

1 **BOARD OF DIRECTORS BUSINESS MEETING MINUTES**

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3 **ASSOCIATION NAME:** Sudden Valley Community Association

4 **DATE AND LOCATION:** December 19, 2016 at the SWFA

5 **CALLED TO ORDER AT:** 6:05 PM

6 **AUDIENCE MEMBERS:** 11

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8 **BOARD MEMBERS PRESENT:**

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|------------------------|--------------------|------------------|-------------------|
| 9 1. Larry Brown       | 4. Carol Houlton   | 7. Mike D'Angelo | 10. Open Position |
| 10 2. Leslie McRoberts | 5. Sarah Holmstrom | 8. Linda Bradley | 11. Open Position |
| 11 3. Gail Chiarello   | 6. David Narsico   | 9. Rich Bailey   |                   |

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13 **BOARD MEMBERS ABSENT:**

14 All Board members were present.

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16 **SUDDEN VALLEY STAFF:**

17 Mitch Waterman, Managing Director; Lisa Letchworth, Administrative Services and HR Manager;  
18 Jennifer Spidle, Accounting Manager; Ashley Neuman, Administrative Specialist; Brent Lindquist,  
19 Editor of the Views.

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21 **I. ADOPTION OF AGENDA**

- a. The Agenda was adopted as presented.
  - i. Changes to the agenda were made during the meeting after the agenda had been adopted.

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25 **II. CLOSED SESSION – 6:00 P.M.**

- a. Closed session began at 6:06 p.m.

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27 **III. OPEN SESSION/VOTING IF NECESSARY – 7:00 P.M.**

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29 **1. MOTION TO:** Increase the 2017 spending plan in the amount of \$31,690 from otherwise unspent,  
30 2016 Operating Funds to fund 2017 salary adjustments.

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32 MOTION BY: Director Chiarello SECONDED BY: Director Houlton

33 APPROVED: X NOT APPROVED: \_\_\_\_\_ TABLED: \_\_\_\_\_ DIED: \_\_\_\_\_

34 IN FAVOR: Directors Chiarello, Houlton, Narsico, McRoberts, D'Angelo

35 AGAINST: Director Holmstrom ABSTAINED: \_\_\_\_\_

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37 **IV. ANNOUNCEMENTS**

- a. Director D'Angelo announced Chuck Luttrell amassed seven hundred (700) volunteer hours in 2016.
- b. Director Houlton thanked Norm Smith, Bruce Bishop, and Jacob Close for their collaborative efforts and hard work on Sudden Valley roads during the inclement weather.
- c. Director Chiarello congratulated the SV Hillside Community which has received a DNR grant. The grant will reimburse up to \$15,000 to members and volunteers in gates 3, 5, 9, and 13, who submit the appropriate documentation to DNR, with clearing debris, fallen





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- i. Jennifer Spidle, Accounting Manager, noted that usually only the first four (4) pages of the financials (pp. 35-38 of the packet) are included in the Board packet, although all the pages are presented to Finance. She has included the costs by department for the new Board, but suggested that only the first four pages be the continuing practice.
- ii. Net Operating Assets are strong at \$74,794.
- c. November 2016 Financial and Capital Report
  - i. If members wish to sign up for ACH or if they wish to pre-pay a full year's dues, they will receive a free round of golf.
  - ii. The collections rate is at 94.5%
  - iii. Discussion of Net Operating Assets. If this number is positive, it means SVCA is not borrowing from prepaid dues. Sudden Valley is projected to be positive at the end of 2016. Linda Bradley asked if there was a "good number" for Net Operating Assets. The MD responded that it would be best to be closer to the budget plan. Discussion continued.
  - iv. CRRRF carryover will be reduced from \$750,000 to \$600,000 as of January 1<sup>st</sup>, 2017, per the Board's approval at the July 28, 2016 meeting.
  - v. Golf is projected to have a \$12,000 or \$13,000 loss for 2016, which is much better than last and previous years.
  - vi. The Lots and Dues Analysis sheet will be included in the Board packet when presenting the monthly financials.
- d. Capital Requests
  - i. Revitalization Plan
    - 1. MD Waterman reviewed the Capital Request. He had met with the bank as part of information gathering and inquired what information would be necessary to obtain a loan. He stated the bank would request financial documents and any other information that would give the bank confidence Sudden Valley could pay the loan back. Because of the high collections rate and the Valley's lack of debt, the MD believes the process will not be difficult. It is intended that several banks will be interviewed to determine the best option for SVCA.
    - 2. The MD is requesting to move forward with the design phase of the plan which requires \$140,000 from the CRRRF budget. He referenced the pictograms within the packet (pp. 97-99). The President asked him to explain to the Board step-by-step how the process will work.
      - a. Director Houlton relayed her conversations with five individuals with industrial and commercial experience in construction, engineering, and project management, regarding a step-by-step process for initiating the planning.
      - b. All agreed a full time project manager was essential to coordinate and manage the planning process. The pictograms in the request packet need to be detailed out to develop a credible revitalization cost and schedule. Some of the sub-projects will not require much pre-planning, such as the cost for new prefabricated metal buildings, given that the costs for those are easily obtained. Other

- 183 elements will require services from multiple professional  
184 engineering disciplines.
- 185 c. Key qualifications include (1) experience in large commercial or  
186 industrial engineering design and project management; and (2)  
187 experience with Federal, state, and county regulatory agencies,  
188 such as the Army Corps of Engineers (Indian remains), DNR,  
189 DOE, etc. given that Sudden Valley is located in a sensitive  
190 watershed area.
- 191 d. It appears there may be a half dozen firms in the  
192 Bellingham/Seattle area who would bid on such a project, but only  
193 one, two or three who could handle the magnitude and complexity  
194 of this work.
- 195 e. The MD Waterman explained he had reformatted the ranking form  
196 used by the SST (Short-term Strategy Team) to assist in  
197 developing criteria for the revitalization project (see Attachment  
198 A) and sent this to the informal advisory group at Director  
199 Houlton's request. This form will assist in developing the  
200 planning process.
- 201 f. Director Chiarello requested the names of the individuals  
202 comprising the informal advisory group. Director Houlton stated  
203 that she would like their permission prior to disclosing their names  
204 and then would be happy to provide it. She would also invite  
205 Director Chiarello to the next meeting of this group.
- 206 g. Director Holmstrom expressed concern that she had not been  
207 included in or even made aware of a bank meeting nor the potential  
208 SGM. She asked why information was being sent to volunteers  
209 before all Board members were made aware. Discussion ensued.
- 210 h. The MD stated that only the reformatted SST ranking sheet had  
211 been sent to the volunteers. Director McRoberts noted that the  
212 both the possibility of a loan and the possibility of an SGM had  
213 been openly discussed at multiple town halls and called out in  
214 documents distributed widely throughout the last year.
- 215 i. President Brown requested that Director Houlton inform these  
216 advisors that their identities will be public information, and their  
217 meetings may be observed from time to time, and they need to be  
218 comfortable with that.
- 219 3. The MD discussed the 5-milestone planning process. In order to spend the  
220 \$140,000 over the period of one year, it must be spent in a compressed, set  
221 scheduled to avoid an inefficient and expensive start-stop-start process. A  
222 compressed schedule with 5 milestones will allow sufficient time for the  
223 community to see the plan step by step as it is developed, give feedback,  
224 and then attend subsequent presentations to see how their feedback was  
225 incorporated.
- 226 4. Director Holmstrom recommended "advertised bidding" for a project  
227 Management Company.

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a. Director Houlton stated that this was not needed because criteria for the companies who submit bids occurs in the form of an RFQ (Request for Qualifications).

**4. MOTION TO:** Authorize the allocation of \$140,000 from the CRRRF account to fund the preliminary design for the revitalization plan, to include milestones which will be communicated to membership and for which membership will provide feedback. The project will be fully funded with 10% being held in contingency.

MOTION BY: Director Houlton SECONDED BY: Director McRoberts  
APPROVED: X NOT APPROVED: \_\_\_\_\_ TABLED: \_\_\_\_\_ DIED: \_\_\_\_\_  
IN FAVOR: Unanimous (Including President Brown)  
AGAINST: \_\_\_\_\_ ABSTAINED: \_\_\_\_\_

ii. Gate 2 Meter Relocation

1. MD reviewed the Capital Request

**5. MOTION TO:** Authorize an allocation not to exceed \$5,000 from the CRRRF account to fund the installation of a new power pole and replace the electrical panel at gate 2

MOTION BY: Director Houlton SECONDED BY: Director Bauman  
APPROVED: X NOT APPROVED: \_\_\_\_\_ TABLED: \_\_\_\_\_ DIED: \_\_\_\_\_  
IN FAVOR: Unanimous  
AGAINST: \_\_\_\_\_ ABSTAINED: \_\_\_\_\_

iii. Change Order: Turf Generator Purchase

1. MD reviewed the Capital Report

**6. MOTION TO:** Authorize the additional allocation of \$6,861.88 from the CRRRF account to purchase and install an emergency diesel fueled generator at the Golf Maintenance Facility.

MOTION BY: Director Houlton SECONDED BY: Director D'Angelo  
APPROVED: X NOT APPROVED: \_\_\_\_\_ TABLED: \_\_\_\_\_ DIED: \_\_\_\_\_  
IN FAVOR: Unanimous  
AGAINST: \_\_\_\_\_ ABSTAINED: \_\_\_\_\_

e. UDR Request

i. Area Z

1. MD reviewed the Request and the contents. He noted that \$55,000 is worst case scenario. Director Holmstrom asked why the work was not being bid. The MD responded that Geo-Engineering had done much of the work already and is familiar with the site, and the intent is to ask them to complete the job.

**7. MOTION TO:** Authorize the allocation of \$55,000 from the UDR account to fund and finish the mitigation of soil contamination in Area Z.

MOTION BY: Director Houlton SECONDED BY: Director Bauman  
APPROVED: X NOT APPROVED: \_\_\_\_\_ TABLED: \_\_\_\_\_ DIED: \_\_\_\_\_  
IN FAVOR: Unanimous (including President Brown)

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AGAINST: \_\_\_\_\_ ABSTAINED: \_\_\_\_\_

**XII. COMMITTEE REPORTS & VOTING AS NECESSARY**

- a. Architectural Control Committee
  - i. November 11, 2016 Minutes – As Submitted
  - ii. November 17, 2016 Minutes – As Submitted
  - iii. December 1, 2016 Minutes – As Submitted
  - iv. December 15, 2016 Minutes – As Submitted
- b. Communication Committee
  - i. November 9, 2016 Minutes – As Submitted
- c. Schedule of Committees, Memberships, and Charters.
  - i. The topic was postponed until the next Board meeting.
  - ii. Director Bradley added that all applicants for committees must be vetted. The MD requested that Director Bradley and Lisa Letchworth work out a more formal process.

**XIII. CONTINUING BUSINESS AND VOTING AS NECESSARY**

- a. Final/ Official Approval of the N&E Election Certification Report
  - i. Linda Bradley noted that sometimes the spreadsheet and the report do not match. She made clarifications and answered questions brought up at the previous Board meeting and she noted that the Total Number of Ballots Counted was 70 and the number 65 had been incorrect. Based on that information the Board accepted the Certification report.
- b. Formalization of Firewise
  - i. The MD stated that Gates 1 and 2 had not been included in the grant request. Sudden Valley is not formally involved at this time. Homeowners who would like to be involved with Firewise activities may do so on their own property.
- c. Publication of Revised Bylaws
  - i. President Brown announced the corrected Bylaws have been published online.

**XIV. NEW BUSINESS AND VOTING AS NECESSARY**

**All New Business was postponed to the January 12, 2017 meeting, with the exception of b. Board Policy and c. Day Care.**

- a. Parking lot Lighting at the Club House
  - i. The topic was deferred to the next Board meeting.
- b. Board Policy
  - i. The MD stated that the hard copy document that gave the Managing Director the authority to sign checks for the Operations fund could not be found. It has been known and accepted that the MD may open accounts and write checks for the Operations fund. Upon realizing there was no formal document, the MD refrained from signing checks until the issue had been resolved. He would like the Board to accept Policy No. 2016-12, Board designation of check signing and primary company banking administrator, drafted by the MD and Jennifer Spidle.
  - ii. Director Bradley requested a correction in the first paragraph to read “WHEREAS, Bylaws Article IV Section 11 ...” There is no section 11 in Article VI.





## ATTACHMENT A: Facilities Ranking Document

A = Assets requirement for SVCA to maintain and support community with 1 low and 5 high
B = Assets value to SVCA as a community in terms of cultural, identity or community; 1 low and 5 high
C = Value asset's existence/ quality adds to individual home value with 1 low and 5 high
D = Asset's ability to generate income with 1 low and 5 high
E = Expectation average maintenance effort (1-5 years) will sustain asset in current condition; 1= low expectation and 5 = high expectation
F = Expectation average maintenance effort (6-10 years) will sustain asset; 1= low expectation and 5 = high expectation

Asset Type	Asset Description	Asset Components and Appurtenant	Utilization and Purpose
Common	Airport	Inactive airstrip	Inactive and unknown purpose
Common	Camp Ground	34 Acre Campground	Inactive and unknown purpose
Common	Gate Entrances	Gates 1, 2, 3, 5, 9, 13, and 26	Providing access into SVCA residential areas
Common	Common Grounds	Parking lots, over flow parking, and mail box clusters	Gate 1 Park and Ride, Marina parking, Gate 5 emergency overflow/ winter parking Gate 5, 9 mail box clusters, Rotunda parking lot, Adult Center Parking Lot, Barn Parking, Golf Parking and Clubhouse Parking lots
Common	Trails	Tumbling Water Falls, Upper Strawberry, Strawberry Falls, Beaver Ridge, Huckleberry, Picnic Point, Lake Louise and Harbor View Trails	Hiking and Walking Trails ranging in quality from clearly defined greater than 1 mile to underdeveloped and neglected pathways lost to forest and neglect
Facility	Adult Center	Building and contents, garden park, pool, pool infrastructure, gates and fencing, BBQs	Actively used; currently Whatcom Library; alternately SVCA recreation and club use
Facility	AM/PM Picnic Shelter	Structure, fireplace, BBQ pits	Actively used recreational structure for casual or rental use
Facility	Barn 6	Building and contents, ice skating infrastructure	Used by maintenance for cold storage

Facility	Barn 7	Building	Dilapidated facility, former for Library and second floor for storage; future purpose TBD
Facility	Barn 8	Building and contents, dance barn and equipment (audio, visual, kitchen) health club and equipment, main pool, pool infrastructure, life guard shed, gates and fencing, meeting rooms, offices, coffee shop, locker rooms	Actively used facility for health club (YMCA) café, meeting rooms, dance barn, main pool
Facility	Clubhouse	Offices, 2 restaurant establishments, pro shop, locker rooms, exterior fuel storage shed, exterior HVAC shed	Central main SVCA facility, administration offices, golf enterprise, central main facility for Association, restaurants
Facility	Gate 3 Bus Shelter	School bus shelter main gate 3, solar lighting, ADA compliant	SVCA school bus stop
Facility	Gate 5 Bus Shelter	Lean to at Gate entrance	SVCA school bus stop
Facility	Lake Whatcom Blvd. Shelter (Harbor View)	Lean to adjacent to Lake Whatcom Blvd and Harbor View Drive	
Facility	Gate 9 Bus Shelter	Lean to at Gate entrance	SVCA school bus stop
Facility	Golf Maintenance Building	Maintenance and repair facilities for grounds crews and vehicles, repair shop, offices, 2 interior high bays for maintenance work, exterior fuel tanks, sand and gravel storage, fenced gravel storage yard	Actively used facility for service and support for all SVCA grounds vehicles, and staff, offices, workshop, fuel point, cold storage, storage yard
Facility	Golf Restroom #1	Men's/ Woman's restrooms on greens	Bathroom facilities dedicated to golf
Facility	Golf Restroom #2	Men's/ Woman's restrooms on greens	Bathroom facilities dedicated to golf

Facility	Maintenance Building Area Z	Maintenance and repair facilities for facility crews and mechanical repair, offices, interior high bay for maintenance work and snowplow ready storage, exterior gravel and rock storage, 2 fenced storage yards, 2 percolation pits, large area for heavy equipment operations,	Actively utilized service and support for all SVCA facility and roads maintenance staff, offices, workshops, cold storage, equipment storage yard, percolation pits
Facility	Maintenance Lean-To	Dilapidated structure	Inactive due to deterioration; maintenance support was purpose
Facility	Maintenance Tall Shed	Dilapidated structure	Inactive due to deterioration; maintenance support was purpose
Facility	Marina Picnic Shelter	Structure, fireplace, BBQ pits	Actively used recreational structure for casual or rental use
Facility	Marina Restrooms	Restrooms, camera	Bathroom facilities, concession stand, terminal point for access and cameras'
Facility	Security Building	Building and contents	Actively used office building with 2 small offices and a bathroom
Infrastructure	Storm Water System	Culverts, drains, ditches	Manage rain water out of Sudden Valley
Infrastructure	Repeater Structure	Radio Repeater Tower and functional capability	Radio Repeater Tower and functional capability
Infrastructure	Lake Louise Dam	Dam comprised of earth fill embankment with a spillway, valving,	Lake Louise Dam is 34 acre active water storage reservoir in suitably good condition
Recreation	Marina	Boat wet slips, dry slips, parking lot and drive path, wet slip gates, boat docks, launch ramps (2), breakwater, harbor entrance, spit, exterior lighting, tennis courts, basketball courts, playground	Harbor entrance, wet/ dry slip boat storage with recreational amenities supportive of waterfront recreation
Recreation	Adult Pool	Part of Adult Center	Actively utilized pool restricted to 21+ or rental for parties
Recreation	Main Pool	Part of Adult Center	Actively utilized pool for families/ children

Recreation	Lake Louise Shelter and Dock	Small Shelter and fishing dock on Lake Louise Trail	Area that time forgot
Recreation	Golf Course	18 Hole Golf course including watering system, sand/ water traps, pumps, driving range, cart paths, practice areas, and associated installed equipment	The course and its components are used year round
Recreation	Residential Pocket Parks	(Gate 1) North Point Park, Lake Trail Park, (Gate 3) Harbor View, Hendrick Park, Lost Fork Park, Maple Leaf, Strawberry Park, Tree House Park, (Gate 5) Tumbling Water Park, and (Gate 9) Creekside Park.	Smallest park type < 1 acre in size designed to serve children <12 yrs. old and intended to be within ¼ mile of residential areas they serve.
Recreation	Neighborhood Parks	(Gate 1) Sofield Park, (Gate 3) Cascade Park, (Gate 9) Beaver Ridge Park, and (serving both Gates 9 & 13) Huckleberry Park.	Backbone of the park system combining informal active and passive recreation designed to foster neighborhood identity and cohesiveness and were designed to size from 1 to 10 acres.
Recreation	Community Garden	Community Garden located within a section of Area Z	Community Garden located within a section of Area Z
Recreation	Community Parks	(Gate 1) Marina Park (inclusive of the Marina Spit, Dog Park, Marina Shelter and baseball field); (Gate 2) AM/PM Beach Park, recreation center, ball field, tennis and basketball courts.	Serve multiple neighborhoods possessing facilities for large recreational activities and provide parking, with the ability to double as neighborhood parks.
Storage Yard	Area Z RV Storage	Fence and Gates supported by Cameras	Fully utilized fenced area providing rental space for conveyance storage
<b>Revitalization Components By Location</b>			
Area Z	3 Percolation Pits	Increase number of percolation pits	Percolation pits are required for entraining water from annual culvert cleaning support annual culvert cleaning
Area Z	New Maintenance Bldg	Replacement for existing maintenance building and demolish old facility	Facility supports repair of infrastructure systems and components; maintenance tool and equipment storage

Area Z	New Storage Bldg	Replacement for Barn 6	Central location for heavy equipment loading/unloading of winter snow supplies, off-season heavy equipment storage; replaces Barn 6 and Tall Shed
Area Z	Secured Storage	Gated storage area for SVCA vehicles	Moves current gated area away from creek along side new facility, provides better security.
Area Z	Rentable storage lockers	Rentable storage lockers for SVCA members	Rentable storage lockers for SVCA members; revenue in \$60,000 to \$150,000/ yr. range
Area Z	Expanded RV storage	Expand existing RV storage yard to increase rental capacity	Double existing income: increased revenue of \$25,000/ yr.
Rec Corridor	Adult Center	Deck Refurbishment	
Rec Corridor	Adult Center	Paint Building	
Rec Corridor	Rec Corridor	Parking Lot	New asphalt on parking lot and access road
Rec Corridor	New building	Replacement building for Barn 6	Community center, consolidate with Barn 8 as option, full size gymnasium, library space, Admin Offices, other
Rec Corridor	Barn 6	Barn 6 storage building	Demolish building after replacement building constructed
Rec Corridor	Barn 8	YMCA and Community Meeting area	Complete refurbishment of dance barn and YMCA space, electrical, mechanical, lighting, R&R entrances including stairwells, exterior siding replacement, new windows, new roof, eliminate flat roof, upgrade kitchen in dance barn, upgrade dance area lighting, sound system, HVAC
Rec Corridor	Barn 8	Exterior playground	new modern play area
Rec Corridor	Barn 8	Main Pool	ADA retrofit, replaster of pool, new deck, year round cover for year round use, ,new life guard shack

Rec Corridor	Barn 8	Exterior civil improvements	Repair of drainage to east side of facility, removal of concrete wall
Marina	Mooring	New Wet Slip Moorings	Obtain license to control and lease moorage along shoreline of SVCA property
Marina	Dredging	Dredging Channel	Determine and execute dredging plans as warranted
Marina	Channel Navigation	Navigation Aids	New Channel markers for entrance to Marina and PM Beach cove
Marina	Shoreline Erosion	Mitigate and Abate Erosion	Repair and re-establish shoreline along shore on west side and on both sides of the spit.
Marina	Boat Moorage	Docking Repairs	Upgrade and repair the wet slip moorage slips in Marina
Marina	Ski Dock	Re-installation of ski dock	Re-install ski dock to enable boaters to more fully utilize the shoreline
Marina	Boat Launch	Rehabilitation of launches	Rebuild lake front launch into usable launch, renovate Marina launch
Marina	Swim Area	Civil revitalization of the shoreline	Landscape the shoreline along the designated swim area and back to the dog park area
Marina	Dog Park	Drainage	Civil repair and drainage <sup>3</sup> of the dog park
Marina	Tennis Court	Court repair	Repair the tennis court clay top bringing the court into long term stable condition
Marina	Dry Slip Storage	Access and Parking	New asphalt on the access road routing through the marina, installation of designated dry slips with bumpers
Marina	Security	Cameras	Increased camera coverage of the park

Minutes Approved By:

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Gail Chiarello, Board of Directors Secretary