Specialist, Degree of Hazard is a determination regarding the potential Health Hazard risk and the degree of probability the Health Hazard may enter the water system.
- 1.21. Health Hazard: Any condition, device, or practice in the water supply system and its operation that is an actual or potential risk to the health and wellbeing of the water consumers.
- 1.22. Metering Period: The interval between two consecutive water meter readings that is recorded for tracking water use and billing purposes. Such readings will be taken, as nearly as practicable, on the last day of each month.
- 1.23. Plumbing Hazard: An internal or plumbing-type cross-connection in a consumer's water system that may be either a pollutant or a contamination-type hazard. This includes, but is not limited to, cross-connections to toilets, sinks, lavatories, domestic washing machines, and lawn sprinkling systems. Plumbing-type cross-connections can be located in many types of structures, including houses, apartments, hotels, and commercial or industrial establishments.
- 1.24. Pollutant Hazard: An actual or potential threat to the physical properties of the Water System or to the potability of the public or the consumer's water system that would

constitute a nuisance, be aesthetically objectionable, or could cause damage to the System or its appurtenances but would not be dangerous to health.

- 1.25. System Hazard: An actual or potential threat of severe damage to the physical properties of the water system or the consumer's water system or of a pollution or contamination which would have a protracted effect on the quality of the water in the Water System.
- 1.26. Industrial Fluids System: Any system containing a fluid or solution which may be chemically, biologically, or otherwise contaminated or polluted in a form or concentration such as would constitute a health, system, pollutant, or plumbing hazard if introduced into an approved water supply. This may include, but not be limited to, polluted or contaminated waters; all types of processed waters originating from the water system that may have deteriorated in sanitary quality; plating acids and bases; circulating cooling waters connected to an open cooling tower and/or cooling towers that are chemically or biologically treated or stabilized with toxic substances; contaminated natural waters, such as from wells, springs, streams, rivers, bays, harbors, seas, irrigation canals or systems, and the like; oils, gases, glycerin, paraffins, caustic and acidic solutions; and other liquid and gaseous fluids used for firefighting, industrial or other purposes.
- 1.27. Late Payment Charge: The penalty assessed by Surfside upon all current bills as they become delinquent.
- 1.28. May: The act referred to is both permissible and approved.
- 1.29. Commercial Customer: Any entity being supplied with Water Service by Surfside that is not used for residential purposes.
- 1.30. Person: Any natural person, public or private corporation, or any other entity.
- 1.31. Premises: Any lot or contiguous lots where Surfside provides Water Service. Premises include the undeveloped area(s) and all structures located on the lot(s)
- 1.32. Pollution: The presence of any foreign substance (organic, inorganic, or biological) in water that tends to degrade its quality so as to constitute a hazard or impair the usefulness or quality of the water to a degree that does not create an actual hazard to public health but does adversely and unreasonably affect the waters for domestic use.
- 1.33. Premises: A distinct portion of real estate on which is located the living quarters for the use of a single family or the main building of a commercial or industrial Customer, including the outlying or adjacent buildings used by the same Customer

(provided the use of Water Service in the outlying buildings is supplemental to the Water Service used in the main residence or building).

- 1.34. Residential Customer: A person being supplied with Water Service by Surfside exclusively for residential purposes.
- 1.35. Residential Dwelling Unit: An individual residence, including mobile homes and trailers, or a room or combination of rooms with facilities for private living for a single family.
- 1.36. Reduced Pressure Backflow Assembly: A testable assembly that is approved by Surfside for High Hazard applications. To be approved, these assemblies must be installed according to Washington State Department of Health standards and be on the most current list of approved RPBA from the Washington State Department of Health.
- 1.37. Standard Specifications: The technical and mechanical standards for all work on the Water System. The standard specifications are found in Surfside's Water System Plan. Work that does not have a standard specification in Surfside's Water System Plan will use the most recent WASDOT Standard Specifications for Road, Bridge, and Municipal Construction.
- 1.38. Water Service: The supply of water by Surfside to the Customer.
- 1.39. Shall: The act referred to is mandatory.
- 1.40. Tamper: To rearrange, injure, alter, interfere with, or otherwise prevent from performing the normal or customary function.
- 1.41. User: A person who uses water from the Water System on a single premise, including the owner, the tenant, or the occupant of the premises.
- 1.42. Water System Manager: The person the Board authorizes to act on their behalf in the administration and management of the water system.
- 1.43. Water: Water from the Surfside Municipal Water System.
- 1.44. Water, Service Connection: The terminal end of a Water Service connection from the water system, i.e., where the water purveyor loses jurisdiction and sanitary control over the water at its point of delivery to the Customer's water system. The Water Service connection shall mean the downstream end of the meter. There should be no unprotected takeoffs from the Water Service line ahead of any meter or ahead of any backflow prevention assembly located at the point of delivery to the Customer's water system.

1.45. Water System: The network of water lines and appurtenances used for producing, transporting, treating, pumping, and storing potable water for Customers, that is, the Municipal Water System owned by the Surfside Homeowners Association.

2. TARIFF ON FILE

- 2.1. A copy of the Tariff is available for inspection at the Surfside Business Office.
- 2.2. Pursuant to the Surfside Homeowners Association's Articles of Incorporation, By-Laws, and applicable state and local laws and ordinances, The Board has jurisdiction over the Tariff's Rate Schedules.
- 2.3. The Tariff, or any part thereof, may be revised, amended, or otherwise changed from time to time by Resolution of the Board.
- 2.4. These Conditions for Water Service set forth the conditions under which Water Service is to be rendered and governs all classes of Water Service to the extent applicable. In case of a conflict between any provision of a Rate Schedule and the Conditions for Water Service, the provisions of the Rate Schedule shall prevail. The failure of Surfside to enforce any of the Conditions for Water Service shall not be deemed a waiver of its right to do so.
- 2.5. Surfside shall have the right to execute contracts for Water Service under any Rate Schedule. Surfside also shall have the right to execute other contracts for Water Service that may contain provisions not included in the Tariff, provided, however, that all approvals of such contracts that may be required by law shall be obtained by Surfside.

3. APPLICATION: WATER SERVICE REQUEST OR CONTRACT

- 3.1. A properly executed written Application for Water Service or contract shall be required by Surfside before Water Service will be provided.
- 3.2. Surfside may reject any Application for Water Service
 - 3.2.1. That is made by, or for the benefit of, wholly or partially, a current or former Customer who is indebted to Surfside.
 - 3.2.2. That Surfside deems to be incomplete.
 - 3.2.3. If the applicant is unwilling or unable to comply with these Conditions for Water Service or for any other valid or legal reason; or
 - 3.2.4. If, in the opinion of Surfside, the connection would overburden the water system.

- 3.3. The acceptance of Water Service shall constitute a contract between the Customer and Surfside, obligating the Customer to pay for, and Surfside to furnish, Service as specified in the Tariff and to comply with all applicable provisions of the Conditions for Water Service.
- 3.4. No promises, agreements, or representations of an agent or an employee of Surfside shall be binding on Surfside unless such promises, agreements, or representations are incorporated in a written contract executed by a duly authorized representative of Surfside.
- 3.5. The benefits and obligations under any Water Service request or contract shall inure to and be binding upon the successors and assigns, survivors and executors, or administrators (as the case may be) of the original parties thereto – provided, however, that no assignment shall be made by the Customer without first obtaining Surfside’s written consent. Surfside may require the successor either to execute with Surfside an assignment agreement wherein the successor Customer assumes and agrees to be bound by the original contract or to execute a new contract for Water Service.
- 3.6. In the event a Customer desires Water Service at more than one point, a separate Agreement shall be required for each separate point of delivery. Water Service delivered at each point of delivery shall be billed separately under the applicable Tariff.
- 3.7. An account for residential Water Service may be either joint or individual but shall in no event be joint unless the Application is executed by all joint parties. In the event an account shall be in the names of more than one party, each joint party shall be liable for the payment thereof, jointly and severally.
- 3.8. Water Service furnished to any Customer is for the use of that Customer on their designated Premises and shall not be resold or extended by the Customer to serve additional lots, Premises or improvements as an alternative to that person or entity receiving Water Service from Surfside, unless otherwise specifically included in its agreement with Surfside for Water Service.
- 3.9. All written contracts hereunder shall be executed by Surfside’s Business Manager, their authorized representative, or a majority of the Board.
- 3.10. No person shall connect to the Water System until after they have obtained written permission to do so from Surfside. If any person connects to the Water System without obtaining said permission, Surfside shall have the right to disconnect such person from the Water System, without notice, and refuse to accept, process, or

approve an Application for Water Service from such person until Surfside has been reimbursed for any expense incurred in disconnecting such person from the Water System.

3.11. No person shall do any form of work on or in connection with water mains, fire hydrants, or facilities owned by Surfside until they have received written permission from Surfside to do such work. All work must be in compliance with Surfside's Standard Specifications.

3.12. Applications for a new Water Service shall be made on a form prescribed by Surfside and may require the following information: Name, mailing address, telephone number(s), and email address(es) of the owner; name, address, and telephone number(s) of the contractor; address where the work is to be done; and plans for the Building water connections, which at a minimum must consist of drawing(s) of the building, the parcel boundaries, the connection details, the septic system, and any other information that is deemed reasonable and necessary by Surfside.

4. WATER SERVICE DEPOSIT

4.1. Surfside may require from a residential Applicant or Customer, at any time prior to or after the commencement of Water Service, a Water Service deposit to guarantee the payment of rates and charges for Water Service.

5. INVOICING

5.1. Customers will be invoiced for Water Service as needed or at intervals indicated in a contract and will be based on the charges set forth in the Tariff Rate Schedule or the contract Rate Schedule. The net amount, as indicated on the invoice, is due and payable upon receipt. If payment of the net amount is not received by Surfside within twenty-five (25) days, the invoice is delinquent. In the case of a delinquent invoice

5.1.1. Surfside may add a Late Payment Charge to the Customer's delinquent invoice, as set forth in in the Tariff and

5.1.2. The Customer may also be subject to other reasonable collection costs, including court costs, collection agency fees, and/or attorney fees.

5.2. Surfside may, after notice as described in section 15, discontinue Water Service for non-payment of invoices, dues, assessments, charges, fees, or interest. In addition to payment of all invoices, dues, assessments, charges, fees, or interest, payment of a reconnection charge, as set forth in the Tariff, shall be required before Water Service is reconnected.

5.2.1. Disconnection Notice

Members with accounts in delinquent status after 30 days will receive notice that the water service is subject to disconnection. If the delinquency is not resolved by the member after an additional fifteen days, a final notice of disconnection of water service will be sent to the member.

If a property record contains a mailing address for owner (member) that is different from the property address, two notices of disconnections will be sent:

One to the owner's address, addressed to the owner (member); One to the residential service (property) address, addressed to the "occupant. "If Surfside receives either or both notices in returned mail marked undeliverable, a Surfside representative will visit the property in person and make a good faith effort to place a notice of imminent discontinuation of water service for nonpayment. The notice will include a copy of Surfside's water disconnection policy. The notice and accompanying policy will be placed in a conspicuous place.

5.2.2. Exemptions to disconnection of services

The member accepts a payment plan approved by Surfside that resolves the delinquency. However, if the member fails to complete the payment plan, a final notice will be posted as described in 5.5.1 at least five (5) days before services will be disconnected.

A member makes a request to the board disputing a disconnection of service at any time, before receiving a disconnection notice or within 3 business days after receiving a disconnection notice. Surfside will follow the procedures as outlined in 15.1 of Operating Procedure #108.

The member demonstrates, or documents the inability to pay dues and assessments, or declares the household's annual income is at or below the federal poverty level and the member acknowledges the property is subject to liens and foreclosure proceedings.

Special consideration will be given to members with problems such as a death in the family, serious illness, or life sustaining requirements for water service.

5.2.3 Disconnection of Service

Disconnection of water services will not take place when there is an excessive heat warning, heat advisory, excessive heat watch or any similar alert.

A Surfside water service representative will make a good-faith effort to contact the member/resident before disconnecting service.

Water service will be disconnected at the meter. If the water service is subsequently found to be tampered with, additional procedures to ensure service remains disconnected will be exercised. Reconnection after these procedures are required will be at the member's expense.

- 5.3. When Water Service is discontinued by removing the meter at the Customer's Request, a reconnection charge, as set forth in the Tariff, shall be required before Water Service is reconnected.
- 5.4. Checks returned by a bank for any insufficiency (such as, but not limited to, insufficient funds) shall not constitute timely payment of a bill. Further, any charges assessed against Surfside by a bank for an insufficient check shall likewise be assessed by Surfside to the Customer. In addition, the Customer will be charged a fee as may be established by the Board for the returned check, and Surfside may refuse to accept a check from said Customer for payment.

6. INSPECTION

- 6.1. On a Customer's premises, the size, shape, alignment, and materials of construction of a water connection point for a building (or house) and the methods to be used in excavating, placing the pipe, pressure testing, and backfilling the trench shall conform to the requirements of the Building and Plumbing Codes and other applicable rules and regulations of Washington State or Pacific County.
- 6.2. A separate Water Service will be required for each premises. All lots will be considered separate premises unless the properties are contiguous, and the buildings or structures are all under the control of one user.
- 6.3. The applicant for Water Service shall notify Surfside when a Water Service is ready for inspection and connection to the System. The connection shall be made under the supervision of Surfside's Water System Manager or their representative.
- 6.4. The Water System Manager, or other duly authorized employees of Surfside, upon reasonable notice, are empowered to enter, upon presentation of proper credentials, all premises with a Water Service for the purposes of inspection, observation, measuring, pressure testing, sampling, and testing water.

- 6.5. No responsibility shall attach to Surfside because of any waiver of the requirements set forth in this Section.

7. WATER SERVICE TO BE FURNISHED

- 7.1. Surfside shall inform the Customer concerning the volume and pressure available at the Customer's Water Service and shall determine the location of the Delivery Point.
- 7.2. As the Water System has capacity limitations, the Customer shall not make any changes to the premises that may have a significant increase in water usage without Surfside's written approval. Surfside will provide written approval for the increased water use upon written request by the Customer, provided the request includes plans and specification of the changes to the Customer's premises. Surfside may require the Customer to provide plans and specifications stamped by a professional engineer.
- 7.3. In the event a Customer's planned water usage change will require Surfside to increase the capacity of the Water System, the Customer shall be required to complete an Application or Contract for Water Service before Surfside commences any changes to the Water System.

8. WATER CONSERVATION

- 8.1. Upon determining that the Water System is experiencing a shortage of water, it is unable to maintain adequate water pressure, the water demands exceed the capacity of the Water System, major malfunctions or breakdowns of equipment have occurred, or other circumstances have caused an actual or imminent danger to the water supply, then the Board may declare a water conservation emergency and establish conservation measures appropriate to the circumstances. Inasmuch as Surfside has authorized the Water System Manager with the responsibility for managing and overseeing the Water System, the Board shall seek recommendations from the Water System Manager in the interest of preservation and protection of the Water System.
- 8.2. Customers will be notified by publication in The Chinook Observer, conspicuous posting of a Notice within the community, the Pacific County reverse 911 service, and other means deemed appropriate by the Board. Notices will include a beginning date and time and an ending date and time. Restrictions may be extended or canceled by the Water System Manager. Notices will include the conservation actions required of Customers.
- 8.3. Enforcement of Restrictions: The Water Department will enforce restrictions on water use.

- 8.3.1. Customers violating the water use restriction requirements shall be issued a written ticket. No fine or penalty shall be imposed for the first offense.
- 8.3.2. Customers violating the water use restriction requirements, after receiving a written notice, shall be assessed a fine approved by the Board.
- 8.3.3. Customers violating the water use restriction requirements repeatedly or egregiously may have their Water Service discontinued.

9. WATER SERVICE EXTENSIONS

- 9.1. The Water System may be improved, as determined by the Department of Health and the Board, to provide Water Service to an Applicant. The cost of such improvements to provide Water Service to an Applicant will be borne by the Applicant(s).
- 9.2. In those cases where it is not feasible or practical to construct water mains and appurtenance within public rights-of-way and it is necessary to secure easements on private property, the applicant(s) shall secure said easements without cost to Surfside before construction commences. Surfside shall be under no obligation to construct lines in the event the necessary rights of way cannot be so obtained.
- 9.3. If a Customer requests, for their convenience or by their actions, that Surfside facilities be redesigned, reengineered, relocated, removed, modified, or reinstalled, Surfside may require the Customer to make a payment to Surfside for the full cost of performing such service. In the event the full cost is an estimated amount, the Customer may be required to make a deposit or provide a bond for one hundred and twenty percent (120%) of the estimated amount. When the full cost of the project has been determined and all the work has been completed, the bond shall be released or any money on deposit will be returned to the Customer.

10. Surfside EQUIPMENT ON CUSTOMER'S PREMISES

- 10.1. The Customer shall furnish Surfside a satisfactory location for Surfside's Meters and other equipment necessary to provide and measure Water Service, and shall also furnish Surfside the rights on, over, or under the Customer's Premises necessary to install, operate, and maintain Surfside's other facilities required to supply Water Service to the Customer. Surfside reserves the right to make the final decision as to the location of the Meter on the Customer's Premises.
- 10.2. When the Customer is not the owner of the Premises and/or of the adjacent Premises, the Customer shall furnish Surfside with satisfactory easement for the location of Surfside's facilities on the Premises and/or on the adjacent Premises.

10.3. Surfside may change the location of any or all its facilities upon the request of the Customer, provided.

10.3.1. Such change will not interfere with or jeopardize Surfside's Water Service, either to the Customer requesting the change or to other Customers of Surfside and

10.3.2. The Customer agrees to bear the expense of such a change.

10.4. The Customer shall provide reasonable protection from loss or damage to Surfside property. If Surfside's equipment is damaged or destroyed through the Customer's neglect, the cost of necessary repairs or replacements shall be paid by the Customer.

10.5. The Customer shall not disconnect, change the connections of, or otherwise interfere with Surfside's Meters or other property and shall be responsible to Surfside for permitting anyone who is not an agent or employee of Surfside to tamper with Surfside's property.

10.6. All facilities installed by Surfside shall be and remain the property of Surfside unless a contract expressly otherwise provides, and Surfside shall operate and maintain its property.

10.7. Water System employees or agents of Surfside shall have the right to enter the Premises at all reasonable times for the purpose of Meter reading or inspecting, testing, repairing, or replacing any or all of Surfside's property used in supplying any Water Service to the Customer.

10.8. Upon termination of a contract or discontinuance of Water Service, Surfside shall have the right to remove all of its property from the Customer's Premises.

11. Surfside EQUIPMENT ON CUSTOMER'S PREMISES

11.1. The purpose of this subchapter is:

11.1.1. To protect the public potable water supply of Surfside from the possibility of contamination or pollution by isolating within the Customer's internal distribution system(s) or the consumer's private water system(s) those contaminants or pollutants which could back flow into the public water systems.

11.1.2. To promote the elimination or control of existing cross-connections, actual or potential, between the consumer's on-premises potable water system(s) and non-potable water system(s), plumbing fixtures, and industrial piping systems.

11.1.3. To provide for the maintenance of a continuing program of cross-connection control which will systematically and effectively prevent the contamination or pollution of all potable water systems; and

11.1.4. To comply with rules pertaining to operation of a public water supply as outlined in Washington Administrative Code (WAC) 246-290-490 and Surfside's Cross-Connection Control Plan (Approved by the Board on August 13, 2013 by Resolution No. 2013-08-01.

11.2. Surfside Water System shall be responsible for the protection of the water distribution system from contaminants or pollutants through the Water Service connection. If, in the judgment of the Water Department, an approved backflow prevention assembly is required by WAC 246-290-490 or Surfside's Cross-Connection Control Plan for the safety of the Water System, the Water System Manager or their designated agent shall give notice in writing by certified or registered mail, return receipt requested, to the Customer to install (an) approved backflow prevention assembly(ies) at (a) specific location(s) on their premises. The consumer shall install and have tested the approved assembly(ies) at the consumer's own expense within the designated timeframe(s). Failure, refusal, or inability on the part of the Customer to install, have tested, and maintain the assembly(ies) within the designated timeframe(s) shall constitute grounds for discontinuing Water Service to the premises until the requirements have been satisfactorily met.

12. CUSTOMER'S INSTALLATION

12.1. Surfside shall have the right, but does not assume the duty, to inspect the Customer's installation at any time and to refuse to commence Water Service or to continue Water Service when such installation is deemed by Surfside to not be in good operating condition. But Surfside does not, under any circumstances, assume any responsibility in connection with the Customer's installation.

12.2. The use of the Customer's connection shall not adversely affect Surfside's System or Water Service supplied by Surfside to other Customers.

13. CUSTOMER'S REQUEST TO DISCONTINUE WATER SERVICE

13.1. Customers who have not contracted for Water Service for a specified term may have Water Service discontinued by giving notice in writing at Surfside's Business office of the date on which the Customer desires that Water Service be discontinued. Surfside will endeavor to obtain the final water Meter reading on the date the

Customer specifies in their notice but shall not be obligated to do so unless the Customer's notice provides at least three (3) working days' advance notice. The Customer shall be obligated to pay for Water Service rendered to the Premises until the final water Meter reading is obtained by Surfside.

- 13.2. Customers who have contracted for Water Service for a specified time may have Water Service discontinued by giving notice in writing at Surfside's Business office and agreeing to pay (i) for Water Service used to the date of Disconnection and (ii) the minimum charges which would be due Surfside for the remaining period of the contract in accordance with the contract provisions.

14. Surfside's RIGHT TO DISCONTINUE WATER SERVICE

- 14.1. Surfside may discontinue Water Service to any Customer without notice in any of the following circumstances:

- 14.1.1. When, in Surfside's opinion, a condition that is dangerous or hazardous to life, physical safety, or property (including the integrity of the Water System) exists.

- 14.1.2. When repairs must be made to Surfside's facilities or System.

- 14.1.3. When there has been tampering with Surfside's Meters or equipment, or evidence of fraudulent or unauthorized use of water in such a manner as to circumvent Surfside's Meter.

- 14.1.4. When the Customer resells, redistributes, transfers, or delivers water to others; or

- 14.1.5. When directed to do so by a court, another duly authorized public authority, or a properly authorized government agency.

- 14.2. Surfside may discontinue Water Service, after fourteen (14) days written notice, to any Customer in any of the following circumstances:

- 14.2.1. When any delinquent bill becomes thirty (30) days past due.

- 14.2.2. When a Customer denies access for employees of Surfside to its Meters or other facilities.

- 14.2.3. When a Customer uses equipment in such a manner as to adversely affect Surfside's System or Water Service supplied by Surfside to other Customers; or

- 14.2.4. When the Customer fails to comply with the provisions of (i) the Terms and Conditions for Water Service, (ii) the Tariff, or (iii) the contract for Water Service.

- 14.3. Discontinuance of Water Service in accordance with the provision of subdivisions 15.1 and 15.2 above shall not constitute a breach of any obligation of Surfside under any contract for Water Service with the Customer, and Surfside shall not, in any case, be liable to the Customer for any damages resulting from such discontinuances of Water Service. Such discontinuance also shall not invalidate any provisions of the contract with the Customer or these Terms and Conditions for Water Service, and Surfside shall have the right to enforce all obligations thereunder regardless of discontinuance.
- 14.4. If, for any reason, Surfside has issued a disconnection notice, but there is a duly authorized bill payment extension agreement or pendency of a dispute resolution proceeding as provided for herein, Surfside may disconnect such Water Service without further notice, upon the expiration of such postponement or any breach of such authorized extension agreement.

15. CUSTOMER COMPLAINTS AND DISPUTE RESOLUTION

- 15.1. A Customer may file a complaint disputing a disconnection notice with Surfside at any time either before receiving a disconnection notice or within three (3) business days after receiving such notice. Complaints must be made in writing and delivered to Surfside's office by USPS, UPS, FedEx, or private courier. Upon receiving each such complaint, Surfside will investigate the matter, confer with the Customer when requested, and notify the Customer in writing of its proposed disposition of the matter. Such written notification will advise the Customer that they may, within five (5) business days, request in writing a review of Surfside's resolution of the complaint by Surfside's Board of Trustees Executive Committee.

16. METER ACCURACY - ADJUSTMENT

- 16.1. All Water Service supplied by Surfside will be measured by water Meters of standard manufacture which are owned, installed, and maintained by Surfside.
- 16.2. Surfside will maintain water Meter accuracy and periodically test for accuracy.
- 16.3. When a water Meter is not recording within the limits of accuracy established by Surfside, an adjustment to billings may be made.
- 16.4. Surfside will make a test of the accuracy of registration of a water Meter upon written request by a Customer. A second test of this water Meter may be requested after twelve (12) months. The Customer shall be required to pay a water Meter test charge as may be established from time to time by the Board if a test is requested at less than

thirty-six (36) month intervals and if no error is found. Meters will be tested in accordance with the American Water Works Association's (AWWA's) standard M⁶ manual "Water Meters-Section, Installation, Testing, and Maintenance."

17. INTERRUPTIONS AND VARIATIONS IN WATER SERVICE CHARACTERISTICS

- 17.1. Surfside will, at all times, endeavor to provide regular and uninterrupted Water Service, but does not guarantee against variations in Water Service, such as Water System or other emergencies occasioned by acts of God, criminal activity, accidents, labor disputes, disorders, orders of public authorities, fires, casualties, and the necessity for making repairs or replacements in Surfside's facilities.
- 17.2. Whenever Water Service is interrupted for any purpose, except as described in 18.1, Surfside will endeavor to schedule interruptions during the regular hours of Surfside and at a time that is least inconvenient to Customers. To the extent practical, Surfside will attempt to notify the affected Customers, in advance of scheduled interruptions.
- 17.3. Such interruptions or variations shall not constitute a breach of any obligations of Surfside under any contract for Water Service with the Customer.

18. TEMPORARY WATER SERVICE

- 18.1. When, in the opinion of Surfside, the use of Water Service will be temporary in nature and the facilities to be installed will not be used for a permanent supply, the Customer shall pay the cost of labor and unsalvageable material required for supplying, connecting, disconnecting, and removing facilities, plus a charge for supervision, use of tools, and indirect costs, in accordance with the "job work order" procedure of Surfside.
- 18.2. The Customer may be required to make a deposit to ensure payment of the charges (i) set out herein and (ii) to cover the estimated usage of the applicable Rate Schedule for the period of temporary use.

19. CUSTOMER'S USE OF WATER SERVICE – RESALE AND REDISTRIBUTION

- 19.1. Water Service shall be used by the Customer only for the purposes specified in the Agreement. No Customer shall give or resell such Water Service to a third party by making a separate and distinct flat charge or charges for such Water Service.

20.

- 20.1. Surfside shall not be liable for damages of any kind; for any deficiency, failure, or contamination of the water distribution System, wherever located; for any deficiency in any Surfside or Customer lateral attachment or fixtures; or for any other interruption of Water Service caused by the breaking of machinery, stopping for repairs, or for any reason or occurrence beyond the reasonable control of Surfside. Surfside shall not be liable for any damage to any property caused by any of the foregoing reasons or for any other cause beyond the reasonable control of Surfside.
- 20.2. Surfside shall not be held liable for any failure or delay in performing any of the duties undertaken by it under any Water Service contract when such failure or delay is caused by a labor dispute, act of God, unavoidable accident, or other contingencies beyond its control, and in no manner due to its fault, neglect, or omission. Nor shall Surfside be liable for damage caused by interruption in or failure of Water Service by water escaping from piping on a Customer's property.
- 20.3. Surfside shall not be liable for the failure, interruption, or malfunction – including backup – of its System and Water Service caused by flood, earthquake, high water, war, riot, civil commotion, vandalism, the actions or failure of action of any local governmental authority to enforce or provide proper surface drainage or ditches for surface runoff, or any other circumstance over which Surfside has no control, where Surfside has used reasonable care in installing and maintaining its System in accordance with acceptable standards in the water utility business.
- 20.4. Water Service will be supplied by Surfside subject to the provisions or orders, amendments, and interpretations thereof of any governmental body having authority or jurisdiction over such Water Service, notwithstanding anything to the contrary in these Terms and Conditions for Water Service as set forth in Surfside's Tariffs.
- 20.5. In the event of changes or revisions to Surfside's Tariffs, the Customer shall take and pay for Water Service in accordance with the provisions of the revised or superseding Tariff. Unless otherwise expressly provided for, whenever a rate change becomes effective during a Billing Period, other than on a regularly scheduled Meter reading date, charges to the Customer for that Billing Period shall be prorated between the old or superseded rate and the new or revised rate.

I/We, the Customer, by receiving the Water Services described herein, agree that in order for Surfside to service my/our account or to collect any amounts I/We may owe, Surfside may contact me/us by telephone at any telephone number associated with my/our account, including wireless telephone numbers, which could result in charges to me/us. Surfside may also contact me/us by sending text messages or emails, using any email address I/We have

provided. Methods of contact may include pre-recorded or artificial voice messages and/or the use of an automatic dialing device, as applicable. I/We have read this disclosure and agree that the Surfside Homeowners Association may contact me/us using any method described above.

Adopted 6/21/2025

OPERATING PROCEDURE #109 – FINANCIAL STRATEGIC PLAN

2018 – 2023 Financial Strategic Plan

Purpose. This plan describes the financial and physical challenges facing the association. It lays out a roadmap for future expenditures and establishes a profile for member dues and assessments. This plan considers both operations & maintenance and capital expenditures. Although primarily concerned with the water system, the plan considers investment and maintenance of all real property. This plan will serve to correlate the association reserve studies with the annual budget process to include 5-year projections of the budget.

References.

- Water Main Reserve Study, dated May 2017
- Facilities Reserve Study, dated May 2017
- Surfside Homeowners Association Water System Plan, 2015
- Surfside Lands and Buildings Five Year Maintenance Plan, February 2016
- Surfside Operating Instruction, Financial Processes
- Surfside Operating Instruction, Spend Plan (Current)
- RCW 64.38 Homeowners Associations (see Attachment Two)

Future Challenges. Although the association is financially well positioned to handle future challenges, judicious consideration of the future expenditures and the planning for the replacement of aging systems is necessary to minimize the impact to members of rapid fluctuations of dues caused by unplanned expenditures.

The following is list of the challenges, in no special order, considered within this plan:

- Aging of the underground water system piping
- Aging of the water system pumping, control and purification systems

- Upgrade of various elements of the water system providing better water quality to all members
- Maintenance of association owned storm water control system and its bodies of water
- Upgrade of the association Recreational Vehicle Storage system
- Maintenance and upgrade of the Compactor site
- Improvement of association business operations
- Better funding of the association reserve studies (currently funded to deplete in 30 years)
- Rebuilding of the Reserve Fund following completion of the Carbon Filtration Plant

Many of these challenges are present today and are addressed by on-going maintenance plans. Several are considered in the development of the annual budget and are supported by funds collected in the reserve and capital accounts. This plan will correlate these risk areas with future budgets and member assessments.

Part One. Where we are now.

The Surfside Homeowners Association owns a variety of properties. These include the following:

- A Washington State certified water system includes 22 miles of underground piping, filtration and purification equipment, control and pumping equipment, six wells and four large concrete reservoirs.
- 54 parcels of land.
- Entertainment and recreational facilities.
- A Recreational Vehicle storage facility.
- A garbage waste disposal and recycling site.
- A management office and support buildings.
- Storm water control lakes and outfalls.

Planned Operational Activities.

The association plans to continue the following operational activities at the described staffing levels throughout the period of this plan. Supporting these operational activities assumes that they will be funded in each year's budget.

- Business Office (3 full time staff members with funding for temporary staffing as needed)
- Water System Manager (professional services contract)
- Field Superintendent and Staff (6 full time employees)
- Contract Security Services (1 contractor, Pacific County Sheriff's Office)
- Field and Site Support (4 part-time employees)
- Recreational Vehicle Storage Facility (including waste handling facilities)
- Compactor and Recycling Site
- Cabana Sites (Deer Lake, Skating Lake, Seabreeze Lake)
- Community Activities (including the annual membership meeting)
- Maintenance of association lands and buildings per applicable annual maintenance plan and existing 5-year maintenance plan

Part Two. Planned Capital Investments and Replacements.

The timing of future capital investments is shown in Figure 1, attached to this plan. Capital investments and replacements include the following:

Payback of the Carbon Filtration System Reserve Fund Withdrawals. The construction of the Carbon Filtration is complete and was financed in part by a withdrawal from the Association Capital Reserve Fund. The Surfside Trustees have concluded that paying back the reserve fund for the amounts withdrawn is necessary for the long-term financial health of the fund. All budget and member's dues estimates shown in the plan assume a five-year payback.

Replacement of equipment and vehicles. During this period, the water department Excavator and Utility Truck are scheduled for replacement in the current reserve study. Specific date of replacement has been addressed by repair actions and the use of the funds should be address in

the next cycle of the reserve study. The Water System Manager and the Field Superintendent will have the best knowledge of the condition and usability of the vehicles. They should provide the Board of Trustees a plan for replacement when required.

Recreational Vehicle Storage Area Equipment. The following equipment and site facilities are scheduled to be replaced or renovated during this plan. They include (as listed in the reserve study) RV Area Renovation, RV/Trash Area: Asphalt – Overlay, RV/Trash Area: Buildings – Repair. RV/Trash Area: Compactor 2 - Replacement and the RV/Trash Area: Septic System – Replacement. All these elements are in approximately the same location and should be analyzed systematically. An architect/engineer specifically experienced in the design of such facilities should be consulted. The 2018 budget will contain a line item for professional services to support the design of the work.

Water Warehouse Replacement (Old). The existing water warehouse is scheduled for replacement during this planning period. As this building has been replaced in function, allocated funds could be used for another project such as Water Main Replacement, the South End Loop Project or the Recreational Vehicle Storage/Compactor Site refurbishment. The board of trustees will need to consider the usability of the existing structure and the disposition of both the structure and the lands. Both are owned by the association. Disposition of the building and the property should be studied, and a plan developed.

Water Systems Equipment. This plan envisions the continued replacement of the existing water main system begun in 2012. Specific financial schedule for this activity is contained in the Water Main System Reserve Study.

Water Main Replacement. Surfside Homeowners Association will continue their Water Main Replacement (WMR) program to maintain a manageable overall water distribution system age. The American Water Works Association (AWWA) reports the “typical” useful service life of pipes in a water distribution system inventory may vary widely, depending on pipe materials, water characteristics, soil characteristics, water main installation methods and materials,

watermain maintenance and repair practices, and other factors, a water main life expectancy of 65 to 85 years is reasonable. However, the original water distribution system was almost all AC pipe with a useful life expectancy of 50 years or less. Most of Surfside Water System was installed between 1962 and 1969. Therefore, the oldest parts of the Surfside water distribution system are approximately 50-years old now and replacing the oldest parts of the system is critical at this time. Once Surfside completes replacement of the oldest parts of the distribution system, a WMR program based on a 65- to 85-year replacement schedule should be adequate to keep the water distribution system in good condition.

Surfside Homeowners Association has contracted with the engineering firm Gray & Osborne to study the age of the underground system and to determine a likely order of replacement. This study should provide guidance concerning the order of area replacement and projected financial investment in future years.

Water Systems: Potassium Permanganate Feed System. This system is scheduled for replacement in the current reserve study but may no longer be needed based on the results of the operation of the Carbon Filtration system following installation in 2017. The Water Systems Manager and the Board of Trustees should make a determination of the value of this system and allocate the replacement monies as needed.

Storm Water Control System

The Surfside storm water control system includes the following real assets many of which are owned and maintained by the association, others by the Pacific County Flood Control District #1.

- Lakes: Seabreeze, Bear, Skating and Twin and the control valves and structures which regulate their levels (owned by Surfside).
- The canal (owned by adjacent members)
- Outfalls at Seabreeze Lake and the canal (owned by Surfside but maintained jointly by Surfside and the Pacific County Flood Control District #1 by custom)
- Catch basins and drainage controls located throughout Surfside and maintained by the Pacific County Flood Control District #1.

The funding for the removal of all woody debris in the Surfside owned lakes is addressed in this plan. Beginning in the Summer/Fall of 2017, Surfside has hired contractors with the appropriate equipment and begin the removal of woody debris in Deer Lake. This process will be repeated at Twin Lakes. All future work should be coordinated with the Flood Control District as they monitor and control the levels of water in these lakes.

Natural accumulation of woody debris in our lakes and canal will eventually fill these bodies of water and render them unfit for the control of storm water. As most of the lakes and the canal have residential housing located adjacent to them, their septic waste systems will become unusable as the body of water is filled. Removing woody debris from the lakes and canal will delay this process. Proper maintenance of the shorelines will also delay and, to a degree, reverse this process.

Part Three. Member Dues and Projected Association Funding Levels.

Members' dues are a function of costs incurred in the operational budget and decisions made about capital investment. Small activities, such as the community affairs committee have little influence on bottom-line dues and assessments in their current form and cost. Dues and assessments applied to members are driven by assumptions about future provided services and capital investments in our various systems. Projections of future members' dues and assessments per member and per lot are shown in Attachment One to this plan. Specific assumptions and conditions influencing future budgets include the following:

- The cost of everything will continue to increase.
- Salaried positions, in both the Water Department and the Administrative Office remain roughly constant, but with consideration of cost of living changes, over the period of the plan,

- The Water Department operations account includes annual estimates of overtime needed to repair water main breaks. Historic records indicate that ten such events are likely to occur. If such breaks do not occur and water department operations complete under budget, the Surfside Homeowner's Association Board of Trustees should consider using those funds for investment in the Capital Reserve or on-going projects.
- Repayment of reserve withdrawals for the Carbon Filtration Plant are spread over the entire period of this plan.
- The Carbon Filtration Plant is assumed to require carbon replacement in 2020 and 2021. Both the dates and the price are estimates and the actual cost and timing will be based on actual use of the system. But eventually it must be replaced. Replacement of the carbon should be included as line items in the annual budget determination.
- The annual cost of operation of the Carbon Filtration Plant is contained within the planned water department operational budget.
- Water Main Replacement should continue but may decline in cost over time as the oldest and frailest portions of the system are replaced.
- Member services such as the compactor site, Recreational Vehicle storage site and the security patrol are not reduced or eliminated and may experience escalation of utility and similar costs.
- The Reserve Fund remains only partially funded.
- Upcoming funds in the reserve study allocated to the Recreational Vehicle storage site and the Compactor area will be organized into a project to revitalize this area. A separate project plan will be needed for this work. A budget line item for a feasibility study is included in the 2018 budget. A project plan should be developed that includes all elements funded in the Capital Reserve fund and study.
- Based on the use of reserve funding for the Carbon Filtration Plant, one additional water system project is recommended for construction during this project. The 2018 Budget begins the savings for the South End Loop Project. Savings during the 2018 through 2020 periods should accumulate funds needed for the project. Planning for the project should occur during 2021 with construction to follow. See Attachment 3 for details.
- Construction at the Recreational Vehicle/Compactor site will be funded from the Capital Reserve and should not appear in projected budgets.

- Future Treasurers should be checking with our Water Systems Manager for changes in national or state policy/legislation which will require investment or improvements in the water system.
- Non-assessment revenues should be used to offset costs. This annual amount is between \$100,000 and \$175,000 based on revenues obtained in past years and assessments made by our accounting firm. The assumption is reflected in the five-year projection shown in Attachment 1.

Attachment 1. Surfside Homeowners Association Future Financial Profile.

	2018 Approved Budget	2019 Projected Budget	2020 Projected Budget	2021 Projected Budget	2022 Projected Budget	2023 Projected Budget
1. Total Operational Expenses						
Business Office	219,028.90	221,219.19	223,431.38	225,665.70	227,922.36	230,201.58
Administrative Department	179,200.00	180,992.00	182,801.52	184,629.94	186,476.24	188,341.00
Water Department	589,600.00	601,392.00	613,419.84	625,688.24	638,202.00	650,966.04
CFP Carbon Replacement	0.00	0.00	31,775.00	32,550.00	0.00	0.00
Common Property Department	95,750.00	96,707.50	97,674.58	98,651.32	99,637.83	100,634.21
Sheriff Patrol Department	71,735.32	72,452.67	73,177.20	73,908.97	74,648.06	75,394.54
Refuse/Compactor Department	105,677.99	106,734.77	107,802.12	108,880.14	109,968.94	111,068.63
Recreational Vehicle Department	22,800.00	23,028.00	5,000.00	5,000.00	5,000.00	5,000.00
Association Activities	9,638.32	9,734.70	9,832.05	9,930.37	10,029.67	10,129.97
- (Projected Operational Offset from O&M Funds)	-100,000.00	-150,000.00	-150,000.00	-150,000.00	-150,000.00	-150,000.00
Net Operational Expenses	1,193,430.53	1,162,260.84	1,194,914.08	1,214,904.67	1,201,885.10	1,221,735.97
2. CAPITAL IMPROVEMENTS & RESERVE FUND:						
Business Office Computers	10,000.00			10,000.00		10,000.00
Water Department Improvements		10,000.00		10,000.00		10,000.00
Water Main Replacement	159,350.00	162,975.00	167,049.00	171,226.00	175,506.00	179,864.00
South End Distribution Loop	43,333.33	43,333.33	43,333.33	0.00	0.00	0.00
Reserve Fund Contribution	140,000.00	143,500.00	147,088.00	150,765.00	154,534.00	158,397.00
Reserve Fund Payback	65,682.00	65,682.00	65,682.00	65,682.00	65,682.00	65,682.00
Net Capital Expenses	418,365.33	425,490.33	423,152.33	407,673.00	395,722.00	358,261.00
3. Membership Dues Determination						
Number of Members	2,021	2,021	2,021	2,021	2,021	2,021
Number of Lots	2,855	2,855	2,855	2,855	2,855	2,855
Membership Dues (\$100 per member)	202,100.00	202,100.00	202,100.00	202,100.00	202,100.00	202,100.00
Net Operational Expenses - Membership Dues	991,330.53	960,160.84	992,814.08	1,012,804.67	999,785.10	1,019,635.97
Operational Assessment Per Lot (NOE/#Lots)	347.23	336.31	347.75	354.75	350.19	357.14
Capital Assessment Per Lot (NCE/#Lots)	146.54	149.03	148.21	142.79	138.61	125.49
4. FEES & ASSESSMENTS Summary						
Membership dues	100	100	100	100	100	100
Per Lot Operational Assessment	347.23	336.31	347.75	354.75	350.19	357.14
Per Lot Capital Assessment	146.54	149.03	148.21	142.79	138.61	125.49
Totals	593.76	585.34	595.96	597.54	588.79	582.63

Reserve account—Withdrawals.

An association may withdraw funds from its reserve account to pay for unforeseen or unbudgeted costs that are unrelated to maintenance, repair, or replacement of the reserve components. The board of directors shall record any such withdrawal in the minute books of the association, cause notice of any such withdrawal to be hand delivered or sent prepaid by first-class United States mail to the mailing address of each owner or to any other mailing address designated in writing by the owner, and adopt a repayment schedule not to exceed twenty-four months unless it determines that repayment within twenty-four months would impose an unreasonable burden on the owners. Payment for major maintenance, repair, or replacement of the reserve components out of cycle with the reserve study projections or not included in the reserve study may be made from the reserve account without meeting the notification or repayment requirements under this section.

[2011 c 189 § 11.]

Attachment 3. Future Project Descriptions

Courtesy Gray & Osborne LLC

Surfside Homeowners Association Water System Plan 2015

South End Loop Project.

Surfside's 2015 Water System Plan (chapter 8) identifies project D-07 "Connect Ocean Woods to Ocean Villa. This project is more accurately described as a south end water main loop".

Currently, Surfside's water main on M Place terminates at 29809 M Place creating a dead-end condition. The scope of the project would be to extend Surfside's water main (6-inch) south on M Place to 295th Street, approximately 860 lineal feet. Continue the water main west on 295th Street to I Place, approximately 800 lineal feet, and connect to Surfside's existing water main at the intersection of 295th Street and I Place. In addition to the water main, tees and valves will be installed at the intersections of 295th Street and K Place and 295th Street and K Street to accommodate future line extensions north on those streets. Two fire hydrants will be installed at yet to be determined sites as part of this project. The water main may be increased to 8-inch after the engineering on the project is complete. Completion of the project will greatly increase the hydraulic capacity of the distribution system for all members south of 306th and on G Street and H Street south of 315th.

Adopted 04/21/2018

REVISION DATES:

Revised and Approved October 17, 2020
Revised and Approved November 17, 2018
Revised and Approved September 15, 2018
Revised and Approved August 18, 2018
Revised and Approved June 16, 2018
Revised and Approved April 21, 2018
Revised and Approved February 17, 2018
Revised and Approved January 20, 2018
Revised and Approved November 18, 2017
Revised and Approved September 16, 2017
Revised and Approved August 19, 2017
Revised and Approved July 8, 2017
Revised and Approved June 17, 2017
Revised and Approved March 18, 2017
Revised and Approved January 21, 2017
Revised and Approved September 17, 2016
Revised and Approved May 21, 2016
Revised and Approved October 17, 2015
Revised and Approved September 19, 2015
Revised and Approved February 21, 2015
Revised and Approved November 15, 2014
Revised and Approved September 20, 2014
Revised and Approved July 12, 2014
Revised and Approved May 17, 2014
Revised and Approved March 15, 2014
Revised and Approved February 15, 2014
Revised and Approved November 16, 2013
Revised and Approved September 21, 2013
Revised and Approved August 17, 2013
Revised and Approved April 20, 2013
Revised and Approved March 16, 2013

Revised and Approved February 16, 2013
Revised and Approved May 21, 2011
Revised and Approved February 20, 2010
Revised and Approved March 4, 2009
Revised and Approved August 19, 2006
Revised and Approved November 16, 2002