



Sudden Valley Community Association

360-734-6430

4 Clubhouse Circle Bellingham, WA 98229

www.suddenvalley.com

Board of Directors Regular Meeting

September 25, 2025, 7:00 PM, 8 Barn View Ct. MULTIPURPOSE ROOM A

Call to Order

Roll Call

- 1) Adoption of Agenda
- 2) Announcements
- 3) Property Owner Comments – 15 Minutes Total
Please note that comments are limited to 3 minutes per person.
- 4) Consent Agenda
 - a) Approval of Minutes – September 4, 2025, Special Meeting – Page 2
 - b) Approval of Minutes – September 11, 2025 – Page 4
- 5) Reports
 - a) GM Report – September – Page 7
 - b) Financial Statements Review – July 2025 – Page 9
 - c) Committee/Task Force Updates
 - i) Architectural Control
 - ii) Document Review
 - iii) Finance Committee
 - iv) Long-Range Planning
 - v) N&E Committee
 - vi) Safety Committee
- 6) Continuing Business
 - a) Capital Approval Request – Barn 6 project – Whatcom County Pre-Application
 - i) Carletti Architects P.S. – Page 15
 - b) Short Term Rental Task Force discussion/recommendations
- 7) New Business
 - a) Capital Approval Request – 2025 Computer Replacements – Page 20
 - b) Capital Request – AV Projector and Screen Acquisition – Page 22
 - c) Ratify Emergency Capital Approval-Clubhouse Water Heater Replacement – Page 26
- 8) Executive Session – (Contract / Sales Negotiations)
- 9) Return to Open Session
 - a) Disclosure of action(s) taken in Executive Session

Adjournment



SPECIAL MEETING OF THE BOARD OF DIRECTORS

Thursday, September 04, 2025

Minutes

DATE AND LOCATION: MULTIPURPOSE ROOM A

CALLED TO ORDER AT: 7:04 PM

AUDIENCE MEMBERS: Not Recorded

BOARD MEMBERS PRESENT:

1. Keith McLean	4. Laurie Robinson	7. AJ Tischleider	10. Robb Gibbs
2. Taimi Van de Polder	5. Tom Henning	8. Rick Asai-Excused	11. Daniel Rodriguez-Excused
3. Linda Bradley	6. Ray Meador	9 Stu Mitchell	

ATTENDING:

Staff Members: Michael Bennett General Manager, Spencer Huston, IT

Call to Order

President McLean called the meeting to order at 7:04 PM.

Land Acknowledgement and Anti-Racism Statement.

1. President called for motion to adopt the agenda.

Motion: Move to adopt the agenda.

Motion By: Director Bradley	Seconded By: Director Van de Polder
Approved: X	Not Approved:
In Favor: Unanimous	Against:

2. Announcements.

- Thank the candidates that applied for the Board and ACC. In ballot order, we have Linda Bradley, Jean Maixner, Joe Adams, and Sean Chaffe, who have put their names in for the board of directors, and we had one applicant for ACC, Terry Niblack, so thank you to all of you who have applied.
- Sept. 17th 10AM-12PM AM/PM Park Clean-up Day. WWU Student Volunteers.
- October 25th Welcome Center Native Garden Planting Party. 9:00AM
- October 25th Trunk or Treat 2:00PM
- November 1st- AGM
- November 22nd Holiday Market 10:00AM-3:00PM
- December 6th-Christmas Tree Lighting Event
- Community Blessing Boxes- Only non-perishable items. Two collection areas: the Welcome Center and the Community Center have boxes for donations.

3. Property owner comments.

None

4. Continuing Business-None

5. New Business

5a. Draft AGM Agenda, Measures, and Explanations- Distributed. Copies of draft measures 2 and 3 distributed.

Motion: Make a motion for the Board to approve putting this on the 2025 AGM as By-law Measure 2. All in favor of moving forward with the short-term rental measure with the said changes.

Motion By: Director Bradley/Mc Lean		Seconded By: Director Van de Polder	
Approved: X	Not Approved:	Tabled:	Died:
In Favor: 7	Against:	Abstained: 1	

Motion: make a motion that the Board approve putting Measure 3, the advisory vote, on the November AGM.

Note: initially it was a tie vote of 4-4, Director Van de Polder changed her vote to a “no” so 3-5 vote was the final tally.

Motion By: Director Bradley		Seconded By: Director Van de Polder	
Approved:	Not Approved: X	Tabled:	Died:
In Favor: 3	Against: 5	Abstained:	

(b) Budget Adoption

Discussed modifications to allow for additional funding for CRRRF reserve.

Motion: Adopt the budget for 2026 that is presented in our board packet.

Motion By: Director McLean		Seconded By: Director Bradley	
Approved: X	Not Approved:	Tabled:	Died:
In Favor: 7	Against: 1	Abstained:	

(c) AGM Mailing Materials

Motion: Move that the Board approve the mailing envelope designs from UNILEC, for the 2025 election.

Motion By: Director Bradley		Seconded By: Director Meador	
Approved: X	Not Approved:	Tabled:	Died:
In Favor: 7	Against: 1	Abstained:	

Adjournment: 8:50PM

Approved by: _____

Linda Bradley, Board of Directors Secretary



REGULAR SESSION OF THE BOARD OF DIRECTORS

Thursday, September 11, 2025

Minutes

DATE AND LOCATION: MULTIPURPOSE ROOM A

CALLED TO ORDER AT: 7:00 PM

AUDIENCE MEMBERS: Not Recorded

BOARD MEMBERS PRESENT:

1. Keith McLean-Excused	4. Laurie Robinson	7. AJ Tischleder-Absent	10. Robb Gibbs
2. Taimi Van de Polder	5. Tom Henning	8. Rick Asai-Excused	11. Daniel Rodriguez-via Zoom
3. Linda Bradley	6. Ray Meador	9 Stu Mitchell-via Zoom	

ATTENDING:

Staff Members: Michael Bennett General Manager, Spencer Huston, IT

Call to Order

In the excused absence of the Board President the Vice President, Taimi Van de Polder, chaired the meeting.

Vice President Van de Polder called the meeting to order at 7:00 PM.

1. Vice President called for motion to adopt the agenda. Motion to amend.

Motion: Make a motion to adopt the agenda and amend it at the same time.

Amend the agenda to remove the executive session items 8 and 9.

Motion By: Director Bradley		Seconded By: Director: Van de Polder	
Approved: X	Not Approved:	Tabled:	Died:
In Favor: Unanimous	Against:	Abstained	

2. Announcements.

- Wednesday, September 17th, from 10 to 12, we have our AM/PM cleanup day, so we are looking for volunteers to come and help clean up the AM/PM beach.
- On Wednesday, 24th of September, from 6.30 to 8, there will be the first Candidate Forum.
- You can still register for online voting. Information should be in your e-blast and will be on the website as well.
- Hoping to see some more people sign up for parking passes.
- On Saturday, October 25th, at 9am at the Sudden Valley Welcome Center, we have our Welcome Center Garden Party for the native plant garden.
- On Saturday, October 25th at 2:00PM Trunk or Treat Halloween event.
- November 1st AGM at 1:00PM
- November 22nd We will be having our Holiday Market, from 10:00AM till 3:00PM.
- Saturday, December 6th we will have the Tree Lighting Event at 5:00PM,

- AGM Reminder for members to attend in person if they can as a quorum of 50 members is required to have the meeting.
- County Council Members Community Meeting Wednesday October 17th, 2:00PM in the Dance Barn.

3. **Property owner comments.**

- A member questioned if there would still be opportunity for member input for Barn 6.
- Submitted a flyer from City of Bellingham Parks Survey for Board to look at and research for a method of getting SVCA member input on such topics.
- A member had questions about whether any decision has been made regarding the dog park and fencing. Consider suggestions from dog park users before voting on a final decision. Hopefully, a compromise can be reached when it is finally decided.
- A recap of earlier dog park discussions 2020 of fenced area.

4. **Consent Agenda-Approval of Minutes**

Motion: Approve the August 28th Board meeting minutes as presented.

Motion By: Director Van de Polder	Seconded By: Director Bradley		
Approved: X	Not Approved:	Tabled:	Died:
In Favor: Unanimous	Against:	Abstained	

5. **Reports**

5a. GM August Report (Distributed Pages 6-8)

5c. Committee/Task force Updates

- i) **Architectural Control**-Nothing to report.
- ii) **Document Review**- Upcoming meeting on the 17th next week. We have Board approved policies, and they have been uploaded to the website.
- iii) **Finance Committee**-None. Upcoming meeting is on the 17th next week.
- iv) **Long-Range Planning**-Working on putting a survey together and what would be included in that survey. We have made two proposals for Barn 6, so we are going to be asking for proposals for Barn 8. Find out if the community is interested.
- v) **N&E Committee**- We reviewed the questions that we will be asking the candidates. There will be five questions. We are going to submit those to the candidates so that they can have a chance to think about them, and, be prepared. There will be 3 minutes for each candidate to have an opening statement, and then, five questions, 3 minutes for each question, and then there will be at the end, an opportunity for a closing statement. Asking for members to consider online voting and registering to do so. Reviewed mailing and voting details.
- vi) **Safety Committee**- None
- vii) **STR Taskforce**-Met with the GM and conveyed comments and concerns of taskforce members regarding the proposed Bylaw amendment. Will discuss more when we review the Bylaw measure.

6. **Continuing Business**

a.) **Approval Request-Final AGM Agenda, Measures, Ballot, and Explanations**

Motion: Approve AGM voting, ballot materials, and documents.

Motion By: Director Gibbs	Seconded By: Director Bradley		
Approved: X	Not Approved:	Tabled:	Died:
In Favor: Unanimous	Against:	Abstained:	

7. New Business

7a. Approval Request-Lake Louise Water Lily Abatement Approval

Motion: Move that the Board of Directors authorizes the General Manager to contract with AquaTechnix, LLC for aquatic herbicide treatments of Lake Louise under SVCA's Aquatic Pest Control Permit, WAG994472, including one treatment in October of 2025, and one follow-up treatment in Spring 2026, with a combined not-to-exceed budget of \$8,400, funded from 6110 Landscape R&M.

Motion By: Director Van de Polder		Seconded By: Director Bradley	
Approved: X	Not Approved:	Tabled:	Died:
In Favor: Unanimous	Against:	Abstained:	

7b. GM Search Committee Formation

Motion: Approve the resolution to establish the General Manager Search Committee.

Motion By: Director Bradley		Seconded By: Director Gibbs	
Approved: X	Not Approved:	Tabled:	Died:
In Favor: Unanimous	Against:	Abstained:	

Note: Two Board Executives for committee: Director Van De Polder and Director McLean. Additional Board member: Director Robinson approved by Board consensus.

Adjournment: 8:08PM

Approved by: _____

Linda Bradley, Board of Directors Secretary

General Manager's Report

September–October 2025

Community & Recreation

- Pools: The Main Pool closed for the season on September 1st, with lifeguards completing all end-of-season tasks. The Quiet Pool remains open until the weather drops consistently below 50°F. New pool rule signage has been added for the convenience of our members.
- Marina: The Marina office closed on August 31st, marking the end of another successful boating season. Staff are now preparing for dry slip maintenance, including repainting parking lines.
- Events: Trunk or Treat will be held on October 25th, Holiday Market booths are filling quickly, and rentals include political meet & greets, weddings, and community events.
- Staffing: We welcomed four new recreation team members while saying farewell to seasonal lifeguards and summer staff.

Golf & Turf Care

- Golf Operations: September has been a strong revenue month. Recent events included the Men's and Ladies' Club Championships. The Fall Wind Up marks the last member event of the season. The 50th Annual Bellingham Amateur and Whatcom Seniors events are approaching, while the Winter Series begins on October 4th. Membership promotions for 2026, including early payment discounts, are underway.
- Turf Care: Fall maintenance is in full swing with aeration, overseeding, and sanding of tee boxes. Cart path repairs were completed under budget, and irrigation valve replacements have been completed. Challenges persist with the aging irrigation infrastructure and the pending replacement of the Lake Louise dam gate.

Maintenance & Facilities

- Completed Work: New signage at Gate 2, winterization of the Main Pool, repairs to playgrounds, expanded parking at the Welcome Center, vegetation trimming, HVAC upgrades at the Clubhouse, lighting replacements, pothole repairs, and trail enhancements near the Clubhouse.
- Planned Work: Trail repair on Lake Louise, kayak rack installation, new interpretive signage at the Welcome Center, and a temporary plant storage enclosure for the native plant demonstration garden planned for the Welcome Center.

Seasonal Reflections

As autumn settles in, Sudden Valley reflects the changing seasons: quieter trails, cooler evenings, and the return of school buses on our roads. This transition reminds us of the importance of safety, continued stewardship of our facilities, and preparation for the winter months ahead.

Closing

Thank you to our residents for your continued engagement and support. Whether enjoying the fall colors on our trails, participating in upcoming community events, or preparing for the November 1st Annual General Meeting and the winter golf series, we hope all members enjoy this season following an amazing summer.

Respectfully submitted,

Michael R. Bennett, CMCA, AMS, PCAM
General Manager, Sudden Valley Community Association

Sudden Valley Community Association

Sudden Valley Community Association Balance Sheet July 31, 2025 and December 31, 2024

	<u>Unaudited**</u>		Inc / (Dec)
	<u>Jul 31, 2025</u>	<u>Dec 31, 2024</u>	
OPERATIONS			
Current Assets			
Operating Cash	\$ 471,338	\$ 579,484	\$ (108,146)
Building Completion Deposit Fund	787,390	749,910	37,480
Member Receivables - Operations*	-	53,456	(53,456)
Other Receivables	3,850	3,350	500
Prepaid Expenses	180,883	82,148	98,735
Operating Lease ROU Assets	25,802	29,554	(3,752)
Inventory	6,336	5,824	512
Total Current Assets	1,475,599	1,503,726	(28,127)
Current Liabilities			
Accounts Payable	(96,511)	(159,772)	63,261
Accrued Vacation Liability	(87,419)	(76,335)	(11,084)
Accrued Payroll	-	(115,575)	115,575
Prepaid Assessments	(262,728)	(241,080)	(21,648)
Building Completion Deposits	(787,390)	(749,910)	(37,480)
Other Refundable Deposits	(12,896)	(9,956)	(2,940)
Operating Lease Liability	(25,802)	(29,554)	3,752
Prepaid Golf Memberships	-	(112,307)	112,307
Total Current Liabilities	(1,272,746)	(1,494,489)	221,743
Other Liabilities			
Estimated Contingent PPP Loan Liability***	(357,700)	(357,700)	-
Deferred Library Lease Revenue	(31,333)	(36,000)	4,667
Total Other Liabilities	(389,033)	(393,700)	4,667
Operating Reserve Funds			
Emergency Operating Cash	364,392	363,815	577
Undesignated Reserves Cash	328,845	302,135	26,710
Total Operating Reserve Funds	693,237	665,950	27,287
Net Operating Assets	\$ 507,057	\$ 281,487	\$ 225,570
CAPITAL			
Capital Current Assets			
CRRRF (Capital Repair & Replacement) Cash Fund	3,634,563	3,172,197	462,366
Roads Reserve Cash Fund	2,749,715	2,102,138	647,577
Board Density Reduction Cash Fund	87,975	87,889	86
Mailbox Cash Fund	167,714	151,970	15,744
CRRRF Capital Reserve Holding Cash	219,966	219,618	348
Mitigation Assignment of Savings Cash	49,873	49,821	52
LWWS Assignment of Savings Cash	14,946	14,939	7
Member Receivables - Capital**	-	13,625	(13,625)
Total Capital Current Assets	6,924,752	5,812,197	1,112,555
Capital Fixed Assets			
Fixed Assets	16,685,786	17,006,025	(320,239)
Finance ROU Assets	73,676	119,060	(45,384)
Lots Held for Sale	231,826	231,826	-
Total Capital Assets	16,991,288	17,356,911	(365,623)
Long Term Liabilities			
CRRRF Loan 2022	(1,381,180)	(1,539,073)	157,893
Finance Leases	(69,777)	(104,457)	34,680
Total Long Term Liabilities	(1,450,957)	(1,643,530)	192,573
NET ASSETS	\$ 22,972,140	\$ 21,807,065	\$ 1,165,075
MEMBER EQUITY			
Member Equity			
Current Year Net Income: Operations	221,349	(374,591)	595,940
Transfers Out from Operations to Capital	-	(145,600)	145,600
Current Year Net Income: Capital**	943,726	1,294,054	(350,328)
Transfers Into Capital from Operations	-	145,600	(145,600)
Retained Earnings**	4,858,301	5,232,892	(374,591)
Capital**	16,948,764	15,654,710	1,294,054
TOTAL MEMBER EQUITY	\$ 22,972,140	\$ 21,807,065	\$ 1,165,075

* The Association's internal policy is to write off any member receivables that are 30 days past due as bad debts for internal interim financial statement purposes. As per SVCA policy, Management continues to pursue collection of these receivables via all avenues allowed by Washington State laws. In addition, the Association records and bills finance charges on receivables that are thirty days past due at 1% per month. At July 31, 2025, and December 31, 2024, the balances of receivables written off were \$761,652 and \$699,426, respectively.

** Beginning with the 2020 year end audited financial statements, Accounting Standards Codification (ASC) 606 requires issued audited financial statements to reclassify unspent capital dues revenue, including related capital transfer fee collections, as a contract liability balance (unearned revenue), which is then reversed out in future years when capital dues/capital transfer fee collections are actually expended on capital related expenditures. This particular accounting standard change is only incorporated into the issued audited financial statements and is not factored into SVCA's internal monthly statements as it would obscure the reality of monthly capital dues/capital transfee fee revenues collected for internal monthly presentation purposes. See SVCA's 2020 through 2023 audited financial statements (2023 represents the most recently issued audited statements), which fully incorporate ASC 606 and comply with Generally Accepted Accounting Principles (GAAP).

*** At 2024 year end, the Association recorded a contingent liability relating to Paycheck Protection Program (PPP) loan funds that were received in May 2020 and then forgiven by the Small Business Administration (SBA) in September 2021, which are funds that the SBA has since subsequently deemed that the Association did not qualify for because of its 501(C)(4) tax exempt status, which was communicated to the Association by the government in April 2025. This contingency was classified by the Association as probable. And upon final resolution with the SBA, the Association believes that the estimated amount of liability will be limited to the original amount of the PPP loan funds received (\$357,700) because of the fact that the Association fully disclosed its tax exempt status to the SBA during the PPP loan application process, which the government has especially acknowledged.

Sudden Valley Community Association

Sudden Valley Community Association
Income Statement Summary

<u>UNAUDITED</u>	Current Month - July 2025			Year to Date - 7 Months Ending 7/31/2025		
	Operations & Operating Reserves	Operations Better / (Worse) Budget	Capital Reserves**	Operations & Operating Reserves	Operations Better / (Worse) Budget	Coll % Capital Reserves**
REVENUE						
Current Year Dues & Assessments Income						
Dues & Assessments Income	238,092		246,560	1,669,326		1,728,937
Bad Debt Reserve	(5,161)		(2,541)	(44,513)		(31,050)
Net Current Year Assessment Income	<u>232,931</u>	<u>6,825</u>	<u>244,019</u>	<u>1,624,813</u>	<u>42,065</u>	<u>97.3%</u>
Bad Debt Recoveries - Prior Years			6,724			35,457
Golf Income	210,559	(26,423)	-	906,291	(13,880)	-
Marina Income	9,658	8,139	-	236,829	6,528	-
Rec Center & Pools Income	12,460	1,371	-	26,593	4,516	-
Legal & Collections Income	-	-	-	-	-	-
Other Income	10,551	(5,070)	-	101,992	29,298	-
Rental Income - Other	5,355	4,388	-	13,195	5,333	-
Area Z Rental Income	5,663	(307)	-	18,706	(193)	-
Lease Income	5,832	949	-	40,221	6,638	-
New Home Construction Fees	10,400	7,190	-	87,100	24,090	-
Capital Gain (Loss) on Sale of Assets	-	-	-	-	-	1,200
Investment Income	520	(63)	2,949	4,349	268	20,157
Total Revenue	503,929	(3,001)	253,692	3,060,089	104,663	1,754,701
EXPENSES						
Salaries & Benefits	224,548	12,157	-	1,386,453	25,543	-
Contracted & Professional Services	30,699	(8,946)	-	169,361	(43,852)	-
CC&Rs/ Mandates	37,992	2,276	-	337,810	(71,484)	-
Maintenance & Landscaping	64,480	(17,201)	-	337,043	(33,903)	-
Utilities	12,781	3,063	-	130,134	5,476	-
Administrative	19,339	(1,127)	-	124,652	(6,397)	-
Regulatory Compliance	1,816	24,188	-	185,044	(56,263)	-
Insurance Premiums	-	17,507	-	120,109	2,439	-
Other Expenses	-	417	-	217	2,700	-
Depreciation Expense	-	-	108,710	-	-	760,970
Interest expense	-	-	5,058	-	-	36,380
Total Expenses	391,655	32,334	113,768	2,790,823	(175,741)	797,350
Net Income (Loss)	112,274	29,333	139,924	269,266	(71,078)	957,351
Net UDR Activity for Operations						
Legal Expenses - Past Due Account Collections	-			(9,984)		
Hazardous Tree Removal	(39,836)			(59,137)		
Net Income (Loss) with Board Approved UDR	72,438	29,333	139,924	200,145	(71,078)	957,351
Other Activity						
Net Other UDR Activity*	15,270			81,077		
AR Accrual - Prior Year Reversal	-			(53,456)		(13,625)
AR Accrual - Current Year	-			-		-
Lease Income- Library Prepaid Recognized	667			4,667		
Vacation Liability Accrual	5,914			(11,084)		
Total Other Activity	21,851		-	21,204		(13,625)
Grand Total Activity	94,289	29,333	139,924	221,349	(71,078)	943,726

*Prior year recoveries for operations are deposited into the Undesignated Reserve Account (UDR).

**Refer to the last footnote on the Balance Sheet (prior page) for a discussion of Accounting Standards Codification (ASC) 606 and capital dues revenue collections.

Sudden Valley Community Association

Sudden Valley Community Association
Reserve Cash Balance & Activity
7 Months Actual, 5 Months Projected

UNAUDITED

	Capital Reserve Funds						Operating Reserve Funds		
	CRRRF	Roads	CRRRF Capital Reserve Holding Cash	Board Density Reduction	Mailbox	Mitigation Assignment of Savings*	Total Capital Reserve Funds	Operating Reserve Funds	
								Emergency Ops	UDR
Net Available Cash 12/31/2024	3,172,197	2,102,138	219,618	87,889	151,970	64,760	\$ 5,798,571	363,815	302,135
Dues Received	840,951	867,920		-	15,496		1,724,367	-	99,056
Storm Water Mitigation Plan Fee		-							-
Investment Income	11,278	8,138	348	86	248	59	20,157	577	509
Sale of Assets	1,200			-			1,200		-
Mitigation Release	-								-
2025 Expenditures	(391,062)	(228,481)	-	-	-		(619,543)		(72,855)
Net Available Cash at 7/31/2025	3,634,563	2,749,715	219,966	87,975	167,714	64,819	\$ 6,924,752	364,392	328,845
5 Month Outlook									
Outlook - 2025 Dues (95% collections)	572,497	588,799			10,522		\$ 1,171,818		\$ -
Outlook - Prior Year Collections	8,289	8,525			152		16,966		16,368
CRRRF Loan Payments for year 2025	(138,766)						(138,766)		-
Obligated Expenses/Holdings	(1,062,594)	(1,363,723)	(219,966)			(64,819)	(2,711,101)		(57,918)
Net Usable Cash Balance 12/31/2025	3,013,988	1,983,316	-	87,975	178,388	-	\$ 5,263,667	364,392	287,295
Board Recommended Carryover Balance	(600,000)	(500,000)					\$ (1,100,000)		\$ -
Net Usable Cash 12/31/2025, After Recommendation	\$ 2,413,988	\$ 1,483,316	\$ -	\$ 87,975	\$ 178,388	\$ -	\$ 4,163,667	\$ 364,392	\$ 287,295
Net Current Year Cash Increase (Decrease)	(158,209)	(118,822)	(219,618)	86	26,418	(64,760)	\$ (534,904)	577	(14,840)

*Note, when mitigation period has ended, unspent funds will be returned to the source account, Roads and CRRRF.

Sudden Valley Community Association

Sudden Valley Community Association
Operations - By Department
July 1, 2025 to July 31, 2025
CURRENT MONTH

Whole \$

<u>UNAUDITED</u>	<u>Actual Revenue</u>	<u>Revenue B / (W)</u>	<u>Actual Salary Benefits</u>	<u>Salary & Benefits B / (W)</u>	<u>Actual Other Expense *</u>	<u>Other Exp B / (W)*</u>	<u>Net Income / (Loss) *</u>	<u>Net B / (W)*</u>
<u>Department</u>								
ACC / Security	10,400	2,384	7,546	(431)	38,227	(3,757)	(35,373)	(1,804)
Accounting	2,754	(3,458)	29,429	612	3,368	17,952	(30,043)	15,106
Administration	1,951	1,938	32,244	4,182	15,300	(2,055)	(45,593)	4,065
Common Costs	3,941	25	-	-	11,876	17,219	(7,935)	17,244
Facilities	11,494	475	5,175	(545)	18,783	1,294	(12,464)	1,224
Maintenance	-	-	19,239	4,372	14,916	(11,013)	(34,155)	(6,641)
Subtotal	30,540	1,364	93,633	8,190	102,470	19,640	(165,563)	29,194
Golf	210,559	(26,423)	82,263	7,636	38,079	2,793	90,217	(15,994)
Marina	12,083	9,307	-	-	1,027	1,666	11,056	10,973
Rec/ Pools/ Parks	17,815	5,926	48,652	(3,669)	25,530	(3,922)	(56,367)	(1,665)
Subtotal	240,457	(11,190)	130,915	3,967	64,636	537	44,906	(6,686)
Subtotal Operations before Ops Dues	270,997	(9,826)	224,548	12,157	167,106	20,177	(120,657)	22,508
Ops Dues Earned	238,092						238,092	
Curr Yr Bad Debts Activity	(5,161)						(5,161)	
Net Ops Dues	232,931	6,825					232,931	6,825
Net Operations	503,928	(3,001)	224,548	12,157	167,106	20,177	112,274	29,333
Net BOD Approved UDR Activity for Operations								
Legal Expenses - Past Due Account Collections	-						-	
Hazardous Tree Removal	-				39,836		(39,836)	
Net Operations with Board Approved UDR	503,928	(3,001)	224,548	12,157	206,942	20,177	72,438	29,333
Other Operating Activity								
UDR Activity	15,713				443		15,270	
AR Accrual - Prior Year Reversal	-				-		-	
AR Accrual - Current Year	-				-		-	
Lease Income- Library Prepaid Recognized	667				-		667	
Vacation Liability Accrual	-				(5,914)		5,914	
Total Other Operating Activity	16,380				(5,471)		21,851	
Grand Total Operations Activity	520,308	(3,001)	224,548	12,157	201,471	20,177	94,289	29,333

* Excludes Depreciation

B / (W) = Better / (Worse) Than Budget

Sudden Valley Community Association

Operations - By Department

January 1, 2025 to July 31, 2025

YEAR TO DATE

Whole \$

<u>UNAUDITED</u>	Actual Revenue	Revenue B / (W)	Actual Salary Benefits	Salary & Benefits B / (W)	Actual Other Expense *	Other Exp B / (W)*	Net Income / (Loss) *	Net B / (W)*
<u>Department</u>								
ACC / Security	125,049	45,542	52,132	(2,955)	339,715	(79,468)	(266,798)	(36,881)
Accounting	18,255	(8,354)	201,080	6,544	33,430	15,391	(216,255)	13,581
Administration	5,104	4,597	225,905	25,851	116,769	(42,873)	(337,570)	(12,425)
Common Costs	38,219	10,807	-	-	312,599	(76,932)	(274,380)	(66,125)
Facilities	58,926	5,278	32,927	(891)	98,971	31,553	(72,972)	35,940
Maintenance	-	-	211,841	10,701	61,409	5,089	(273,250)	15,790
Subtotal	245,553	57,870	723,885	39,250	962,893	(147,240)	(1,441,225)	(50,120)
Golf	906,291	(13,880)	464,065	29,734	329,495	(50,345)	112,731	(34,491)
Marina	243,643	7,592	-	-	15,545	(2,138)	228,098	5,454
Rec/ Pools/ Parks	39,788	11,016	198,503	(43,441)	96,437	(1,561)	(255,152)	(33,986)
Subtotal	1,189,722	4,728	662,568	(13,707)	441,477	(54,044)	85,677	(63,023)
Subtotal Operations before Ops Dues	1,435,275	62,598	1,386,453	25,543	1,404,370	(201,284)	(1,355,548)	(113,143)
Ops Dues Earned	1,669,326						1,669,326	
Curr Yr Bad Debts Activity	(44,513)						(44,513)	
Net Ops Dues	1,624,813	42,065					1,624,813	42,065
Net Operations	3,060,088	104,663	1,386,453	25,543	1,404,370	(201,284)	269,265	(71,078)
Net BOD Approved UDR Activity for Operations								
Legal Expenses - Past Due Account Collections	-				9,984		(9,984)	
Hazardous Tree Removal	-				59,137		(59,137)	
Net Operations with Board Approved UDR	3,060,088	104,663	1,386,453	25,543	1,473,491	(201,284)	200,144	(71,078)
Other Operating Activity								
UDR Activity	87,362				6,284		81,078	
AR Accrual - Prior Year Reversal	(53,456)				-		(53,456)	
AR Accrual - Current Year	-				-		-	
Lease Income- Library Prepaid Recognized	4,667				-		4,667	
Vacation Liability Accrual	-				11,084		(11,084)	
Total Other Operating Activity	38,573				17,368		21,205	
Grand Total Operations Activity	3,098,661	104,663	1,386,453	25,543	1,490,859	(201,284)	221,349	(71,078)

* Excludes Depreciation

B / (W) = Better / (Worse) Than Budget

Sudden Valley Community Association

SUDDEN VALLEY COMMUNITY ASSOCIATION - LOTS & DUES ANALYSIS 2025

																		SVCA Owned Lots															
Actual Year Prepaid			Actual Current			Actual 1 Mth Due		Actual 2 Mth Due		Actual 3 Mth Due		Actual 4+ Mth Due		Pmt Plans			Total Prepaid & Current			Total Not Current			Total Billable Lots			Restricted							
	Vac	Dev	Total	Vac	Dev	Total	Vac	Dev	Vac	Dev	Vac	Dev	Vac	Dev	Total	Vac	Dev	Total	Vac	Dev	Total	Vac	Dev	Total	Perm	WB10	Avail.	Total	LLE & CTB	Dues Exempt	Total Non Billable Lots	Total All Lots	
Jan	16	82	98	276	2,529	2,805	24	103	2	8	3	10	18	37	2	8	292	2,611	2,903	49	166	215	341	2,777	3,118	774	0	3	777	740	6	1,523	4,641
Feb	18	96	114	277	2,527	2,804	16	82	8	24	0	6	19	34	2	8	295	2,623	2,918	45	154	199	340	2,777	3,117	775	0	3	778	740	6	1,524	4,641
Mar	21	95	116	280	2,554	2,834	6	61	8	14	3	8	19	37	2	8	301	2,649	2,950	38	128	166	339	2,777	3,116	776	0	3	779	740	6	1,525	4,641
Apr	21	100	121	285	2,551	2,836	7	62	1	10	3	12	20	32	2	10	306	2,651	2,957	33	126	159	339	2,777	3,116	776	0	3	779	740	6	1,525	4,641
May	23	105	128	283	2,526	2,809	14	79	1	17	0	8	16	30	2	12	306	2,631	2,937	33	146	179	339	2,777	3,116	776	0	3	779	740	6	1,525	4,641
Jun	23	118	141	287	2,517	2,804	8	77	3	11	0	12	16	28	2	14	310	2,635	2,945	29	142	171	339	2,777	3,116	776	0	3	779	740	6	1,525	4,641
Jul	23	132	155	284	2,501	2,785	14	69	1	19	1	10	13	33	3	13	307	2,633	2,940	32	144	176	339	2,777	3,116	776	0	3	779	740	6	1,525	4,641
Aug	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sep	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Oct	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Nov	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Dec	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

LLE = Lot Line Eraser
CTB = Covenant to Bind



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APPROVAL REQUEST MEMO

To: Executive Team, Sudden Valley Community Association Board of Directors

From: Michael Bennett, General Manager

Date:

Subject: Approval Request – Barn 6 Pavilion Replacement: Design Changes and Pre-Application Services

Purpose

The purpose of this memo is to seek Board approval for professional services by Carletti Architects, P.S. to conduct a feasibility study, design revisions, and a pre-application meeting with Whatcom County regarding the Barn 6 Pavilion replacement project.

Background

On April 24, 2025, the Board approved funding of \$19,025 for Carletti Architects, P.S. to complete the original Barn 6 Pre-Design Phase, which envisioned a larger and more costly community center-style facility. Those funds were fully expended, and the deliverables from that phase provided valuable conceptual and cost information to inform the LRPC and Board.

That proposal represented a new and revised pre-design scope focused on a simplified Barn 6 Pavilion Replacement project, with updated space programming and refined cost estimates.

Funding for this smaller scope project request is available through the 2025 Capital Repair and Replacement Reserve Fund (CRRRF) Budget, GL Account 9722.09, designated for Barn 6 and 8 renovation or replacement projects. In 2023, a simple pavilion replacement concept was presented for Barn 6, along with a corresponding cost estimate. Since that time, the Long Range Planning Committee and staff have identified community needs that exceed the original design. Revisions now include:

- Relocation of the basketball court and surrounding spaces.
- Addition of kitchen, showers, storage, family bathroom, generator space, and meeting rooms.
- Adjustments to the building ridge line for site view lines and court clearance.

Carletti Architects' updated scope provides for preparation and participation in a Whatcom County pre-application meeting, and delivery of a revised cost estimate reflecting the expanded program.

Analysis



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This pre-application phase is a critical step to determine the feasibility of the expanded Barn 6 concept. By engaging Carletti Architects at this stage, SVCA will:

- Clarify Whatcom County requirements before committing to full schematic design.
- Obtain a revised cost estimate reflecting the expanded program elements.
- Position the Association for future fundraising, capital planning, and potential loan financing with accurate scope and cost information.

Without this work, the project cannot move forward responsibly to the next phase of schematic design and construction administration.

Requests

Management and the Long Range Planning Committee recommend that the Board of Directors approve the proposal from Carletti Architects, P.S. dated September 9, 2025, in the amount of \$6,150 for Barn 6 Pavilion replacement design changes and pre-application services, with funding from the 2025 CRRRF Barn 6 Pavilion Replacement line item.

Motion

I move that the Board of Directors approve the proposal from Carletti Architects, P.S. dated September 9, 2025, in the amount of \$6,150 for Barn 6 Pavilion replacement design changes and pre-application services, to be funded from the 2025 CRRRF Barn 6 Pavilion Replacement line item.

Approval

Approved: _____ Not Approved: _____ SVCA Board of Directors

Signed: _____ Date: _____

Keith McLean, SVCA Board President



September 9th, 2025

Ray Meador
c/o Sudden Valley Community Association
4 Clubhouse Circle
Bellingham, WA 98229

Reference: Sudden Valley Community Association-Barn 6 Replacement Pavillion
Fee Proposal – Design Changes and Pre-App

Dear Ray:

It was a pleasure meeting with you and discussing design revisions to Barn 6 Pavillion design at the Sudden Valley Community Association. This letter is the proposed Fee and Fee structure for the above referenced project. The proposal is broken down into tasks to produce deliverables. This study will be used to determine if the project is achievable for the client's goals and required conditions. If the project moves forward after this phase, a fee will be provided for full schematic design through construction administration for all architecture and engineering fees.

Please find listed below a project description and scope of work for the project.

PROJECT DESCRIPTION:

In 2023 a simple Pavillion was proposed for Barn 6 replacement. This included a cost estimate of the construction work. Owner would like to revisit this concept but make some floor plan changes which include:

- Revising basketball court location
- Revising spaces around new basketball court location
- Adding kitchen, showers, storage, family bathroom, generator and meeting rooms to the overall space.
- Revising ridge line of the building for basketball court and site view lines.

This proposal is to review these changes and prepare and attend a pre-app meeting with Whatcom County. This will clear up additional questions and design parameters. After completion of pre-application meeting a revised cost estimate will be done based on the new building concept.

Scope of Work:

Task One – Pre Application Meeting

- Preparation of pre-application form
- Preparation of pre-application questions and documents
- Attendance of Whatcom County pre-application meeting

Task Two – Cost Estimate

- Updating cost estimate
- Coordination with cost estimator

This fee is a feasibility study, providing information and drawings to determine project requirements for a new replacement facility. The drawings and costs will be utilized by the building committee for a capital funds campaign to the Sudden Valley Community Association.

This fee excludes any outside consultant recommendations. Client may revise fee if during study it is determined consultant recommendations should be needed.

FEES

TASK	Schematics	FEE	
1	Pre-Application Meeting	\$ 3,500	Fixed
2	Revised Cost Estimate	\$ 2,500	Fixed
	Reimbursable	\$ 150	
	SUBTOTAL	\$ 6,150	

Additional Services:

Changes to project scope could occur during the review process. Changes due to owner direction or local jurisdiction requirement (including added sub consultants) may result in added project scope.

Additional services if authorized will be billed at the hourly rate listed below.

ADDITIONAL SERVICES HOURLY RATES

Principal	\$185 per hour
Project Architect	\$175 per hour
Project Manager I	\$158 per hour
Project Designer I	\$160 per hour
Project Manager II	\$148 per hour
Project Designer II	\$125 per hour
Space Planner	\$138 per hour
Drafter	\$100 per hour
Clerical	\$ 50 per hour

Exclusions:

Outside consultants including: Geotechnical engineer, Wetland specialist, Envelope Consultant, Landscape Architect, Civil Engineering, Structural engineering, Electrical Engineering, Mechanical

engineering, Cost estimation, SEPA, Level 1 site assessment, traffic report, schematic design, design development, construction documents, construction administration
Reimbursable (See below).

Reimbursable:

Mileage	\$.74 per mile
Large Format Copies	\$ 1.50 each
Postage and Delivery	Cost + 10%
Consultants	Cost + 10%

Invoices shall be due net upon receipt. Invoices unpaid after 45 days shall bear interest at the rate of 1 1/2% per month.

If this proposal is acceptable to you, we will then prepare a professional services agreement for your review and signature.

We are excited about this opportunity of working with you on this project. If you have any questions, please don't hesitate to call me.

Sincerely,



09/9/25

Quenten Sutter
Carletti Architects, P.S.

Client Signature of Contract Approval

Sign

Date



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4 Clubhouse Circle Bellingham, WA 98229
www.suddenvalley.com

CAPITAL REQUEST MEMO

To: Sudden Valley Community Association Board of Directors
From: Michael Bennett, General Manager, and Spencer Huston, IT Specialist
Date: September 25, 2025
Subject: Capital Request – Computer System Replacements

Purpose

The purpose of this request is to seek Board approval to allocate funds from the CRRRF budget for the replacement of outdated desktop and laptop computers that cannot support Windows 11 following the retirement of Windows 10 on October 14, 2025.

Background

SVCA currently maintains 30 computers in different departments. Of these, 19 machines cannot run Windows 11 and will require replacement before Microsoft terminates Windows 10 support. Running unsupported operating systems creates significant cybersecurity risks as patches and security updates are no longer issued.

To maintain operational integrity and compliance, the IT Department recommends replacing 14 desktops and five laptops. Several desktop units will be replaced with laptops to provide staff with portability and remote access when necessary.

Analysis

Microsoft will retire support for Windows 10 on October 14, 2025, which means no further security updates or system patches will be released. Running unsupported operating systems exposes the Association to:

- Cybersecurity risks – vulnerabilities that can no longer be patched may be exploited by malware or hackers.
- Operational disruption – third-party software vendors will phase out support for Windows 10, limiting compatibility and functionality.
- Regulatory and insurance concerns – failure to maintain secure systems may increase liability exposure in the event of a breach or data loss.
- Productivity impacts – staff would face potential downtime or restricted use if critical applications are no longer supported.

Replacing outdated equipment now ensures that SVCA's systems remain secure, reliable, and compliant, while minimizing the risk of costly disruptions.



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Funding

- CRRRF Allocation (SYSTEM: Computer Systems): \$21,632
- Estimated Project Cost: \$13,680 (before taxes, shipping, and potential price fluctuations)
- Balance Remaining: ~\$7,952 (available for future upgrades, peripherals, and audio/visual meeting equipment if needed)

This project is expected to be completed well under budget.

Proposed Equipment

- Dell Pro Micro Desktop – \$639/unit
 - Intel Core i3-14100T processor
 - 8GB RAM
 - 256GB SSD (expandable if required)
- Dell Pro 16 Laptop – \$739/unit
 - Intel Core 5-120U processor
 - 16GB RAM
 - 256GB SSD (expandable if required)

Request

Management requests approval of the replacement purchase to ensure operational security, compliance with industry best practices, and continuity of services to the community.

Motions

Move that the Board of Directors approve the expenditure of up to \$13,680 from the CRRRF line item 'Computer Systems' for the replacement of 19 computers (14 desktops and five laptops), as recommended by Management.

Finance Committee Review

Recommended: _____ Not Recommended: _____ Finance Committee

Board of Directors Approval

Approved: _____ Not Approved: _____ SVCA Board of Directors

Signed: _____ Date: _____
Keith McLean, SVCA Board President



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CAPITAL

REQUEST MEMO

To: Sudden Valley Community Association Board of Directors

From: Michael Bennett, General Manager

Date: September 25, 2025

Subject: Capital Request – Projector and Screen Acquisition

Purpose

To request Board approval for the purchase of a new Panasonic projector, a used Draper projection screen, and a used InFocus projector (for spare/office use) to support large-room meetings, presentations, and community events.

Background

SVCA frequently hosts community meetings, Board meetings, training sessions, and events that require reliable projection equipment for large-screen displays. Current equipment is rented, outdated and insufficient for larger venues within Sudden Valley.

We have identified the need for a higher-lumen, professional-grade projector paired with a large-format projection screen to serve the Dance Barn, Multi-Purpose Room, and other event spaces.

Our AV vendor has offered a used Draper 16x9 projection screen and a used InFocus projector at discounted costs. A new Panasonic PT-VMZ61 projector is also available through Amazon Business at a favorable price. These purchases will materially improve the Association's ability to deliver high-quality presentations.

Analysis

Items Requested

1. Panasonic PT-VMZ61 WUXGA LCD Laser Projector, 6,200 Lumens (White)

- Vendor: Amazon Business

- Price: \$2,897.00

2. Used Draper 16x9 Projection Screen

- Vendor: True Tone Audio (Estimate #1129, dated May 15, 2025)

- Price: \$1,000.00

3. Used InFocus 4000 Lumen Projector with Case (for spare/office use)

- Vendor: True Tone Audio (Estimate #1129)

- Price: \$500.00

Total Requested: \$4,397.00+ WSST



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Sources of Funding

This request will be funded through surplus funds identified in the previously approved Capital Request Memo for Computer Replacements. That project's budget allocation exceeded actual costs, leaving sufficient surplus in the CRRRF Computer Systems line item to fund this purchase without requiring additional appropriations.

Analysis

- The Panasonic PT-VMZ61 projector provides 6,200 ANSI lumens, a laser light source (20,000-hour rated), and full WUXGA resolution, suitable for projection distances of 50–60 feet using a 15-foot wide screen.
- The Draper projection screen offers a large-format 16×9 aspect ratio surface appropriate for large rooms, with professional-grade build quality at a discounted used price.
- The used InFocus 4000-lumen projector, while not suitable for large venues, provides a reliable backup unit or can be deployed for smaller office and committee meeting uses.
- Together, the equipment will allow SVCA to deliver presentations on a screen size comparable to 200" diagonal, improving visibility for large audiences, while also providing redundancy and flexibility for smaller venues.
- Leveraging surplus funds from the computer project ensures no additional capital impact beyond existing allocations.

Requests

That the Board of Directors approves the purchase of the AV equipment and screen described above, and, in the motion, below:

Motions

Move that the Board of Directors approve the purchase of the AV equipment as follows:

- One (1) Panasonic PT-VMZ61 WUXGA LCD Laser Projector, 6,200 Lumens, White from Amazon Business for \$2,897.00+ WSST,
- One (1) Used Draper 16×9 Projection Screen from True Tone Audio at a cost of \$1,000.00, and
- One (1) Used InFocus 4000 Lumen Projector with Case from True Tone Audio for \$500.00, for a total of \$4,397.00 + WSST, funded from surplus in the CRRRF Computer Systems line item as previously identified.

Finance Committee Review

Recommended: _____

Not Recommended: _____ Finance Committee

Board of Directors Approval

Approved: _____

Not Approved: _____

SVCA Board of Directors

Signed: _____

Date: _____

Keith McLean, SVCA Board President



Click to see full view



Panasonic PT-VMZ61 WUXGA LCD Laser Projector, 6200 Lumens, White

Visit the Panasonic Store

4.5 ★★★★☆ (2) | Find specific info

\$2,767⁰⁰

Or pay later in 30 days or more. Select from 1 plan

Includes \$133.00 Amazon discount. [Details](#) ▾

Want to use Net 30 terms for your order? Choose Pay by Invoice as your payment method at checkout.

Brand Panasonic

Display Type LCD

Included Components Panasonic PT-VMZ61 WUXGA LCD Laser Projector (White) | Wireless Remote Control Unit | Power Cord | 2x AAA Batteries for Remote Control (R03) | Lens Cap | Strap

Recommended Uses For Product Education

Special Feature Built-In Speaker

About this item

- **SUPERIOR BRIGHTNESS** - Experience vibrant visuals with 6,200 lumens, ensuring clear and bright projections even in well-lit environments, perfect for professional presentations and engaging content.
- **HIGH-RESOLUTION CLARITY** - Enjoy detailed images with WUXGA (1920 x 1200) resolution, providing sharp and clear visuals for impactful presentations and detailed data display in any setting.
- **EXTENDED LAMP LIFE** - Benefit from a long-lasting laser diode light source, offering up to 24,000 hours in ECO mode, reducing maintenance and ensuring reliable performance for years to come.
- **VERSATILE CONNECTIVITY** - Seamlessly connect your devices with dual HDMI inputs, D-sub 15-pin, RJ-45, and USB, ensuring compatibility with various sources for smooth and efficient presentations.
- **DYNAMIC CONTRAST RATIO** - Immerse your audience with a 3,000,000:1 contrast ratio, delivering deep blacks and bright whites for stunning image quality and enhanced visual impact in every scene.

\$2,767⁰⁰

FREE delivery **September 23** -
26. [Details](#)

ⓘ Deliver to Sudden - Bellingham 98229

In Stock

Qty: 1 ▾

Add to Cart

Need more than 4 units?

Request for Quote

ⓘ Secure transaction

Ships from and sold by
AVNation.

Seller Credentials:
889 certification

Return policy:

30-day refund/replacement ▾

Add a Protection Plan:

2 Year B2B Electronics Protection Plan for \$142.99

3 Year B2B Electronics Protection Plan for \$186.99

Add to List

Other sellers on Amazon

New (4) from \$2,899.00 &
FREE Shipping >

True Tone Audio

PO Box 32503

Bellingham, WA 98228 US

+13603893024

sales@gsttproductionservices.com

truetoneaudio.net

Estimate 1129



ADDRESS	SHIP TO	DATE	TOTAL	EXPIRATION DATE
Sudden Valley Community Association 4 Clubhouse Circle Bellingham, WA 98229	Sudden Valley Community Association 4 Clubhouse Circle Bellingham, WA 98229	05/15/2025	\$1,632.00	06/05/2025

JOB NAME

Sale of used equipment

ACTIVITY	QTY	RATE	AMOUNT
InFocus 4000K Lumen Projector w/case Used	1	500.00	500.00T
16x9 Used draper projector screen	1	1,000.00	1,000.00T
Subtotal: 1,500.00			
SUBTOTAL 1,500.00			
TAX 132.00			
TOTAL			\$1,632.00

THANK YOU.

Accepted By

Accepted Date



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4 Clubhouse Circle Bellingham, WA 98229
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CAPITAL REQUEST MEMO

To: Sudden Valley Community Association Board of Directors
From: Michael Bennett, General Manager
Date: 09.17.2025
Subject: Emergency Capital Request – Clubhouse Water Heater Replacement

Purpose

To request emergency Board approval for funding to replace the failed Clubhouse water heater.

Background

On the evening of September 16, 2025, El Agave Restaurant (tenant in the Clubhouse under SVCA's Commercial Lease) reported a complete loss of hot water service. SVCA Maintenance responded and determined the existing Noritz NC380-SV-ASME 380,000 BTU tankless water heater has failed with a leaking heat exchanger and no power to the control board.

Under the El Agave Lease, SVCA, as landlord, is obligated to maintain and supply utility services in good working order to the leased premises. The failure of this system leaves the Clubhouse and El Agave without hot water, directly impacting business operations and food service compliance. An immediate solution is necessary to restore service and mitigate SVCA's potential liability for lease breach and business interruption.

Analysis

Options Considered

Option 1 – Replace with Identical Noritz NC380 Unit

- **Description:** Order a replacement 380,000 BTU tankless unit identical to the failed system, located in California, and shipped via truck freight.
- **Timeline:** 3–5 business days (arrival ~September 22–26).
- **Estimated Cost:** ~\$9,600 (including shipping).
- **Pros:**
 - Exact replacement, no retrofitting required.
 - Preserves existing design capacity (~534 gallons/hour @ 70° rise).
- **Cons:**
 - Longest downtime (Clubhouse & Restaurant without hot water for up to a week).
 - Model is uncommon; long-term parts availability remains uncertain.

Option 2 – Dual 200,000 BTU Tankless Rinnai Rack System

- **Description:** Install two high-efficiency 200,000 BTU commercial tankless units on a rack system, available locally in Seattle.
- **Timeline:** Units delivered by September 18; system could be operational by the evening of September 18–19.
- **Estimated Cost:** ~\$16,000 (eligible for Cascade Natural Gas rebate).



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- **Pros:**

- Rapid deployment and restoration of hot water.
- Redundancy – if one unit fails, the other can continue partial service.
- High-efficiency, lower utility consumption, and potential rebates.

- **Cons:**

- Highest upfront cost.
- Requires additional wall/floor space for installation.

Option 3 – Commercial 100-Gallon Tank Water Heater

- **Description:** Install Rheem G100-200 (200,000 BTU, 100-gallon storage tank), available locally in Bellingham.

- **Timeline:** Could be installed immediately.

- **Estimated Cost:** ~\$16,700.

- **Pros:**

- Immediate availability.
- Simple, traditional design familiar to most service contractors.

- **Cons:**

- Lower capacity (approx. 275 gallons/hour @ 70° rise vs. 534 gallons/hour existing).
- May not meet restaurant and clubhouse peak demand.
- Less efficient and higher operating costs.

Option 4 – Single 200,000 BTU Tankless with Existing Storage Tank (*Recommended*)

- **Description:** Install one 200,000 BTU high-efficiency commercial tankless unit, connected to the Clubhouse's existing hot water storage tank. If capacity is insufficient, a second tankless can be added later.

- **Timeline:** Available locally and could be installed by September 18–19.

- **Estimated Cost:** ~\$10,650.

- **Pros:**

- Rapid deployment—shortest time to restore service.
- Lower upfront cost than dual system or tank replacement.
- Existing storage tank provides buffering for peak demand.
- Flexible—second unit can be added in the future if required.

- **Cons:**

- No built-in redundancy if the single unit fails.
- May need to add additional unit if capacity is insufficient.

Financial Impact and Funding Options - Emergency Capital Request: \$10,650

Funding Options Available:

1. **2025 CRRRF Kitchen Equipment line item** – Budget \$86,528. This line item will otherwise not be used in 2025.



Sudden Valley Community Association
360-734-6430
4 Clubhouse Circle Bellingham, WA 98229
www.suddenvalley.com

2. Facilities Operating Budget:

- o GL Acct 6675 – Equipment R&M: Budget remaining = \$9,182
- o Shortfall covered by GL Acct 6515 – Building R&M – Materials: Budget remaining = \$25,598

Requests

To approve an emergency expenditure of \$10,650 + WSST, as detailed above and below

Motions

To approve an emergency expenditure of \$10,650 + WSST for the replacement of the failed Clubhouse tankless hot water system, authorizing staff to engage Lynden Sheet Metal for the installation of a 200,000 BTU high-efficiency tankless water heater with storage tank integration, restoring hot water service to El Agave Restaurant and the Clubhouse facilities.

Funding to be approved from either:

- the 2025 CRRRF Kitchen Equipment line item (Budget \$86,528), or
- the Facilities Operating Budget, GL Acct 6675 – Equipment R&M, with any shortfall supplemented by GL Acct 6515 – Building R&M – Materials.

Finance Committee Review

Recommended: _____ Not Recommended: _____ Finance Committee

Board of Directors Approval

Approved: _____ Not Approved: _____ SVCA Board of Directors

Signed: _____ Date: _____
Keith McLean, SVCA Board President