

Research Report on Historic Sudden Valley Barns



Sudden Valley Community Association
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1. Introduction

In early July, 2014 structural engineering firm J2 Consultants evaluated the mid-barn (7 Barn View Drive) in the Community Center barn complex. This barn is the recent home of the new South Whatcom County Library, located on the ground floor of the structure. The library was developed over the last few years by converting the structure into a modern library facility. However, during their evaluation, consultants discovered structural stability issues associated with dry rot and insect damage to major support beams. This discovery, and related safety concerns, led to the temporary closure of the new library.

In mid-July, Sudden Valley Community Association (SVCA) board president Larry Brown requested comprehensive research be undertaken by Association staff and a report created summarizing information associated with the barns, including: when they were built, their historical uses, modifications, county building permit history, SVCA board history of reports and decisions relating to the barns, and related engineering or reserve study reports.

Community and Environmental Services (CES) staff researched the history of the barns, specifically focusing on the mid-barn. Resources included in this research included Whatcom County Planning and Development Services, Whatcom County Assessor and Auditor offices, archived articles of the Bellingham Herald at the Bellingham Public Library, and archived issues of the Valley Views, published by the Association.

Additional research was performed by the Association's administrative staff reviewing past board meeting minutes and locating relevant engineering and reserve study reports.

2. Historical Overview

The earliest available account of ownership of the property that eventually became Sudden Valley dates back to 1937, when Banning, Gladys and Fanny Austin purchased the land from Luella Austin (copy of deed included in report). Banning Austin's father homesteaded the land, and Banning resided in a rough hewn log cabin near the present location of the barns.

In 1949, Glen Corning purchased the property from Mr. Austin for a reported selling price of \$50,000. The Corning family operated the property as a working ranch for many years, and appears to have built the mid-barn sometime prior to 1961. The Whatcom County Assessor's written records on the barns indicate the year built simply as "old" (see Township Improvements Survey Record in report). However, the earliest available aerial photo at the Assessor's office (1961) of the parcel where the barns are located (parcel #370408318457) clearly shows the mid-barn, but neither of the other two barns. Chronologically, the next available aerial photo (1969) at the Assessor's office shows all

three barns in their current locations. (Please note, it is the policy of the Assessor's office to not make photocopies of their archived aerial photos, nor are the photos available to be checked out for off-site duplication. Thus, copies of the subject photos are not included in this report, but are available for review in person at the Assessor's office.)

In the late 1960s, rising taxes eventually motivated Mr. Corning to sell his property. After initially offering it to Washington State without success, Mr. Corning sold his ranch to Ken Sanwick, who went on to develop Sudden Valley. Much of the information included in the historical overview section was sourced from a two-page article from the February, 1999 issue of the Sudden Valley Views, included in this report.

It should be noted that county records pre-dating the early-1960s are incomplete or non-existent. The Assessor's records begin in 1961, and county building permits were not required until 1967. While the Auditor's records go back further, the only relevant document found in the time available was the deed from 1937, as referenced above.

3. Parcel Details

As stated previously, the barns are located on parcel 370408318457. In addition to the three barns (6, 7 and 8 Barn View Drive), the Adult Center (10 Barn View Drive) and its small pool are also located on the same 11.77 acre parcel, as is the large pool adjacent to the barns. County records do not differentiate between the different addresses, instead referring to the entire parcel as 10 Barn View Drive. Interestingly, the county Assessor's records indicate the Adult Center was built in 1953, likely by Mr. Corning, and rebuilt in 1992/93 following damage from a fire. The Adult Center pool appears to have been added in 1965.

3.1 Whatcom County Assessor Parcel Information

This four page document was sourced from the County Assessor's web page. It contains a variety of information relating to the subject parcel where the barns are located.

3.2 Township Improvements Survey Record

This four page document contains a diagram of the barns that indicates specific uses of different areas of the three barns. The mid-barn is referred to as #2 and described as the Play Barn Loft. This copy is much more legible than the one embedded in the information received from the Assessor's office above (Section 3.1).

3.3 Site Maps of Parcel

The first page is a map printed from the Assessor's web page. It indicates Barn View Drive was formerly known as Recreation Drive. While the date on this map is 7/31/62, staff at the Assessor's office indicated this is only the beginning date for creation of this section

map and has been updated periodically over the last five decades. Therefore, the platting of Sudden Valley did not exist as shown in 1962.

The next page is a site plan of the subject parcel sourced from microfilm at Whatcom County Planning and Development Services (PDS). It is dated August, 1974 and includes all three barns as well as the Adult Center and both pools. The mid-barn is labeled “Play Barn” on this document.

The third page is a cropped version of the preceding site plan highlighting details.

4. Building Permit History

The first three pages of this section were sourced from Whatcom County PDS records and include all county building permits issued for the subject parcel dating back to the early 1990s. According to PDS staff, their electronic permit database goes back to 1992 and their microfilm records go back to approximately 1975. In reviewing microfilm records, the majority of those limited documents relate to rebuilding the Adult Center in 1992/93 following a fire. The fourth page is a key for interpreting acronyms describing the permit type found in the permit history. Copies of individual permits included in this section are available from PDS as needed.

It should be noted that the barns were apparently built prior to when the county began requiring building permits (1967). Other than the permit history outlined in this section, no other building permits relating to the barns were available at PDS.

5. Property Deeds

The first page of this section is a copy of the 1937 deed referred to in Section 2 of this report. The next four pages are a copy of a Quit Claim Deed from 1975 conveying the subject parcel, referred to as the “Recreational Corridor”, from the Sudden Valley Community Club to Judd Kirk, Trustee. These deed documents were sourced from the Whatcom County Auditor’s office on microfilm.

6. SVCA Board of Directors Meeting Minutes Relating to the Barns

This section includes minutes from fifteen separate board meetings and work sessions occurring in 2010-11 where remodeling of the mid-barn for conversion to the new county library was discussed. Minutes are in chronologic order.

7. Architectural Investigative Reports & Opinions (AIRO) – Barns 6, 7, 8

In September, 2013 the Association hired Architectural Investigative Reports and Opinions (AIRO) of Salem, Oregon as a consultant to evaluate structures located on Association common property. The sixty page report in this section provides detailed information on the structures referred to as Barns 6, 7 and 8. The date of this report is 9/23/13.

8. Kingworks Consulting Engineers Report

In late 2013, the Association hired Kingworks Consulting Engineers of Bellingham, Washington to evaluate two of the barns: the “Ice Barn” or Barn 6, and the mid-barn, or Barn 7. The six page report provided by Kingworks, dated 12/11/13, is included in this section.

9. Capital Reserve Consultants, LLC - Reserve Report

In 2013, the Association hired Capital Reserve Consultants, LLC (CRC) of Beaverton, Oregon to perform a comprehensive reserve study. While a portion of the reserve study report, dated 9/25/13, relates to the barns, the entire report is 487 pages long and references to the barns are included in many different sections of the report. Therefore, the reserve study report is not included in this summary report. However, the reserve study report created by CRC is available in its entirety through the SVCA administrative office for review. A very brief excerpt from the CRC report describing the barns is included in this section.

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SUDDEN VALLEY VIEWS

Sudden Valley Community Association February 1999

In the days of yore...

When Sudden Valley was a working ranch

by Robin Ireland

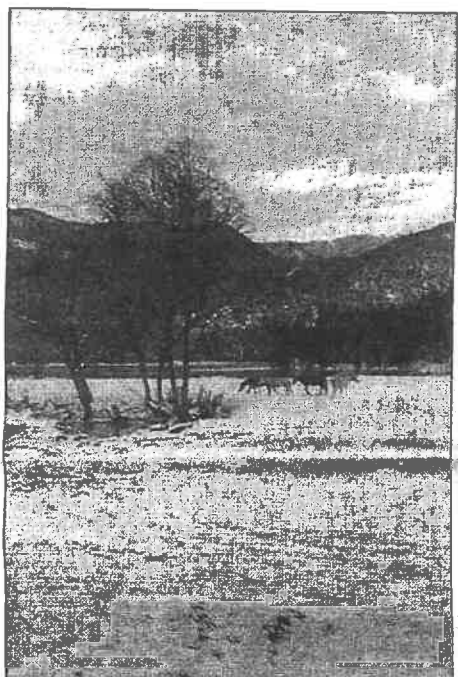


Photo courtesy of Betty Corning
Corning Ranch horses stand in an idyll of snow, lake and mountain. Although now golf course, the vista remains relatively unchanged.

In the summer of 1953 Betty and Glen Corning and their three children moved from their house on Illinois street to the wild west. A mere dozen or so miles from town, the 1,200 acre ranch, whose destiny was to become Sudden Valley, was like stepping back in time 50 years. Corning originally discovered the property while flying over the south end of the lake in his plane. He was captivated by it and looked up owner Banning Austin in the county records. He approached him about selling the land and Austin agreed. The selling price? \$50,000. Austin's father had homesteaded the land (see photo on page 10), and according to Betty Corning, one of the things he asked of Corning was to refrain from logging the area. Other than clearing the pastures, Corning kept that promise. That first summer on the lake, the Cornings lived in a small 18' x 18' cabin made from old

growth cedar logs split in half (see photo on page 10). The kids slept in a bunk house just a short distance away (see map on page 10). Without plumbing and electricity, the only "modern" convenience Betty Corning had was an icebox. But here, in an excerpt from her memoirs, she tells it best: "Our ranch on Lake Whatcom was there for us, but our newly built home was not quite finished for occupancy. We decided to move into the one room cabin located on the premises, which was near the creek that ran through the property to the lake. "In order for the three children to finish their schooling in Assumption School in Bellingham, I drove them to school each morning that month of May. Sometimes I would stay in town to do clean-up chores in our old home, visit friends and grocery shop. "The log cabin was quite close to the creek so it was no burden to haul water for our

needs. In this area, close to the log cabin, Glen had hauled in two long bunk houses. One contained all of our furniture and other possessions; the other one was fitted with beds for the children. "Glen and I bunked in the 18'-by-18' cabin, which was the nucleus of our every day living--cooking, eating, 'spit bath' bathing in a large galvanized tub, children doing their homework by kerosene lamp lighting, and early to bed for all. "Here I was again with no electricity, no indoor tap water and a wood stove for cooking and heating the large room. However I did have one convenience: an old fashioned ice box which was located outside the back door. The two blocks of ice a week it used was easily replenished on my trips to town. Our privy, with its cut-out crescent on the door, was located near by. "I was not used to horses at that time so it was an adventure to scamper to it before our horses came close to gather around for their ear scratching and petting. "The swift running creek had surprisingly clean water, despite the presence of the horses. One part of the creek had a pool at least four feet deep. It was perfect for my children's summer fun. These idyllic surroundings were hemmed in with barbed wire fencing and a wide wire gate which was hard to manipulate. Opening this gate, moving out the car, then closing the gate before the horses got wind of our movements was tricky. "The summer of that year our ranch was a dreamed of vacation spot for our friends and relatives. There were welcomed drop-ins almost every weekend, enjoying our potlucks, horseback riding, fast jeep rides in the open fields and fishing for pan-sized trout in the creek. "September, when the public school bus gathered up the children for their respective schools (Geneva and Whatcom Junior High), came too soon for all of us. "October 15th was a red letter day for all. Our new home was ready for us with all its city life perks--electricity, television, tap water, an oil furnace with baseboard heat, and two bathrooms! "Good stuff comes about when one waits long enough." (continued on page 10)

January board meeting

by Robin Ireland

Legal issues dominated Chair Sandy Cameron's opening remarks at the January board meeting. According to Cameron, the Watershed Defense Fund continues to oppose additional hook-ups. Both Water District 10 and Sudden Valley, however, continue to pursue the right to develop. In similar vein, Cameron reported Pete Kremen did not approve the funding for the Lake Louise Interceptor, noting "Sudden Valley needs to again become more visible as a political entity." He called for volunteers to cover various government meetings to let it be known we are a resident in this area and are going to react." Cameron urged attendance to the water district meeting slated to address the balance due on the holding tank. (See article on page 7.) The purpose of the tank, he explained, was to stop overflows, which would benefit everyone on the lake. Water District Commissioner Chuck Lindsay also urged people to attend the forthcoming meeting on detention tank payment. He agreed with Cameron that the tank is a water quality issue and therefore benefits everyone on the lake. **Property Owner Comments** **Vince D'Onofrio:** Reported trash was piling up in a yard which backs up to Lake Whatcom Boulevard on the way out of Sudden Valley. He requested the property owner be notified and asked to clean up the debris. **Bob Bryant:** Asked on behalf of Fire Commissioner Dave Hansen how the board would like the commissioner to be involved; e.g., update, report, or appear as a regular agenda item. **Treasurer's Report** Two departments fell short of budgeted revenues for the month of November: Golf and the restaurant. While Sudden Valley shows a net income of \$200,000, Treasurer Tom Theibah explained the accounting method used is accrual-based, so

the SVCA must show everything that is billed as income, regardless of whether the income has actually been received. The result, he stated, is this figure "does not reflect reality."

Committee Reports

Strategic Planning: Chair Bob Bryant reported the committee has selected a consultant to work on the land use plan for the Forestry and Wildlife Stewardship (FAWS) sub-committee. The consultant previously worked for a community in Lacey, Wash. which reduced its fire hazards, while at the same time enhancing wildlife. According to

"Sudden Valley needs to again become more visible as a political entity."
Sandy Cameron, SVCA Board Chair

plan should be completed by March 31, 1999.

Manager's Report

Administration will again send out quarterly billings, reported General Manager Chic Murray, to ensure that people "don't get too far delinquent." Detention tank construction is proceeding according to schedule, and Murray anticipates completion by the end of March. In light of another overflow (continued on page 11)

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Memories of Corning Ranch

(continued from page 1)



Photo courtesy of Betty Corning

A nine-year-old Mike Corning splits kindling in front of the 18'x18' cabin the Betty & Glen Corning lived in during the summer of 1953.

For Mike Corning, youngest of the Corning children, growing up on the ranch was a halcyon time. Though only nine years old when the family moved to the ranch, he has vivid memories of his life there.

"It was an exciting time, because we had the freedom to run around and do what we wanted—there was only the five of us."

He tells of the wild draft horses that ran on the property, and how he and his siblings would climb up on the huge old growth stumps while one of them chased the horses in that direction. As they passed by, the children would leap from the stump onto the horse's back. "We'd ride around and eat wild huckleberries."

It wasn't long before the ranch had its own horses and Mike had many an adventure with a dappled white mare named Princess (see photo this page). "I'd take Princess, along with an overnight pack my mother prepared which included a little flour, salt, pepper and some Crisco. Then I'd ride up stream into what is now Gate 3."

He'd find a likely spot, where the fishing looked good and set up his camp. When he caught the inevitable trout, he'd fry it over an open fire.

"Dad used to tell me, 'If there's any cougars or bears, Princess will tell you.' But nothing ever really came too close to us."

It was a quieter world then, so quiet that Mike and his friend Bob Bornstein, who lived on the other side of the lake, would plan their "strategies for the day" by just talking across the water in the right pitch.

"I just lived on the lake when I was a kid—it was a fantastic time to grow up. We found lots of things to do without having cable [TV]."

Mike also recalls riding Princess to the Geneva School, which is now the Waldorf School on Austin Street. It would take him about an hour-and-a-half, he says, to go up over Lake Louise Road.

At one point, Glen Corning was approached by someone who wanted to build a camp for kids. Corning liked the idea and subsequently donated the land

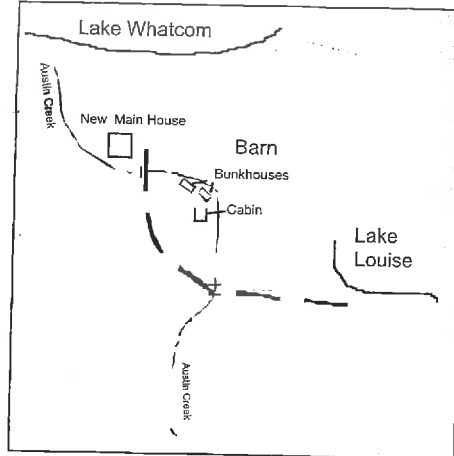
for what's now known as The Firs. Initially, the only road was the one into the ranch, so the kids would arrive with all their camping gear and take a boat over from the Corning dock, which was located on what's now PM Beach.

Rising taxes eventually motivated Corning to put the ranch up for sale. He offered it first to the state. According to his son, Mike, the state couldn't reach a conclusion, so Corning sold the ranch to developer Ken Sanwick, and Sudden Valley was born.

After the sale, the Cornings relocated to Eastern Washington. Eventually, though, they all found their way back to Whatcom County and all three of the children now live on the lake. "I didn't really appreciate it," says Mike, "until I came back after a stint in the Air Force."

The Valley has changed a lot since the Cornings lived here, but there are places where its history bleeds through: Lake Louise was named for Banning Austin's wife; Austin Creek and the Austin Creek Restaurant have obvious connections; the Adult Center (before it burned) was the Corning ranch house; Corning's horse barns are still the center of a lot of activity; and people still get up every day amidst some of the most splendid country in the world.

EDITOR'S NOTE: Many thanks to Betty Corning and Mike Corning for sharing their time, memories and photos.



Map of Corning Ranch



Photo courtesy of Betty Corning

Standing up on his horse Princess in the center, Mike Corning, his brother, and a couple of their friends frolic in the waters off what's now known as Fir Island.



In this old photo of a cabin, the gentleman on the right is thought to be Banning Austin's father. Mike Corning believes the cabin was located somewhere on the west side of the Valley.

Austin Creek Restaurant in Sudden Valley



February Specials

Steak Specials include:
baked potato, rice pilaf or
pasta, veg, soup or salad
Roast Prime Rib of Beef
Au Jus \$11.95 every
Friday & Saturday night.
Red Snapper Almondine
\$10.95

Valentine Dinner Buffet

Prime Rib, Cajun Rock Shrimp
with Champagne and romantic
violin music Feb. 14th 6 - 9pm
\$25.00 per person

Swamp Mama Johnson

At the Dance Barn on Feb. 13th
9pm - Midnight
Doors open at 8:30 pm
for food & bar
Tickets on sale at the main office
starting Feb. 3rd

Hours

Restaurant: Tue.-Sun. 4 - 9pm
Reservations: 734-6430 ext. 323
Lounge: Mon.-Fri. 4 - 11pm
Sat. 12 - 11pm, Sun 12 - 10pm
19th Hole: Mon.-Sat. 10am- 2pm

BREAKFAST BUFFET

February 7th & 21st
10am - 1pm
Bacon, Sausage, Potatoes,
Eggs, French Toast or
Pancakes, Fresh Fruit and
much more. Adults \$7.95,
Kids 10 and under \$3.95

Whatcom County Assessor & Treasurer

Property Search Results > 33365 SUDDEN VALLEY COMMUNITY ASSN for Year 2013 - 2014

Property

Account

Property ID: 33365

Legal Description: TR IN N 1/2 DAF-BEG AT MOST NLY COR ON ELY BNDRY OF SUDDEN VALLEY CLUBHOUSE CLUSTER CONDOMINIUM-TH USING SAME MERIDIAN SHOWN ON SD PLAT S 87 DEG 02'58" E 175.14 FT-TH N 25 DEG 48'04" E 32.49 FT-TH S 60 DEG 52'42" E 223.35 FT-TH N 32 DEG 19'26" E 246.79 FT

Geographic ID: 3704083184570000

Agent Code:

Type: Real

Tax Area: 1015 - 501 FSW LWWS

Land Use Code 74

Open Space: N

DFL N

Historic Property: N

Remodel Property: N

Multi-Family Redevelopment: N

Township: T37N

Section: 08

Range: R04E

Location

Address: 10 BARN VIEW CT
BELLINGHAM, WA

Mapsc0:

Neighborhood: 5310020000

Map ID:

Neighborhood CD: 5310020000

Owner

Name: SUDDEN VALLEY COMMUNITY ASSN Owner ID: 107270

Mailing Address: 4 CLUBHOUSE CIRCLE
BELLINGHAM, WA 98229-2735 % Ownership: 100.0000000000%

Exemptions:

Pay Tax Due

There is currently No Amount Due on this property.

Taxes and Assessment Details

Property Tax Information as of 07/16/2014

Amount Due if Paid on: 

NOTE: If you plan to submit payment on a future date, make sure you enter the date and click **RECALCULATE** to obtain the correct total amount due.

Click on "Statement Details" to expand or collapse a tax statement.

Year	Statement ID	First Half Base Amt.	Second Half Base Amt.	Penalty	Interest	Base Paid	Amount Due
▶ Statement Details							
2014	18464	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
▶ Statement Details							
2013	18764	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

Values

(+) Improvement Homesite Value:	+	\$0
(+) Improvement Non-Homesite Value:	+	\$0
(+) Land Homesite Value:	+	\$0
(+) Land Non-Homesite Value:	+	\$0
(+) Curr Use (HS):	+	\$0 \$0

(+) Curr Use (NHS):	+	\$0 \$0

(=) Market Value:	=	\$0
(-) Productivity Loss:	-	\$0

(=) Subtotal:	=	\$0
(+) Senior Appraised Value:	+	\$0
(+) Non-Senior Appraised Value:	+	\$0

(=) Total Appraised Value:	=	\$0
(-) Senior Exemption Loss:	-	\$0
(-) Exemption Loss:	-	\$0

(=) Taxable Value:	=	\$0

Map List

Map No.	Map Area
1	Whole section
2	NE Quarter
3	NW Quarter
4	SW Quarter
5	SE Quarter

Taxing Jurisdiction

Owner: SUDDEN VALLEY COMMUNITY ASSN
 % Ownership: 100.0000000000%
 Total Value: \$0
 Tax Area: 1015 - 501 FSW LWWS

Levy Code	Description	Levy Rate	Appraised Value	Taxable Value	Estimated Tax
CFL	CONSERVATION FUTURES	0.0431269009	\$0	\$0	\$0.00
FCZDL	FLOOD CONTROL ZONE	0.1388336157	\$0	\$0	\$0.00
LWWSB	LAKE WHATCOM WATER SEWER BOND	0.0000000000	\$0	\$0	\$0.00
PTBOND	PORT OF BELLINGHAM GO BOND	0.0549286263	\$0	\$0	\$0.00
PTGEN	PORT OF BELLINGHAM GENERAL FUND	0.2335740908	\$0	\$0	\$0.00
PTRDA	PORT OF BELLINGHAM RDA	0.0002118638	\$0	\$0	\$0.00
RDDIV	COUNTY ROAD DIVERSION	0.0697026946	\$0	\$0	\$0.00
RDGEN	COUNTY ROAD FUND	1.5086495465	\$0	\$0	\$0.00
RLIBGEN	RURAL LIBRARY	0.5000000000	\$0	\$0	\$0.00
SD501B	BELLINGHAM SCHOOL #501 BOND	1.3775545130	\$0	\$0	\$0.00
SD501CP	BELLINGHAM #501 CAPITAL PROJECTS	0.6057763110	\$0	\$0	\$0.00
SD501MO	BELLINGHAM SCHOOL #501 M&O	2.5017285334	\$0	\$0	\$0.00
WA	WA STATE GENERAL FUND	2.6164263372	\$0	\$0	\$0.00
WAREF	WA STATE REFUND FUND	0.0000000000	\$0	\$0	\$0.00
WCCE	COUNTY CURRENT EXPENSE	1.1132362078	\$0	\$0	\$0.00
WCCT	COUNTY COMBINED TREATMENT	0.0124999999	\$0	\$0	\$0.00
WCDD	COUNTY DEVELOPMENTAL DISABILITY	0.0124999999	\$0	\$0	\$0.00
WCER	COUNTY ELECTION RESERVE	0.0152030518	\$0	\$0	\$0.00
WCVR	COUNTY VETERANS RELIEF	0.0112499999	\$0	\$0	\$0.00
FD052CI	FIRE SWFA CAPITAL IMPROVEMENT	0.1493644336	\$0	\$0	\$0.00
FD052EXP	FIRE SWFA EXPENSE FUND	1.3506355649	\$0	\$0	\$0.00
Total Tax Rate:		12.3152022910			
Taxes w/Current Exemptions:					\$0.00
Taxes w/o Exemptions:					\$0.00

#	Type	Description	Acres	Sqft	Eff Front	Eff Depth	Market Value	Prod. Value
1	7424	RECREAT CTR	11.7700	5127.01	0.00	0.00	\$0	\$0

Roll Value History

Year	Improvements	Land Market	Current Use	Total Appraised	Taxable Value
2014		N/A	N/A	N/A	N/A
2013		\$0	\$0	\$0	\$0
2012		\$0	\$0	\$0	\$0
2011		\$0	\$0	\$0	\$0
2010		\$0	\$0	\$0	\$0

Deed and Sales History

Payout Agreement

No payout information available..



This website is under active development. Some functionality is not yet available and data is not guaranteed.
[Assessor Home Page](#) [Treasurer Home Page](#) [Full County Map](#) [Disclaimer](#) [Privacy Policy](#)

Website version: 9.0.37.2400

Database last updated on: 7/16/2014 1:50 AM

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3704108 318 457

REAL ESTATE RECORD -- COMMERCIAL -- WHATCOM COUNTY ASSESSOR

ADDITION _____ LOT _____ BLOCK _____
 ADDRESS (Property) _____ CITY _____ Map No. 2.1 Sec. 8 Twp. 31 Range 06
 OWNER _____
 ADDRESS (Owner) _____

ASSESSED VALUES IMPROVEMENTS (BIDG.) PER SHEET (Enter Total Below)

Sheet No.	19 Assess.	19 Tax	19 Assess.	19 Tax	19 Assess.	19 Tax	19 Assess.	19 Tax	19 Assess.	19 Tax	19 Assess.	19 Tax
No. 1	\$ 21,540	\$	\$ 34,015	\$	\$	\$	\$	\$	\$	\$	\$	\$
No. 2	\$ 119,370	\$	\$ 132,535	\$	\$	\$	\$	\$	\$	\$	\$	\$
No. 3	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Total Imp. Value	\$ 140,910	\$	\$ 166,570	\$	\$	\$	\$	\$	\$	\$	\$	\$

ASSESSED VALUE WHERE THERE IS LAND IMPROVEMENT ON IMPROVED LAND (Enter Total Below)

Land Improvement	\$	\$	\$	\$
Improved Land	\$	\$	\$	\$
Total Imp. Land	\$	\$	\$	\$

RECORD OF ACREAGE AND ASSESSED VALUE

Date	Assessment	IMPROVED LAND		NOT IMPROVED LAND		TIMBERLANDS		TOTAL LAND VALUE	TOTAL IMPROVEMENTS VALUE	AGGREGATE EQUALIZED VALUATION	TAXING DISTRICT
		ACRES	VALUE	ACRES	VALUE	ACRES	VALUE				
Jan. 1, 1975	Assessment 1975	11.77	23,540					23,540	140,910	164,450	Whatcom County
Jan. 1, 1976	Assessment 1976	11.77	23,540					23,540	166,570	190,110	"
Jan. 1, 1977	Assessment 1977										
Jan. 1, 1978	Assessment 1978										
Jan. 1, 1979	Assessment 1979										
Jan. 1, 1980	Assessment 1980										
Jan. 1, 1981	Assessment 1981										
Jan. 1, 1982	Assessment 1982										
Jan. 1, 1983	Assessment 1983										
Jan. 1, 1984	Assessment 1984										
Jan. 1, 1985	Assessment 1985										

DECREASED OR INCREASED ASSESSED VALUATIONS

DATE	BY	REASON	LAND		IMPROVEMENTS		NOTES
			Decreased	Increased	Decreased	Increased	
8-19-76	PAUL E. GILBERT	1480-1490-1491-1492-1493-1494-1495-1496-1497-1498-1499-1500-1501-1502-1503-1504-1505-1506-1507-1508-1509-1510-1511-1512-1513-1514-1515-1516-1517-1518-1519-1520-1521-1522-1523-1524-1525-1526-1527-1528-1529-1530-1531-1532-1533-1534-1535-1536-1537-1538-1539-1540-1541-1542-1543-1544-1545-1546-1547-1548-1549-1550-1551-1552-1553-1554-1555-1556-1557-1558-1559-1560-1561-1562-1563-1564-1565-1566-1567-1568-1569-1570-1571-1572-1573-1574-1575-1576-1577-1578-1579-1580-1581-1582-1583-1584-1585-1586-1587-1588-1589-1590-1591-1592-1593-1594-1595-1596-1597-1598-1599-1600-1601-1602-1603-1604-1605-1606-1607-1608-1609-1610-1611-1612-1613-1614-1615-1616-1617-1618-1619-1620-1621-1622-1623-1624-1625-1626-1627-1628-1629-1630-1631-1632-1633-1634-1635-1636-1637-1638-1639-1640-1641-1642-1643-1644-1645-1646-1647-1648-1649-1650-1651-1652-1653-1654-1655-1656-1657-1658-1659-1660-1661-1662-1663-1664-1665-1666-1667-1668-1669-1670-1671-1672-1673-1674-1675-1676-1677-1678-1679-1680-1681-1682-1683-1684-1685-1686-1687-1688-1689-1690-1691-1692-1693-1694-1695-1696-1697-1698-1699-1700-1701-1702-1703-1704-1705-1706-1707-1708-1709-1710-1711-1712-1713-1714-1715-1716-1717-1718-1719-1720-1721-1722-1723-1724-1725-1726-1727-1728-1729-1730-1731-1732-1733-1734-1735-1736-1737-1738-1739-1740-1741-1742-1743-1744-1745-1746-1747-1748-1749-1750-1751-1752-1753-1754-1755-1756-1757-1758-1759-1760-1761-1762-1763-1764-1765-1766-1767-1768-1769-1770-1771-1772-1773-1774-1775-1776-1777-1778-1779-1780-1781-1782-1783-1784-1785-1786-1787-1788-1789-1790-1791-1792-1793-1794-1795-1796-1797-1798-1799-1800-1801-1802-1803-1804-1805-1806-1807-1808-1809-1810-1811-1812-1813-1814-1815-1816-1817-1818-1819-1820-1821-1822-1823-1824-1825-1826-1827-1828-1829-1830-1831-1832-1833-1834-1835-1836-1837-1838-1839-1840-1841-1842-1843-1844-1845-1846-1847-1848-1849-1850-1851-1852-1853-1854-1855-1856-1857-1858-1859-1860-1861-1862-1863-1864-1865-1866-1867-1868-1869-1870-1871-1872-1873-1874-1875-1876-1877-1878-1879-1880-1881-1882-1883-1884-1885-1886-1887-1888-1889-1890-1891-1892-1893-1894-1895-1896-1897-1898-1899-1900-1901-1902-1903-1904-1905-1906-1907-1908-1909-1910-1911-1912-1913-1914-1915-1916-1917-1918-1919-1920-1921-1922-1923-1924-1925-1926-1927-1928-1929-1930-1931-1932-1933-1934-1935-1936-1937-1938-1939-1940-1941-1942-1943-1944-1945-1946-1947-1948-1949-1950-1951-1952-1953-1954-1955-1956-1957-1958-1959-1960-1961-1962-1963-1964-1965-1966-1967-1968-1969-1970-1971-1972-1973-1974-1975-1976-1977-1978-1979-1980-1981-1982-1983-1984-1985-1986-1987-1988-1989-1990-1991-1992-1993-1994-1995-1996-1997-1998-1999-2000-2001-2002-2003-2004-2005-2006-2007-2008-2009-2010-2011-2012-2013-2014-2015-2016-2017-2018-2019-2020-2021-2022-2023-2024-2025-2026-2027-2028-2029-2030-2031-2032-2033-2034-2035-2036-2037-2038-2039-2040-2041-2042-2043-2044-2045-2046-2047-2048-2049-2050-2051-2052-2053-2054-2055-2056-2057-2058-2059-2060-2061-2062-2063-2064-2065-2066-2067-2068-2069-2070-2071-2072-2073-2074-2075-2076-2077-2078-2079-2080-2081-2082-2083-2084-2085-2086-2087-2088-2089-2090-2091-2092-2093-2094-2095-2096-2097-2098-2099-2100-2101-2102-2103-2104-2105-2106-2107-2108-2109-2110-2111-2112-2113-2114-2115-2116-2117-2118-2119-2120-2121-2122-2123-2124-2125-2126-2127-2128-2129-2130-2131-2132-2133-2134-2135-2136-2137-2138-2139-2140-2141-2142-2143-2144-2145-2146-2147-2148-2149-2150-2151-2152-2153-2154-2155-2156-2157-2158-2159-2160-2161-2162-2163-2164-2165-2166-2167-2168-2169-2170-2171-2172-2173-2174-2175-2176-2177-2178-2179-2180-2181-2182-2183-2184-2185-2186-2187-2188-2189-2190-2191-2192-2193-2194-2195-2196-2197-2198-2199-2200-2201-2202-2203-2204-2205-2206-2207-2208-2209-2210-2211-2212-2213-2214-2215-2216-2217-2218-2219-2220-2221-2222-2223-2224-2225-2226-2227-2228-2229-2230-2231-2232-2233-2234-2235-2236-2237-2238-2239-2240-2241-2242-2243-2244-2245-2246-2247-2248-2249-2250-2251-2252-2253-2254-2255-2256-2257-2258-2259-2260-2261-2262-2263-2264-2265-2266-2267-2268-2269-2270-2271-2272-2273-2274-2275-2276-2277-2278-2279-2280-2281-2282-2283-2284-2285-2286-2287-2288-2289-2290-2291-2292-2293-2294-2295-2296-2297-2298-2299-2300-2301-2302-2303-2304-2305-2306-2307-2308-2309-2310-2311-2312-2313-2314-2315-2316-2317-2318-2319-2320-2321-2322-2323-2324-2325-2326-2327-2328-2329-2330-2331-2332-2333-2334-2335-2336-2337-2338-2339-2340-2341-2342-2343-2344-2345-2346-2347-2348-2349-2350-2351-2352-2353-2354-2355-2356-2357-2358-2359-2360-2361-2362-2363-2364-2365-2366-2367-2368-2369-2370-2371-2372-2373-2374-2375-2376-2377-2378-2379-2380-2381-2382-2383-2384-2385-2386-2387-2388-2389-2390-2391-2392-2393-2394-2395-2396-2397-2398-2399-2400-2401-2402-2403-2404-2405-2406-2407-2408-2409-2410-2411-2412-2413-2414-2415-2416-2417-2418-2419-2420-2421-2422-2423-2424-2425-2426-2427-2428-2429-2430-2431-2432-2433-2434-2435-2436-2437-2438-2439-2440-2441-2442-2443-2444-2445-2446-2447-2448-2449-2450-2451-2452-2453-2454-2455-2456-2457-2458-2459-2460-2461-2462-2463-2464-2465-2466-2467-2468-2469-2470-2471-2472-2473-2474-2475-2476-2477-2478-2479-2480-2481-2482-2483-2484-2485-2486-24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TOWNSHIP

37

RANGE

4 E

SECTION

08

MAP NO.

01

SCALE

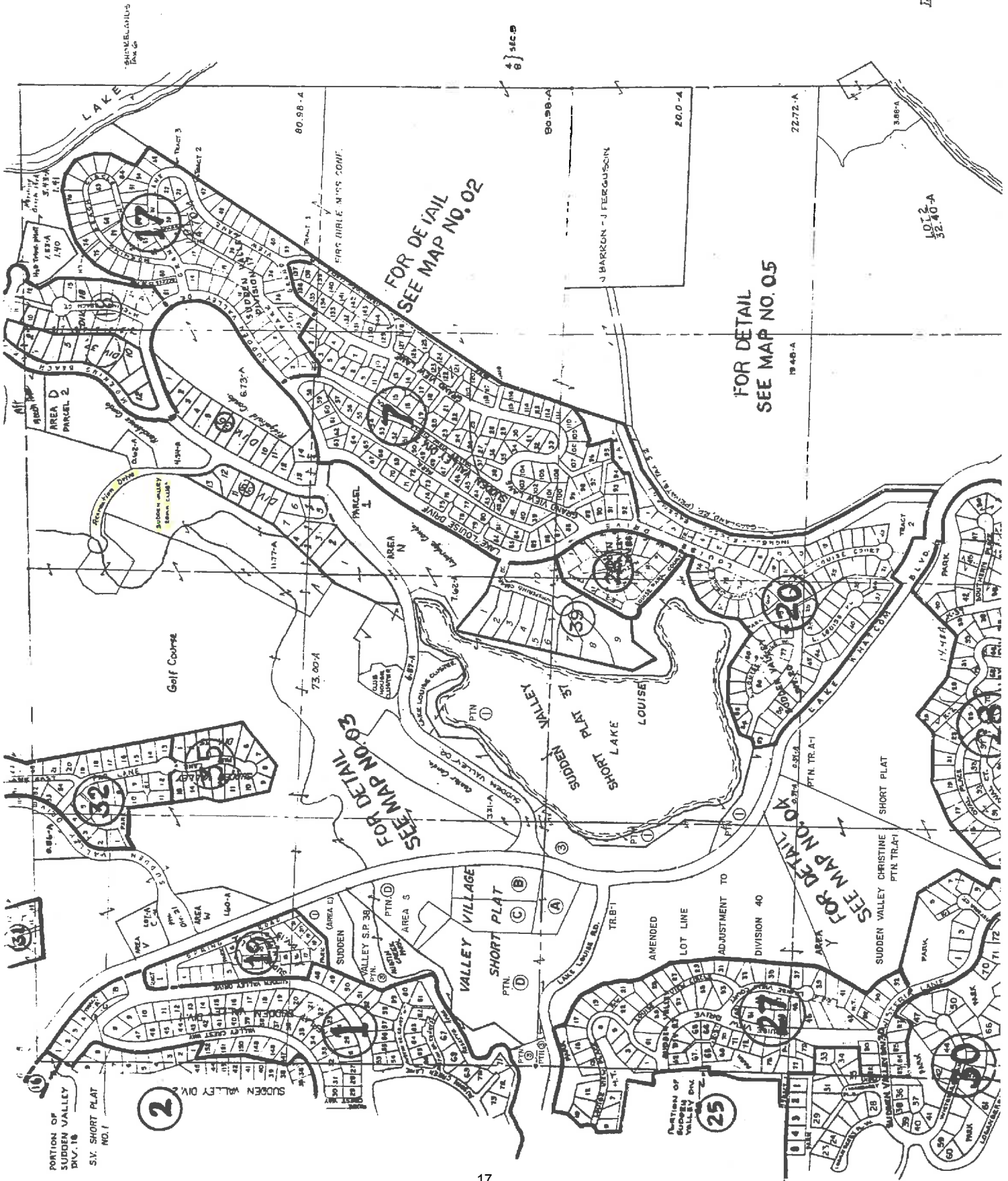
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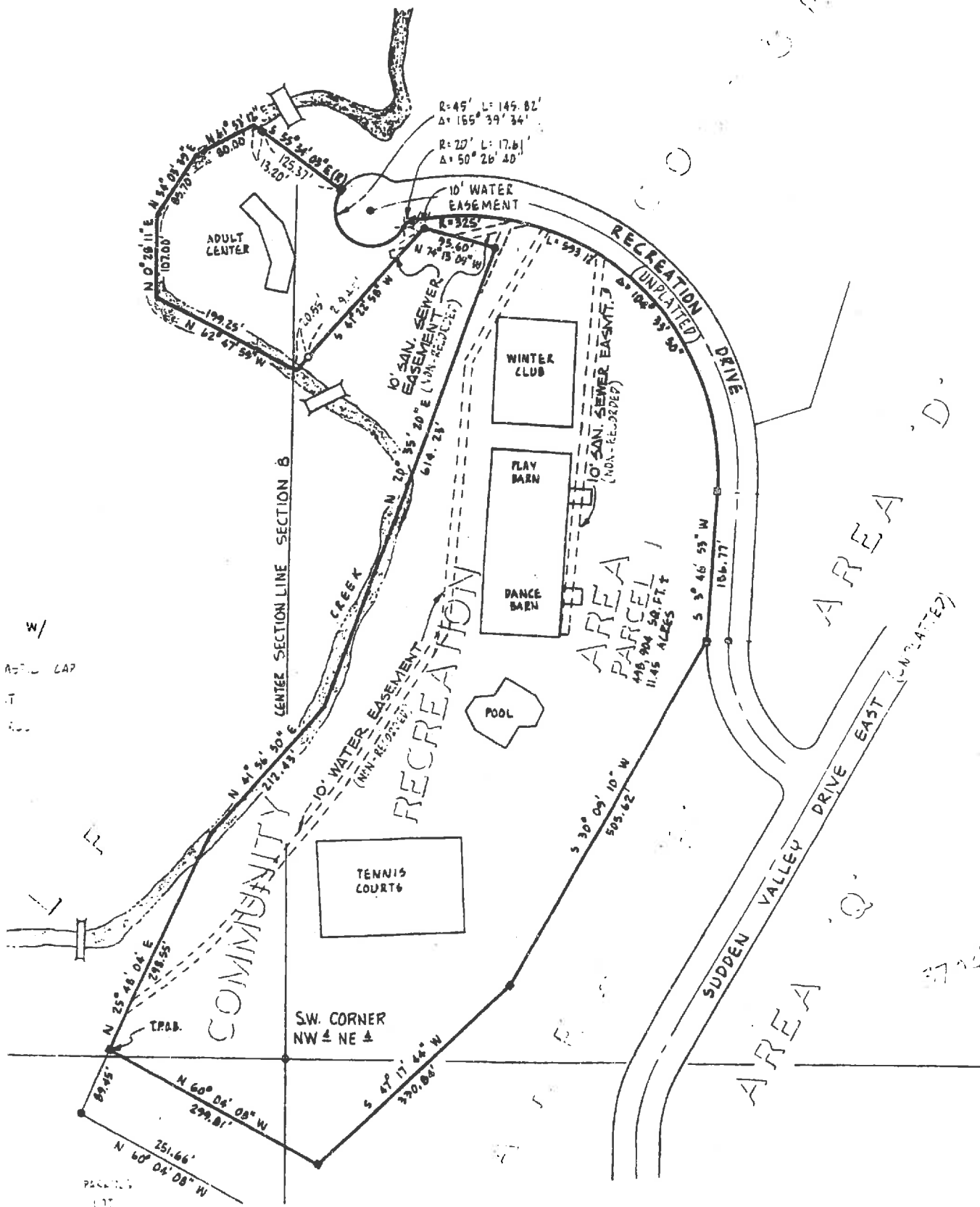
DATE

7/31/62

ENTERED

APR 11 2014





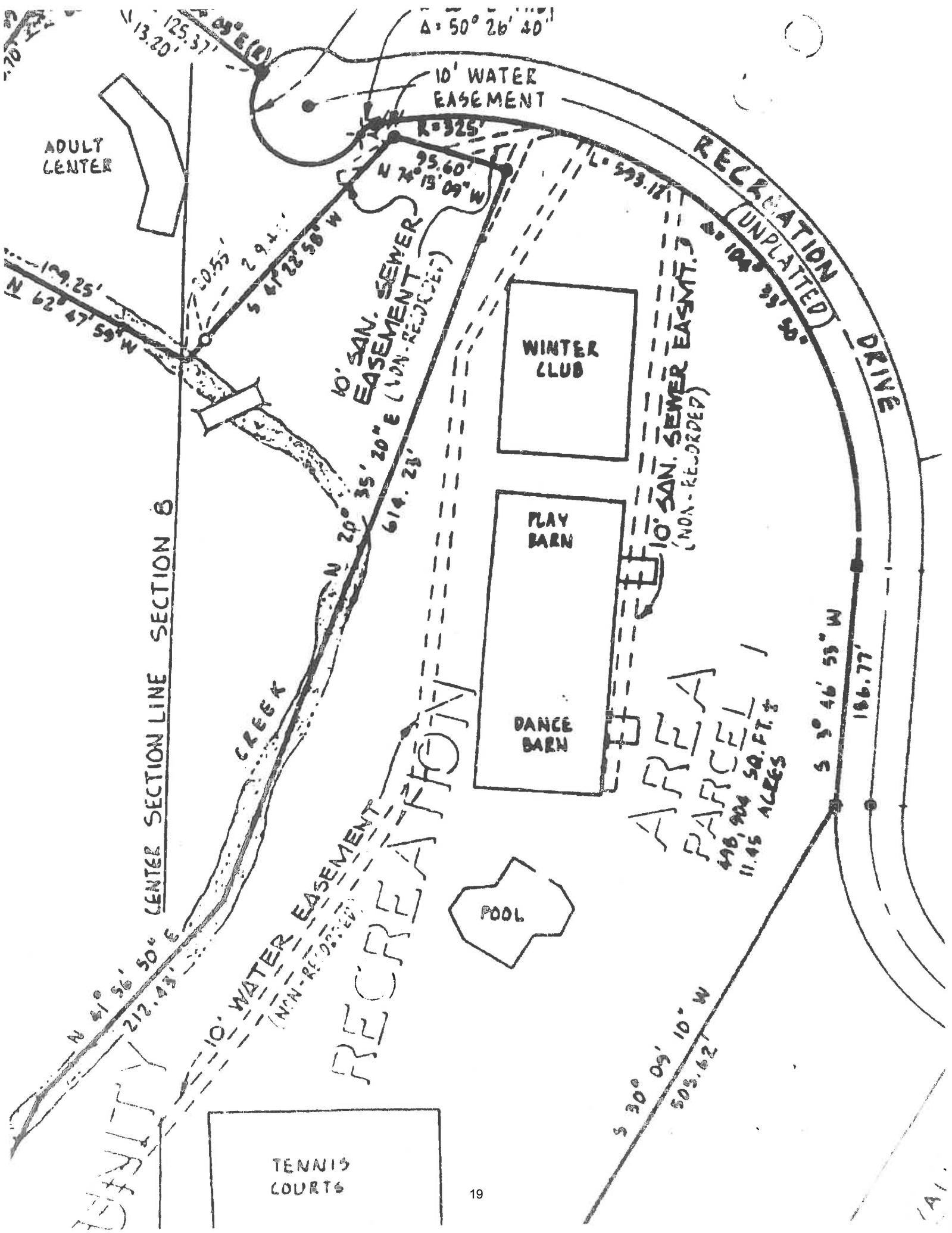
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 A.S.# 120528
 12/2/79



Dennis & Associates, Inc. Consulting Engineers SEATTLE, WASHINGTON	DATE 8-74 SCALE 1"=100' P. S. NO.	LEGAL DESCRIPTION SURVEY SUDDEN VALLEY COMMUNITY RECREATION AREA FOR SUDDEN VALLEY, INC.
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24X

IF THIS MICROFILMED DOCUMENT IS LESS CLEAR THAN THIS NOTICE, IT IS DUE TO THE QUALITY OF THE ORIGINAL DOCUMENT



CENTER SECTION LINE SECTION 8



Parcel Summary Report For Parcel # 3704083184570000

Parcel Details

Quarter	S	Township	Range	Updated	By:	Legal Description/Notes
	08	37	04	6/28/2012	NAS	TR IN N 1/2 DAF-BEG AT MOST NLY COR ON ELY BNDRY OF SUDDEN VALLEY CLUB HOUSE CLUSTER CONDOMINIUM-TH USING SAME MERIDIAN SHOWN ON SD PLAT S 87 DEG 02' 58" E 175.14 FT-TH N 25 DEG 48'04" E
Census Tract	Block	Lot	Status	Size		
			Active	11.77		

Site Address

Prefix	Number	Street Name
	10	BARNVIEW COURT

People

Role Type	Name	Address	City	State	Zip
OWN	SUDDEN VALLEY COMMUNITY ASSN	4 CLUBHOUSE CIRCLE	BELLINGHAM	WA	98229-2735



Parcel Summary Report For Parcel # 3704083184570000

Parcel Details

Permits

<u>Permit Number</u>	<u>Permit Type</u>	<u>Received Date</u>	<u>Permit Description</u>
COM2003-00069	COM	6/11/2003	WHATCOM CO WATER DIST # 10 - EMERGENCY POWER GENERATOR AND APPURTENANCES; 14 X 18 = 252 SF.
COM2007-00095	COM	6/29/2007	TENANT IMPROVEMENT - Life/Safety upgrade to multi-use facility/rec center
COM2009-00049	COM	5/15/2009	ADDITION/REMODEL TO EXISTING BATHROOM - ADA, 40 sf
COM2010-00014	COM	1/20/2010	EMERGENCY GENERATOR BUILDING: 286sf
COM2010-00015	COM	1/20/2010	DEMO
COM2011-00141	COM	12/7/2011	REMODEL OF EXISTING BARN - SUDDEN VALLEY LIBRARY: 6,468sf
COM2013-00168	COM	11/6/2013	REPLACE WALKWAY BRIDGE
COM2014-00062	COM	4/25/2014	CERT OF OCC.- COFFEE SHOP
CUP2006-00025	CUP	9/15/2006	WASTEWATER SPILLAGE CONTAINMENT STRUCTURE (SEE ALSO SHR2006-00002 & SHC2006-00001)
FIR2008-00038	FIR	4/22/2008	Install new commercial fire alarm system.
FIR2009-00117	FIR	7/22/2009	
FIR2010-00182	FIR	10/26/2010	Annual Fire Inspection
FIR2012-00160	FIR	12/18/2012	NEW FIRE ALARM SYSTEM FOR BARNS AT SV FOR NEW LIBRARY OCCUP.
FIR2012-00165	FIR	12/19/2012	FIRE & LIFE SAFETY INSPECTION
FIR2012-00166	FIR	12/19/2012	FIRE & LIFE SAFETY INSPECTION
FIR2014-00006	FIR	2/3/2014	Install Fire Alarm Panel
MEC2008-00120	MEC	4/15/2008	Replacement hot water heaters (3)
MEC2012-00462	MEC	12/17/2012	complex mechanical system
MIT2006-00055	MIT	6/15/2006	MITIGATION FOR IMPACTS TO A WETLAND BUFFER
PLB2014-00015	PLB	4/25/2014	commercial kitchen plumbing
PRE2009-00048	PRE	5/14/2009	ADD ADA BATHROOM
PRE2009-00059	PRE	6/16/2009	Replacement of three sewer pump stations.
PRE2009-00175	PRE	12/18/2009	upgrade existing Sewage Pump Station
PRE2010-00038	PRE	4/9/2010	Tenant improvement - from storagr to library
PRE2011-00067	PRE	8/23/2011	Remodel, change use of approx. 6500 sf of existing, two-story, mixed occupancy building for new public library
PRE2013-00135	PRE	10/30/2013	Foot Bridge for access to Storage Building
PRE2014-00045	PRE	4/24/2014	Certificate of Occupancy for existing Cafe
SHC2006-00001	SHC	1/19/2006	CONSTRUCTION OF BERM FOR EMERGENCY SPILL CONTAINMENT (SEE ALSO SHC2006-00001 & CUP2006-00025)
SHR2006-00002	SHR	1/19/2006	CONSTRUCTION OF BERM FOR EMERGENCY SPILL CONTAINMENT & SEE ALSO SHC2006-00001 & CUP2006-00025)



Parcel Summary Report For Parcel # 3704083184570000

Parcel Details

<u>Permit Number</u>	<u>Permit Type</u>	<u>Received Date</u>	<u>Permit Description</u>
SHX2003-00029	SHX	4/7/2003	WITHDRAW PERMIT
SHX2009-00151	SHX	9/23/2009	Maintenance and repair of existing sewer pump station.
SHX2011-00117	SHX	12/12/2011	Retrofit of existing community center building into public library branch. installation of exterior signage, lighting and striping for parking lot
SHX2014-00033	SHX	3/14/2014	70 lineal feet of existing metal arch pipe will be sliplined under Marigold Drive
BLD93-00260	XBL	2/25/1993	adult recreation facility. (weight room not included in this permit)
BLD93-00956	XBL	6/30/1993	324 sq' adult weight room addition to existing facility
CUP93-00024	XCU	4/1/1993	the applicant is requesting a shoreline substantial development and zoning conditional use permit to expand an adult recreation complex.
LDP93-00307	XLD	3/10/1993	adult recreation facility.
SHS92-00025	XSH	7/17/1992	the applicant is requesting a shoreline substantial development and shoreline variance to reconstruct an adult recreation complex which was damaged by fire.
SHS93-00012	XSH	4/1/1993	the applicant is requesting a shoreline substantial development and zoning conditional use permit to expand an adult recreation complex.
SHV92-00010	XSH	7/17/1992	the applicant is requesting a shoreline substantial development and shoreline variance to reconstruct an adult recreation complex which was damaged by fire.

cesm

From: Nick Smith [nsmith@co.whatcom.wa.us]
Sent: Friday, July 18, 2014 1:48 PM
To: cesm
Subject: RE: Building Permit Question

Anthony,

Attached is a permit breakdown of the permits that have been applied for at 10 Barnview since 1992. The acronym breakdown (i.e. permit number on the first column starting on page 2) is as followed (the date of the permit immediately follows the acronym):

COM – Commercial Building Permit
 CUP – Zoning Conditional Use Permit
 FIR – Fire permit
 MEC – Mechanical permit
 PRE – Pre-application meeting or screening review
 SHC – Shoreline Conditional Use permit
 SHR – Shoreline Substantial permit
 SHX – Shoreline Exemption
 BLD – Building permit (now labeled as COM)
 LDP – Land Disturbance permit
 SHS – I believe is a shoreline substantial permit (now labeled SHR)
 SHV – Shoreline Variance.

Feel free to come in whenever on Tuesday. Anyone at the front desk and get you setup on the microfilm.

Nick

From: cesm [mailto:cesm@suddenvalley.com]
Sent: Friday, July 18, 2014 12:28 PM
To: Nick Smith
Subject: RE: Building Permit Question

Nick,

Your suggestion sounds like a reasonable approach to this information request. I am planning to visit PDS on Tuesday morning, July 22nd to review microfilm. If you are able to provide the report as discussed summarizing the electronic files prior to Tuesday, via email, it would be great. If not, perhaps I could obtain a hard copy from you on Tuesday. Please confirm if the above sounds viable and also if Tuesday works for you.

Thanks,

ANTHONY CAVENDER, CMCA
 Community and Environmental Services Manager
 Sudden Valley Community Association
 4 Clubhouse Circle
 Bellingham, WA 98229

personally appeared before me who within named Trustee of the Lynnen Motor Company, Inc. a dissolved corporation of the State of Washington, to me known to be the individual described in and who signed and executed the within deed, as such trustee, signed sealed and executed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal this 23rd day of July, 1937.

Linur Simonarson Notary Public in and for the State of Washington, residing at Lynnen.
" Linur Simonarson, Notary Public
" Commission expires Oct. 16, 1940
" State of Washington

Received for record at 9:23 Aug. 23, A.D. 1937 at request of LeCocq & Simonarson,

Co. Auditor, Whatcom Co. Wash. Fee 1.20

-0-

No. 483077. Luella Austin TO Banning W. Austin, et al. Warr. Deed

THE GRANTOR Luella Austin, a spinster for and in consideration of ten dollars and other valuable consideration in hand paid conveys and warrants to Banning W. Austin Gladys C. Austin and Fanny M. Austin the following described Real Estate, situated in the county of Whatcom State of Washington: Lots 1, 2 & 3 Block 292, Supplemental Map of the Town of Whatcom. Also an undivided one quarter interest in the following described property: Gov't. lots 2, 3, 4, 5, the NW 1/4 of the SW 1/4 the S 1/2 of the SW 1/4, in Section 5, Gov't. lot 1, the W 1/2 of the NE 1/4, the SE 1/4 of the NE 1/4, and the NW 1/4 in Section 8, Gov't. lot 2 in Section 9, all in Township 37 North, Range 4 East.

Dated this 27th day of April, 1937.

Luella Austin (Seal)

STATE OF WASHINGTON }
County of Whatcom } ss.

I, the undersigned, a Notary Public, do hereby certify that on this 27th day of April 1937 personally appeared before me Luella Austin, a spinster to me known to be the individual described in and who executed the within instrument, and acknowledged that she signed and sealed the same as her free and voluntary act and deed for the uses and purposes therein mentioned.

Given under my hand and official seal this 27th day of April, 1937.

E. A. Wheeler Notary Public in and for the State of Washington, residing at Bellingham, Wn. in said County.
" E. A. Wheeler, Notary Public
" Commission expires July 17, 1937
" State of Washington

Received for record at 9:51 AM. Aug. 23 A.D. 1937 and recorded at request of Banning W. Austin,

Col Auditor, Whatcom Co. Wash. Fee 70c

-00-

No. 483090. Frank H. Whipple AND Nina M. Whipple, Com. Agree.

KNOW ALL MEN BY THESE PRESENTS: That we, Frank H. Whipple and Nina M. Whipple, husband and wife, have and by these presents do enter into this community agreement as follows: We have been husband and wife for the period of years prior to the date hereof, and as a community we are the owners of real property within the State of Washington, and particularly are we the owners of real property situated in Whatcom County, Washington, that we are also, as a community the owners of personal property; that all the real estate standing in the name of either the one or the other of us, within the State of Washington, is community property, and that all of the personal property possessed by either the one or the other of us is community property; and that we have agreed and by these presents do agree that upon the death of either of us then that the status and disposition of the whole of our said community property and estate shall be as follows: viz: that the surviving spouse shall be the absolute owner of any and all of the property belonging to said community, and title to any and all of the said community property, be the same what we now own as such community, or what we may hereafter acquire during the existence of said community, shall vest in the survivor, to the exclusion of all other heirs.

That should the said Frank H. Whipple decease, leaving surviving him the said Nina M. Whipple, then that all of said community property shall vest in her, the said Nina M. Whipple; and that should the said Nina M. Whipple decease, leaving surviving her the said Frank H. Whipple, then that all of said community property shall vest in him, the said Frank H. Whipple.

IN WITNESS WHEREOF, we have hereunto set our hands this 3rd day of May, 1919.

Frank H. Whipple
Nina M. Whipple



PIONEER NATIONAL
TITLE INSURANCE

A TICOA COMPANY

Filed for Record at Request of

TO Lawn + Mural

170625A

THIS SPACE RESERVED FOR RECORDED USE

JAN 5 11 3 11 1975
VOL 274 837
013

J. Morgan

1706388

REVENUE STAMP

5.00

170625A

00069

FORM L 56 R

Quit Claim Deed

THE GRANOR JUDD KIRK, Trustee

for ~~XXXXXXXXXXXXXX~~ no consideration

convey and quit claim to SUDDEN VALLEY COMMUNITY CLUB, a Washington nonprofit corporation

the following described real estate, situated in the County of Whatcom

State of Washington including any interest therein which granor may hereafter acquire:

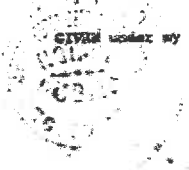
Property being conveyed is commonly known as the "Recreational Corridor" in Sudden Valley, State of Washington. See Exhibit A attached hereto for legal description.

Dated this 2nd day of December, 1975.

Judd Kirk Trustee
Judd Kirk, Trustee (SEAL)

STATE OF WASHINGTON, }
County of King } m.

On this day personally appeared before me Judd Kirk, Trustee to me known to be the individual described in and who executed the within and foregoing instrument, and acknowledged that he signed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.



GIVEN under my hand and official seal this 2nd day of December, 1975.
Sherry D. Terberg
Notary Public in and for the State of Washington,
residing at Seattle

VOL 274 PAGE 337

1206344

SUDDEN VALLEY
COMMUNITY RECREATION AREA PARCEL 1 - LEGAL DESCRIPTION
PREPARED BY HORTON DENNIS & ASSOCIATES, INC.
FEBRUARY 6, 1974 REV. APRIL 7, 1975

A TRACT OF LAND IN THE NORTH ONE-HALF OF SECTION 8, TOWNSHIP 37 NORTH,
RANGE 4 EAST, W.M. DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST NORTHERLY CORNER ON THE EASTERLY BOUNDARY OF
THE SUDDEN VALLEY CLUB HOUSE CLUSTER, A CONDOMINIUM, AS RECORDED
IN VOLUME 11 OF PLATS, PAGES 52 - 55 INCLUSIVE, RECORDS OF WHATCOM
COUNTY, WASHINGTON; THENCE, USING THE SAME MERIDIAN AS SHOWN ON
SAID PLAT, SOUTH 87°02'58" EAST 175.14 FEET;
THENCE NORTH 25°48'04" EAST 32.49 FEET;
THENCE SOUTH 60°52'42" EAST 223.35 FEET;
THENCE NORTH 72°19'26" EAST 216.79 FEET TO THE TRUE POINT OF BEGINNING;
THENCE NORTH 60°04'00" WEST 251.66 FEET;
THENCE NORTH 25°48'04" EAST 388.00 FEET;
THENCE NORTH 41°56'50" EAST 212.43 FEET;
THENCE NORTH 20°35'20" EAST 614.23 FEET;
THENCE NORTH 74°13'09" WEST 95.60 FEET;
THENCE SOUTH 41°22'58" WEST 240.00 FEET;
THENCE NORTH 62°47'59" WEST 199.25 FEET;
THENCE NORTH 0°28'11" EAST 107.00 FEET;
THENCE NORTH 34°03'39" EAST 85.70 FEET;
THENCE NORTH 61°53'12" EAST 80.00 FEET;
THENCE SOUTH 55°34'03" EAST 138.57 FEET TO A POINT ON A CURVE FROM
WHENCE THE CENTER BEARS SOUTH 55°34'03" EAST 45.00 FEET;

THENCE, COMMENCING IN A SOUTHERLY DIRECTION, ALONG SAID CURVE
145.82 FEET TO THE POINT OF REVERSE CURVATURE WITH A CURVE TO
THE RIGHT OF RADIUS 20.00 FEET; THENCE EASTERLY ALONG SAID CURVE
17.61 FEET TO THE POINT OF COMPOUND CURVATURE WITH A CURVE TO THE
RIGHT OF RADIUS 325.00 FEET;

THENCE EASTERLY AND SOUTHERLY ALONG SAID COMPOUND CURVE 593.12 FEET
TO THE POINT OF TANGENCY; THENCE SOUTH 3°46'53" WEST 126.77 FEET;
THENCE SOUTH 30°09'10" WEST 505.62 FEET; THENCE SOUTH 47°17'44" WEST
330.84 FEET; THENCE SOUTH 54°59'03" WEST 98.49 FEET TO THE TRUE POINT
OF BEGINNING.

SITUATE IN WHATCOM COUNTY, WASHINGTON.

SUBJECT TO EASEMENTS FOR UTILITIES.

SURVEYOR'S CERTIFICATE

This map correctly represents a survey made by me or under my
direction in conformance with the requirements of the Survey Recording
Act at the request of SUDDEN VALLEY, INC. on ... APRIL 4, 1975 ...

EXHIBIT A



Donald B. Burns
Donald B. Burns
Certificate No. 1095

VOL 274 PAGE 838 7

1705384

SUDDEN VALLEY
COMMUNITY RECREATION AREA PARCEL 7 - LEGAL DESCRIPTION
PREPARED BY HORTON DENNIS & ASSOCIATES, INC.
FEBRUARY 7, 1974

A TRACT OF LAND IN THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 8, TOWNSHIP 37 NORTH, RANGE 4 EAST, W.M. DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST SOUTHERLY CORNER ON THE EASTERLY BOUNDARY OF THE SUDDEN VALLEY CLUB HOUSE CLUSTER, A CONDOMINIUM, AS RECORDED IN VOLUME 11 OF PLATS, PAGES 52-56 INCLUSIVE, RECORDS OF WHATCOM COUNTY, WASHINGTON; THENCE ALONG THE EASTERLY BOUNDARY OF SAID PLAT ON THE FOLLOWING COURSES: NORTH 46°52'40" EAST 55.18 FEET; THENCE NORTH 21°45'00" WEST 57.50 FEET; THENCE NORTH 38°15'00" EAST 36.95 FEET; THENCE NORTH 11°18'37" WEST 55.18 FEET; THENCE NORTH 81°45'00" WEST 36.95 FEET; THENCE NORTH 21°45'00" WEST 60.00 FEET TO THE MOST NORTHERLY CORNER ON SAID EASTERLY BOUNDARY OF SAID PLAT;

THENCE, LEAVING SAID EASTERLY BOUNDARY, SOUTH 87°02'58" EAST 175.14 FEET; THENCE NORTH 25°48'04" EAST 32.49 FEET; THENCE SOUTH 60°52'42" EAST 223.35 FEET; THENCE SOUTH 6°19'21" WEST 137.49 FEET; THENCE SOUTH 79°48'34" WEST 178.55 FEET TO THE POINT OF CURVATURE OF A CURVE TO THE RIGHT OF RADIUS 220.00 FEET; THENCE WESTERLY ALONG SAID CURVE 93.10 FEET TO THE POINT OF TANGENCY; THENCE NORTH 75°56'39" WEST 75.41 FEET TO THE POINT OF BEGINNING.

SITUATE IN WHATCOM COUNTY, WASHINGTON.

AUDITOR'S CERTIFICATE

CERTIFICATE NO. _____

Filed for record this day of 19 at M.
in book of at pages at the request of
Horton Dennis & Associates, Inc.

EXHIBIT A

County Auditor
Whatcom County Washington

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RESERVATION OF EASEMENTS
AND RIGHTS OF USE

For benefit of Grantor its successors and assigns and for the benefit of all publicly regulated utility companies, including but not limited to Sudden Valley Water Company, Puget Sound Power and Light, Pacific Northwest Bell Telephone Company, Sudden Valley Cablevision, Whatcom County Water District #10, the following easements are reserved and granted to-wit:

An easement for ingress to and egress from all utilities including drainage facilities now or hereafter placed on or in the property herein being conveyed so that the same may be properly serviced, inspected, repaired and/or replaced and the right to construct and install new or additional utilities as required.

For the benefit of Grantor, its successors and assigns, invitees and licensees, a non-exclusive easement for the crossing of and use of roads and horse trails for ingress to and egress from Grantors retained property within Sudden Valley, including but not limited to the Marina area, Club House area, Water Storage areas, Water Treatment area, Construction area, Sales and Office areas, Storage areas, Golf Course, including Maintenance areas and Equestrian areas.

These easements are intended to and shall run with the retained land of Grantor which is benefited thereby. And reserving further for the benefit of Grantor, its successors and assigns the continued right to show, display and reasonably use for all sales purposes, the properties and facilities herein being conveyed.

EXHIBIT "B"

RECEIVED FOR THE GRANTOR
11.59 AM 1-5-76
Dowries & Muir
SULLIVAN HANSEN AND ASSOCIATES

VOL 274 PAGE 840

**MINUTES OF THE SVCA BOARD OF DIRECTORS MEETING
HELD ON MONDAY, JANUARY 25, 2010, IN THE MULTIPURPOSE ROOM
COMMUNITY CENTER - 7:00 P.M.**

IN ATTENDANCE:

Curt Casey, President
Barbara Audley, Vice President
Jo Jean Kos, Treasurer
Georgia Allen, Secretary
Chuck McGroddy
Ben Brigham
Laura Weide
Bob Almond
Clark Champion
John Gordon, ACC Representative

EXCUSED ABSENCES:

Naomi Bunis, N&E Representative

STAFF IN ATTENDANCE:

Dave Wareing, General Manager
Andy Schwartz, Controller
Tim Newcomb, *Views* Staff

COMMUNITY MEMBERS IN ATTENDANCE:

25-30

I. OPEN SESSION:

II. CALL TO ORDER:

President Curt Casey called the meeting to order at 7:01 p.m.

III. ROLL CALL:

President Casey noted excused absence of Naomi Bunis

IV. AGENDA CHANGES/APPROVAL:

None

V. ANNOUNCEMENTS:

General Manager, Dave Wareing announced the hiring of Lenny Angello as Chief of Security, replacing long-time Chief, Gordon Johnson, who is retiring next month.

Director McGroddy announced that he had been asked to, and had agreed to become, a member of an organization that is tentatively known as "Friends of the Sudden Valley Library." The purpose of the organization is to work toward the establishment of a branch library within Sudden Valley. At some time in the future, it will have to enter into negotiations with the Valley for space and that aspect of the project, for himself, would be a conflict of interest, so he will not participate in those negotiations, either on behalf of the library or on behalf of the Board, and requested that his dual interest be noted in the Minutes.

President Casey announced, on behalf of the Board, that we have changed our governance model to one following the John Carver line, which is policy driven with powers of execution of Administration, under the auspices of the General Manager, Dave Wareing, to be voted on later in the meeting. He also announced a new idea for enhancing community communications with the Board, to be defined later in the meeting.

VI. PROPERTY OWNER COMMENTS:

Comments centered primarily on the 2010 Fee schedule, particularly with respect to the marina, the level of fees being assessed to members with boats, and much voiced displeasure over possible public use; acknowledgment that SV is facing a difficult year; displeasure over closure of the pools; a query for clarification of the fee schedule in general and a discrepancy in the number of marina dry slips; appreciation for support of the Sunshine Room and a suggestion to extend Kids Room hours on Board nights to allow parents to attend meetings.

VII. BOARD MEMBER COMMENTS:

None.

VIII. APPROVAL OF MINUTES:

The minutes from the December 9, 2009, work session were approved as amended. The minutes from the December 21, 2009, board meeting were approved as amended.

IX. GENERAL MANAGER’S VIEW OF THE STATE OF THE VALLEY & REPORT:

General Manager, Dave Wareing, read a statement that he had prepared to address the “State of the Valley” for members as well as the Board. The General Manager waived an item-by-item review of his written report, referencing only his meeting with members of Friends of the Library, asking Tom Hadd to discuss the interest in developing a branch library in Sudden Valley. Mr. Hadd thanked the Board for its resolution in support of the increased tax levy for the Whatcom County Library System. Whatcom County Library management is interested in expanding services to the Valley due to the tremendous interest evident by just the use of the Book Mobile. A community normally provides the site, and once an appropriate site has been located, the library provides the staff, books, furniture, utilities and miscellaneous support programs. The one site that they feel could serve this purpose for Sudden Valley is the ground floor of the middle barn, Rough estimates for adapting that particular location run between \$60,000 - \$100,000. If Sudden Valley authorizes the use of that space, the Library will do the fund raising. If everything comes together as hoped, they envision a branch library in the Valley within a year, providing a vehicle within the Valley for all age groups to come together and utilize its services. Everything is still in the discussion stages – library management personnel will be reviewing the plans as well. The General Manager concluded his segment with a one final request regarding preventive measures to be taken by residents to notify Administration of any concerns with respect to potential danger posed by trees on their property, the appearance of weaknesses or disease that could cause trees to blow over and cause damage and/or injury.

X. COMMITTEE REPORTS:

- 1. Executive:

Secretary Georgia Allen reviewed the minutes of a December 23, 2009 Executive Committee meeting. General Manager, Dave Wareing sent an email to the Committee on December 22nd seeking approval of two bills: (i) payment for additional gravel required for completing the Gate 5 Emergency parking area, in the amount of \$4,025.08; and (ii) final payment to Wilson Engineering for engineering required for 2009 Road Maintenance work in the amount of \$1,205.50, with both of said payments to be made from the Members Major Repair and Replacement Capital Reserve. Approvals were unanimously given, via email, by all members of the Executive Committee on December 23, 2009.

2. Finance:

Treasurer Kos reviewed the Finance Committee Minutes of January 20th and asked Controller Andy Schwartz to review the year-end finances. Controller Schwartz noted that the Balance Sheet for December 31, 2009 has been marked "Preliminary," as the books are held open another month on expectation of any final receivables, final bills, and proper accruals. There will be no year-end financials in the February *Views*, but will be published in March, when the books are officially closed. Changes, if any, will be minor. Networking capital remains at \$75,000, as agreed. With respect to dues payers, it was a better year than expected. Previously, it was felt we would be short 500 dues payers, but we finished up with 2925 – 75 less than was budgeted for. Under Operations, we lost \$199,000 last year even with cost cutting efforts made throughout the year. Year-to-date funds spent from the UDR for Operations amounted to \$209,262, with approximately \$3,500 remaining in that fund.

There were no Finance Committee motions brought forward in January.

3. Architectural Control:

Chair John Gordon reported reduced activity that is common for this time of year. Two members of the Committee have resigned; they are now down to 8, but hope to increase that number by at least 1. The Committee is soliciting applicants and has encouraged staff to put forward any potential members, if possible.

4. N&E:

Secretary, Georgia Allen reported having received a phone call from Committee Chair Naomi Bunis stating that there were no minutes because there was no quorum at their last meeting, but the Elections Manual was discussed and the Board may expect a draft for review at the February Work Session.

5. Communications:

Chair Curt Casey reported that the website update is almost complete. The Members Page should be up and running very soon. He has already received and responded via the website to 7 or 8 inquiries directed to Communications. More viewers are utilizing the website, which is being updated almost daily with important news. Resident Leanne Good suggested an SV email Alert system be implemented as a means of getting events or information out to residents as it occurs. The email alert would provide a link to the particular page that one needed to access.

6. Emergency Preparedness:

Chair Laura Weide reported that there will be a HAM radio class on March 12th. With regard to the volunteer 4-wheel drivers, Chuck McGroddy has identified that the Association's insurance will not be affected by those drivers who have volunteered to pick up any residents in an emergency. Chair Weide reported that

under our renewed FireWise certification, Sudden Valley is required to hold a community-wide event to promote fire safety, education or awareness. By the end of May, a chipper will be brought through SV by DNR personnel. Community members who have gathered yard debris (fallen, dead trees or limbs, some shrub cuttings) will need to place their debris at the edge of their property and the chipper crew will come by, chip their items, and leave the chips (approx 1" in size) on their property for either disposal or landscaping material use. The chipper may not be able to reach to all roads in the Valley, however, DNR personnel and chipper will be free of charge to the community. Laura will attempt to get Shannon an electronic map of SV and will complete an article for the SV *Views*.

MOTION

Laura Weide moved that the Board accept the resignation of community member Denise Champion from the Emergency Preparedness Committee.

MOTION CARRIED UNANIMOUSLY

7. Long Range Planning:

Chair Barbara Audley reported that the group has been meeting and discussing the use of another technology. Member Norm Freund is in the UK for the next few months and participates via Skype from there. The Committee is looking into using solar energy in the Valley; however, it is still in the research phase. They are also looking at developing a condo survey, preparing to create the document and get it ready for distribution. Chair Audley also requested the addition of a new member to the Committee – Wendy Wall.

MOTION

Barbara Audley moved that the Board approve the addition of Wendy Wall as a member of the Long Range Planning Committee. The motion was seconded.

MOTION CARRIED UNANIMOUSLY

8. Community Partnerships Commission:

No activity to report.

9. Document Review Commission:

No report

10. Mailbox Task Force:

Chair Laura Weide reported that initially the Task Force was looking at a variety of options, but after realizing any new option would require another vote, it was decided to return to the original plan – what had been agreed to, and what was wanted initially. Instead of vetting all the previously suggested options, the Task Force began from square one. After speaking with the Postmaster, his main concern is which type of mail will be retained at the post office – not just registered or certified mail, but any mail that might require a signature. The language of the MOU has been modified to include any mail requiring signature, and was signed again by the Executive Committee. Laura has been given assurance that this will now be signed by the Postmaster once this modification has been made. Once again, the Task Force was applauded for their efforts and success.

XI. CONSENT AGENDA:

President Casey noted three items on the Consent Agenda

(1) 2nd Tier Ends Statements,

(2) GM Limits of Authority (Executive Accountability and Limitations), and

(3) Sound Off Forum.

MOTION

Barbara Audley moved that due to some conflict in language within the GM Limits of Authority Document (Executive Accountability and Limitations), that this item be removed from the Consent Agenda.. The motion was seconded.

MOTION CARRIED UNANIMOUSLY

Having been removed from the Consent Agenda, the document language was discussed and amended.

MOTION

Barbara Audley moved that the GM Executive Accountability and Limitations document be approved as amended. The motion was seconded.

MOTION CARRIED UNANIMOUSLY

MOTION

A motion was made to accept the remaining two items in the Consent Agenda. The motion was seconded.

MOTION CARRIED UNANIMOUSLY

XII. OLD BUSINESS:

1. 2010 Fees:

In reviewing the Proposed fees, the General Manager corrected the first line on page 36, under MARINA to read "...15ft. min..." instead of 18ft. Ben Brigham asked that the Public Rate fee of \$2.75 for dry storage be removed from the schedule until such time as the Board adopts a policy to open the marina to the public.

MOTION

Motion was made to adopt the 2010 Fee Schedule as presented, with the exception of fees for non-resident boat storage at the marina. The motion was seconded.

MOTION CARRIED UNANIMOUSLY

2. AT&T Tower Proposal:

The General Manager has been in discussions with Phil Sharpe and Ken Lyons, representing AT&T, over some of the language in the lease. The GM expects the Association could receive between \$3,000 - \$4,000 at the initiation of the project. He has asked that AT&T pay attorneys' fees as well as an encroachment fee for the expected work to be done on the tower. Laura Weide, Chair of the Emergency Preparedness Committee inquired as to the feasibility of attaching a HAM radio antenna to the tower, to benefit the Valley in HAM radio communications. The General Manager does not feel that Sudden Valley would be precluded from putting anything we wanted on the tower. In response to a query by Ben Brigham, the General Manager stated that one of the contract elements that he has proposed to them is that they have non-exclusive use. Ken Lyons will take that up with AT&T. Multiple antennas would require that we be paid more for the space and if there was any encroachment on other space, we would expect to be compensated for that as well.

XIII. NEW BUSINESS:

1. Finance Task Force:

Director Clark Champion reported that the Finance Task Force was created during the holiday period while he and Fred Haslam were both away. The Task Force has not been officially formulated and has not yet met. He and Fred Haslam have a good list of potential members as well as possible contributors for their consideration and expect to have an outline of the first phase of its operation in the very near future.

2. ACD Deposit Revocation:

The Board was asked to revoke a deposit on the property located at 3 Brookline Court. The owner has defaulted on the property and the partially built house thereon. The property has had to be cleaned up and debris removed. The request specifically was to revoke the Construction Completion Deposit on this property so that it can be used to pay applicable fines, contractor fees and costs incurred by the Association in addressing the issues with this property. The property is being sold to another party and the house will be finished.

MOTION

Barbara Audley moved that the Board revoke the said deposit and that the funds be used to pay fines and necessary costs. The motion was seconded.

MOTION CARRIED UNANIMOUSLY

3. Deposit Revocation Policy:

The General Manager requested that the Board modify the acceptable uses of construction deposits to include the payment of regular dues and fees assessed against a property when a property owner goes bankrupt, into foreclosure or sustains a similar default that threatens the Association's ability to collect those dues or fees owed to it. This would be in addition to the payment of fines resulting from the failure to comply with Architectural Control Guidelines and requirements. ACC Chair, John Gordon, noted that the ACC is revising some of their current guidelines and will be presenting them to Document Review Commission (DRC) for publication along with the publication of any other DRC documents.

MOTION

A motion was made to amend ACC Guideline 14.8.9 (a) to read "The cash deposit shall be for the purpose of ensuring that all sums that may become due to the Association between the date of issuance of a construction permit and the issuance of a certificate of completion are paid in full." This language is to replace the remainder of 14.8.9(a). The motion was seconded.

MOTION CARRIED UNANIMOUSLY

4. February Work Session will be Tuesday, February 9, 2010 at 7:00 p.m.

XIV. PROPERTY OWNER COMMENTS:

Leslie McRoberts reminded the Board that the tower itself belongs to the Water District and that this contract has to be negotiated with Sudden Valley as well as the Water District. Other comments centered around the fact that the need to consider opening the marina came about because the Association needs funding sources; complaints that the gates currently at the marina do not work, yet more are under consideration, lack of signage to reflect the fact that the Valley is a private community; and more frustration over marina fees and trust issues.

XV. BOARD MEMBER COMMENTS:

Ben Brigham explained that his opposition to opening the Marina to the public is based on the fact that this is a private community; that it is a private amenity and exists for the benefit of our members. He feels that opening any portion of one amenity could lead eventually to opening all and feels that the income that would be generated from opening the marina would be minimal anyway.

Chuck McGroddy responded to comments made in connection with the marina about the Board not being trusted. He is fully in favor of debate over policy on any issues and presentation of differing ideas, but to carry that to the level of not trusting anybody is not productive and is indicative of what the General Manager pointed out in his state of the Valley on bitter divisions over differences of opinion, concluding that we should try to avoid them wherever possible.

Clark Champion suggested that the marina issues should remain a topic of conversation at the next Work Session, to include discussion of comparable rates in other marinas, if possible.

John Gordon will address his comments regarding the language of the Ends statement at the next Work Session.

XVI. ADJOURNMENT:

There being no other business, President Curt Casey adjourned the meeting at 8:56 p.m.

Board approved _____ / Date _____

**MINUTES OF THE SVCA BOARD OF DIRECTORS MEETING
MONDAY, FEBRUARY 22, 2010, IN THE MULTIPURPOSE ROOM
COMMUNITY CENTER – 7:00 P.M.**

IN ATTENDANCE:

Curt Casey, President
Barbara Audley, Vice President
Jo Jean Kos, Treasurer
Georgia Allen, Secretary
Chuck McGroddy
Laura Weide
Bob Almond
Clark Champion
John Gordon, ACC Representative
Naomi Bunis, N&E Representative

EXCUSED ABSENCES:

Ben Brigham

STAFF IN ATTENDANCE:

Dave Wareing, General Manager
Andy Schwartz, Controller
Tim Newcomb, *Views* Staff

COMMUNITY MEMBERS IN ATTENDANCE:

- I. CALL TO ORDER:
President Casey called the meeting to order at 7:00 P.M.
- II. ROLL CALL:
President Casey noted the excused absence of Ben Brigham
- III. AGENDA:
No changes.
- IV. PROPERTY OWNER COMMENTS:
Property owner comments again centered around the marina and the continuing concern that it might be opened to non members; support of opening the marina if the Association does not have people that are going to use the facilities; the current shoreline DNR lease provisions; the cost of doggy bags and frustration over the reluctance by some residents to avail themselves of the convenience provided when walking their dogs; a request that the Board approve the motion before the Board as to the 2010 Capital Budget expenditures and reserves; and concern about the number of antennas proposed for the AT&T tower - opposition to the installation, particularly due to the proximity of the tower to some of the residents and of the potential health risks associated therewith.
- V. APPROVAL OF MINUTES:

Minutes of the January 12 Work Session were approved as written.
 Minutes of the January 25 Board of Directors Meeting were approved as corrected.

VI. GENERAL MANAGER'S REPORT:

The General Manager reviewed with the Board updates on activity in several ongoing projects within the Valley.

1. **Community Garden** –working with the community members and staff to enable the Community Garden to be developed in Area Z, a water line for its use, the offer of volunteers plumbers to install it and a meter, and developing a method for covering the cost of water used.
2. **Mailbox Project** – The Association is working with the County to determine permit requirements necessary for the clearing and paving of the cluster box sites and installation. Installation of the cluster boxes in the upper parking area of the Rotunda may not require permits for Gate 1 cluster boxes. .
3. **New Collections Process** – A new collections service process, developed by HOA attorney Hugh Lewis, will be reviewed under New Business later in the meeting.
4. **Marina Fee Schedule** – A revision of a new fee structure has been developed and is to be reviewed by the Board later in this meeting. The challenge as to the marina remains the vacant dry spaces. The General Manager is proposing that the Board consider rolling back the pricing for those spaces to 2006 rates.
5. **Culvert & Stream Bank Repairs** – We have received both State and County approval on culvert repairs. The only culvert repair we haven't quite resolved large one that goes down off the side of Wintercrest, but we are working for an appropriate solution. We are also working on stream repairs to Austin Creek on the golf course, with the expectation that it, too, will be resolved by summer and meet stringent ecological requirements and protecting the course.

VII. COMMITTEE REPORTS:

1. Executive Minutes: President Casey reviewed the Executive Committee Minutes for February 17th, simply reporting that the committee met for the purpose of setting the Agenda for February 22. There was no further business.
2. Finance: Treasurer Kos reviewed the Minutes of February 17th and presented three motions for Board approval.

MOTION:

The Finance Committee recommends that spending on new 2010 capital projects not exceed actual 2010 MR&R dues assessment collections. The Finance Committee further recommends that the 2010 year end MR&R Reserve balance not go below \$250,000, without approval of the Board of Directors. The motion was seconded and a discussion followed.

Treasurer's Recommendation: The Finance Committee recommends that spending on new 2010 capital projects not exceed actual 2010 MR&R dues assessment collections. The Finance Committee further recommends that the 2010 year end MR&R Reserve balance not go below \$250,000 and I agree.

The original motion was amended to include the language "...that the 2010 year end MR&R Reserve balance not go below \$250,000, without approval of the Board of Directors."

MOTION PASSED UNANIMOUSLY

MOTION:

The Finance Committee recommends the Board accept the Administration's new Marina rental fee structure of pricing by location. Motion passed unanimously. The motion was seconded and a discussion followed.

Treasurer's Recommendation: The Finance Committee recommends the Board accept the Administration's new Marina rental fee structure, of pricing by location and I agree.

Because the motion as presented did not conform to the proposed fee changes recommended earlier by the General Manager, the motion language was modified as follows, with the concurrence of the Treasurer:

MOTION:

The Finance Committee recommends that the Board accept the suggested changes to the Administration's 2010 Proposed Marina Rates to reflect a total charge, under SVCA Member Usage Only of \$145 for **Dry Spaces for Wet Slips (Additional)** and \$350 for **Dry Spaces Only – SVCA**, eliminating those fees reflected under **SVCA Member & Non-Member Use** in their entirety for the present time.

MOTION PASSED BY A VOTE OF 7 TO 1**MOTION:**

The Finance Committee recommends that JHJ Consulting conduct an operations review at a cost not to exceed \$10,000 from the Emergency Operations Fund. Motion passed unanimously.

The motion was seconded and a discussion followed, amending the language "operations assessment" to "operations review." Vice President Audley suggested that the UDR fund be the source of monies for the review rather than the Emergency Operations Fund because that fund is intended for emergency use only. The General Manager did not agree, as he felt we are in an emergency situation due to the economy, and the monies in UDR need to be kept for use elsewhere. Director Champion recused himself from the vote.

Treasurer's Recommendation: The Finance Committee recommends that an operations review be conducted by JHJ Consulting at a cost not to exceed \$10,000 from the Emergency Operations Fund and I agree.

MOTION PASSED BY A VOTE OF 6 TO 1.

Treasurer Kos asked the Controller to report on the financials. Controller Schwartz reported that the 2009 books are now closed. The books are held open for an additional thirty days, as is normal, to accumulate any additional bills, make any necessary corrections, and balance reserve accounts. Since January we have picked up another \$25,000 in expenses - approximately \$10,000 in bad debts (from people in the marina, news ads, other storage) that are over 120 days old and have been turned over for collection. Any money recovered will go back into the UDR fund. This drops our net working capital down to \$51,000. Dues payers ended up at 2,995 for 2009. Some of the other factors in the \$25,000 are an additional \$5,000 for pool utilities, \$10,000 for things like attorneys' fees, deicer for the roads, and other miscellaneous bills that came in late. The balance sheet for January 2010 reflects an increase in net working capital, and shows a profit in operations from collection golf annual fees and reduced costs. We are at 2,473 dues payers as of the end of January – it is low, but consistent with the past two

years in the month of January. Undesignated funds went up \$18,213, a majority of which came from members who were more than a quarter late on paying dues and had not paid their dues by December 15.th They were sent an annual bill, as they had lost their right to pay quarterly. Our Bylaws state that dues are annual, and it is only by Board agreement that people can pay by quarter. Many people did not like being forced to pay annually and brought themselves current so they could return to paying by quarter. People wishing to avoid having liens placed on their properties also brought their dues current. Departments are operating better than budget. The golf course has enjoyed a record increase in revenue in recent weeks due to our great weather, generating about \$1,000/day over the prior weekend vs. \$100/day in less favorable conditions.

3. Architectural Control: ACC Chair John Gordon reported that there was nothing of particular note to report this month; the Committee is down to 8 members, which is low. Interviews with 2 or 3 potential candidates will be held later in the week. He hopes to have some new members to present for approval on March 22nd.
4. N&E Committee: N&E Chair Naomi Bunis noted that the copy of the Elections Manual in the Board packet for approval was not to adopt it at this time, but to approve sending it to Phil Sharpe for his review.

MOTION

That the draft of the Sudden Valley Elections Manual be forwarded to attorney Phil Sharpe for his review and approval. The motion was seconded.

MOTION PASSED UNANIMOUSLY

President Casey again commended the N&E Committee for the outstanding result, their expeditious effort to get this done, and recognized the valuable contribution made to the effort by Office Manager Barbara Parker.

5. Communications: Communications Chair Curt Casey reported that the Members Page should be up by February 23, again thanking Barbara Parker for all her help in getting this done. Compliments on the website have been received as to the Communications page, and usage of the site has increased.
6. Emergency Preparedness: Emergency Preparedness Chair Laura Weide noted there isn't a lot of new activity, but as to ongoing activity, a Firewise Application is to be placed on the SVCA website, accompanied by a synopsis by Anthony Cavender regarding what residents will need to have approved by ACC prior to the Firewise event. The form must be completed and submitted to have any debris picked up by the chipper. The Red Cross Shelter Course has been confirmed for April 17th, and several members have signed up to take it.
7. Long Range Planning Committee: Committee Chair Barbara Audley reported that the committee is still developing a condo questionnaire. They have also spent considerable time reviewing the 2010 Capital Budget and have some concerns. Of particular concern is the fact that some of the long-term safety and resiliency proposals that were in the plan presented to the Board last June by the Long Range Planning Committee have not been included in the present capital funding plan. What the committee is seeking there are things that would warn Valley residents of impending disasters, such as fire, and generators for Valley facilities. We have a proposed Red Cross shelter with no generator attached to it, so at a time in an emergency where the power might be out, that facility would be available for shelter, but would have no power for heat or electricity. While the committee understands that the annual capital budget is greatly consumed by the deteriorating facilities that we have to repair and maintain, it also believes that long-term safety concerns for the Valley must be addressed and are at this time considering needed funding through other means, such as a one-time assessment, or through withdrawal from other

sources. They anticipate that the cost would be approximately \$160,000, or approximately \$54 per owner. The committee feels these items should move higher on the priority list because we are defenseless. One generator is projected on the 2010 Capital Budget for 2011 and another in 2012, but should be planned for sooner than later. The concern is that the prioritizing of the capital expenditures doesn't reflect a broader concern. The matter will be a discussion item for the next work session and prioritization can be discussed in more depth at that time.

8. Document Review Commission: Commission Chair Naomi Bunis reported that her focus has been on the N&E Elections Manual, but that she, Brenda Sample and Georgia Allen will be meeting on Thursday of this week to strategize next steps, and will be ready to discuss at our next work session. Naomi is coordinating with the FCTF on this effort to avoid any overlaps in strategies.
9. Mail Box Task Force: Chair Laura Weide reiterated that we are in the beginning stages of securing County approvals. It came to their attention this week that there had apparently been a change in service at the Rotunda. In discussion with the Postmaster, he told Laura that he was not sure of what the reason was for the change, and he is looking into that for us. There is a sign on the Rotunda that says that any packages too big for the boxes will be at the Mt. Baker Station; anything requiring signature is going to be at Mt. Baker station; and the employees are not to be interrupted at the Rotunda. Although that is similar to the language that was included in our MOU, it is not the cause for the change. Laura is awaiting a response from the Postmaster. In the meantime, there will be an article in the *Views* developed with review and concurrence of the Task Force to keep the community aware as much as possible.

VIII. OLD BUSINESS:

Barn Theatre: General Manager Dave Wareing met with Gary Gallant on the Barn Theatre contract. The Barn Theatre and the Association have reached agreement to extend the current Barn Theatre agreement through 2010. They will pay the Association a total of \$4,400 for the 2010 season. Any potential minor adjustments will then be negotiated between the General Manager and the SVBT Board President.

IX. NEW BUSINESS:

1. Resolution, in Concept, for Library

BOARD RESOLUTION

Whatcom County Library use of Middle Barn

Whereas Friends of the Sudden Valley Library (FOSVL) is a not-for-profit corporation in the process of formation.

Whereas the goal of FOSVL is to raise sufficient funds for the purpose of converting 5000 sq. ft. of space in the middle barn for use as a branch library to be operated by the Whatcom County Library System and to support the operation of library programs after it is opened.

Whereas the Sudden Valley Board of Directors believes that a library would be a valuable addition to the Sudden Valley community.

Whereas the Whatcom County Library System is willing to staff and operate a branch library provided that it is not responsible for the construction of a facility and does not have to pay rent for the space.

Whereas FOSVL does not believe that it can raise the necessary funds without a firm commitment that the space for the library will be available.

Be it Resolved that 5000 sq. ft. of space on the ground floor of the middle barn is reserved for a period of two years for remodeling for use by the Whatcom County Library System as a branch library. This reservation is premised upon FOSVL raising sufficient funds to pay for the remodeling of the space. If sufficient funds for construction are raised by FOSVL, SVCA agrees to enter into a lease agreement with FOSVL for a period of 15 years with provision for extension at no rent. SVCA agrees to maintain the exterior of the middle barn during the period of the lease. FOSVL agrees that all improvements become property of the SVCA. FOSVL will, at its own cost, in cooperation with SVCA and WCLS, develop plans for the renovation, confer with County and State officials as to their requirements, develop cost estimates, plan and execute a campaign to raise funds, complete construction and keep SVCA informed of its progress.

Now, therefore, the SVCA Board of Directors does endorse and accept this project at its meeting of February 22, 2010.

MOTION

A motion was duly made and seconded that we accept the resolution as written. Director McGroddy recused himself from the vote. A discussion followed. Director Champion asked if any discussions had been held relative to utilities, Tom Hadd responded that part of the Library’s commitment is for the utilities. The General Manager also asked that we accept nothing that is binding until such time as an agreement has been drafted by our attorney that sets out all the terms.

MOTION PASSED UNANIMOUSLY

- 2. Delinquency Procedures: The Association has been working with Attorney Hugh Lewis to improve the Association’s delinquency collections process. This provides a process by which we go through several defined stages.

MOTION

To accept the Updated Delinquency Process was made and seconded. Discussion followed. Director McGroddy proposed a 4th step to be added to the “Notification by Letter” section on page 3 of the Process as follows:

“4. Thirty (30) days from the sending of a legal action warning letter, the General Manager will file a report with the Board of Directors either stating that a legal action has been commenced, or stating his reasons why an action was not commenced.”

MOTION TO ACCEPT AS AMENDED PASSED UNANIMOUSLY

The General Manager corrected a previously unseen error in subparagraph 3., Lien Filing, on the first page of the Request. He asked that the language “plus the actual costs for recordation of the lien” be stricken for that paragraph 3, noting that we charge \$250, one-half of which we use for filing of the lien and taking it off, and one-half is for our time in doing that. There is a late fee of \$25, and a second late fee of \$35 as it accelerates. The General Manager requested the fee schedule be amended to include these amounts.

MOTION

To amend the fee schedule to reflect the changes requested above. The motion was seconded. Vice President Audley noted the incorrect date at the top of page 2 of the Request for Approval.

MOTION PASSED UNANIMOUSLY

- 3. Revocation of New Construction Completion Deposit: The General Manager requested that the Board revoke the \$1500.00 new home construction completion deposit due to lack of performance by builder and delinquent account status for a new home project located on Division 22, Lot 101, started by Apex Construction. Attempts to contact Apex and its owner Michael Novak have failed for two years. Mr. Novak currently owes \$10,331.17 to the Association on this account, which reflects a combination of delinquent dues and unpaid fines. If the home goes into foreclosure the money owed to the Association will almost certainly not be paid. SVCA staff recommends to the Board that the \$1500.00 completion deposit be revoked immediately and applied to the delinquent account.

MOTION

That the \$1500.00 completion deposit for Apex Construction and owner Michael Novak be revoked and the monies applied to the Apex delinquent account. The motion was seconded.

MOTION PASSED UNANIMOUSLY

- 4. March Work Session: To be held Tuesday, March 9, 2010.

X. PROPERTY OWNER COMMENTS:

The General Manager was thanked for his informative report on the changes in marina fees and the owner’s perception of an inequitable balance of fees charged; a question as to whether marina fees are billed annually (and they are); the volume of unfinished construction in the Valley; concern over Association finances, unintended consequences of some of our decisions, concerns that more and more of the amenities are being made public; thanking the Board for approving the Operations Review, seeing it ultimately as an asset to the Valley;

XI. BOARD MEMBER COMMENTS:

A question was asked as to what had resulted from the suggestion that Board members take advantage of the opportunity to ride around the Valley with Security. President Casey commented that members would be amazed at the complexity of the Valley and the different conditions throughout. He encouraged all the Board to do this, also reflected on the issue of public access within the Valley; the effort to accommodate the members by the changes in the fee structure, but reminding everyone present that the fiduciary responsibility of the Board is to maximize income where income is available. He thanked the group for the increased attendance and participation.

XII. ADJOURNMENT:

There being no further business the meeting was adjourned at 8:50 p.m.

Board approved _____ Date _____

**MINUTES OF THE SVCA BOARD OF DIRECTORS MEETING
MONDAY, MARCH 22, 2010, IN THE MULTIPURPOSE ROOM
COMMUNITY CENTER – 7:00 P.M.**

IN ATTENDANCE:

Curt Casey, President
Barbara Audley, Vice President
Georgia Allen, Secretary
Chuck McGroddy
Ben Brigham
Laura Weide
Bob Almond
Clark Champion
John Gordon, ACC Representative

EXCUSED ABSENCES:

Jo Jean Kos, Treasurer
Naomi Bunis, N&E Representative

STAFF IN ATTENDANCE:

Dave Wareing, General Manager
Andy Schwartz, Controller
Tim Newcomb, *Views* Staff

COMMUNITY MEMBERS IN ATTENDANCE: 15

- I. CALL TO ORDER:
President Casey called the meeting to order at 7:00 P.M.
- II. ROLL CALL:
President Casey noted the excused absences of Jo Jean Kos and Naomi Bunis.
- III. AGENDA:
No changes.
- IV. PROPERTY OWNER COMMENTS:
Property owner comments consisted of a challenge to the accuracy and validity of the schedule posted on the SVCA website regarding pool costs and a statement re the aquatics land lease; the suggestion to advertise venues we have for rent, and using photos; a challenge of the accuracy in the figures in the *Views* re personnel reduction figures; some questions regarding the ability to retain for further use any Postal Service package boxes at the Rotunda; confirmation that we are acquiring boxes only for lots that can or will be developed, not Sudden Valley lots or lots off the tax rolls that will not be developed; and the accuracy of the package boxes allocated at each location, so as to avoid unnecessary expenditure.
- V. APPROVAL OF MINUTES:
Minutes of the February 9 Work Session were approved as corrected.
Minutes of the February 22 Board of Directors Meeting were approved as corrected.

VI. GENERAL MANAGER'S REPORT HIGHLIGHTS:

The General Manager reviewed with the Board updates on activity in several ongoing projects within the Valley.

New Deck – The Administration is working with Kurt Oberleitner, Geiger Engineering and Greg Gottier (builder) on the structure and appeal deck at the Clubhouse. The builder will be adjusting some structural revisions, bringing the project closer to final completion

Culvert Sleeves Delivery – Bruce Bishop has been working with the Washington Snap-Tite culvert sleeving vendor to coordinate the delivery of the culvert sleeves. Once the sleeves are on hand, we will resolve issues with the State of Washington to install. Installation is scheduled to begin in June.

Mailboxes – We are working with the Mailbox Task Force to ensure the Mailbox Installation Project remains on a viable timeline. By combining the mailbox project with the 2010 road maintenance work, we will facilitate a more expeditious process and gain a significant cost savings between the two projects. We expect the work to be completed this summer.

School Development – The Bellingham School District has allocated funds for the purchase of land in Sudden Valley for the purpose of locating a new elementary school here. The District has no immediate plans to begin school construction any time soon, due to a number of issues associated with construction on the old airstrip. Development of a school appears to be on indefinite hold. Barbara Audley and the GM attended a Geneva Neighborhood meeting where Barbara encouraged Geneva residents to join with Sudden Valley to lobby the District to move forward on construction of a school.

Delinquency Collections – Administration has implemented a new delinquency collections policy. Delinquency letters have been drafted with legal advice received from counsel.

Implementation of the policy began with the second quarter dues invoice mailing. The new policy brings the Association's delinquency collections process up to modern business standards.

Collections Suits – The Association has begun filing legal action for collections in Whatcom County District Court. The filings are based on legal advice received from one of the Association's attorneys and are initially focused on delinquent property owners with significant balances. Once judgments are received, the Association will seek a Superior Court upgrade in order to pursue wage garnishments and the seizure and sale of personal property to recover monies owed to the Association.

Policy Development – We are working to create a universal policy format for all Association policies and create a master policy manual for the Association that will become the "go to source" for policy direction in the future.

Budget Review in Support of Pool Operations – Per the recommendation of the Financial Task Force and at the request of the Board President, Administration has conducted a thorough review of the 2010 Spending Plan to seek possible creative funding opportunities that could be used to support operation of the main swimming pool this summer. All departmental managers have reviewed their budgets, needs, available resources and cost projections in great depth. Based on what is believed to be very accurate financial projections for the remainder of the year, it is simply not financially viable for the Association to open and operate the pools this year. The GM commented also that when we receive confirmation of our 501(c) 4 status application, any funds that may be realized from that result will be returned to Capital, from which they came.

Dog Waste – The question has come up regarding the cost of dealing with dog waste in the Valley. The Association provides "Mutt Mitts" for dog owners to pick up their dogs' solid waste. Dog owners use about 200 Mutt Mitts/day or 73,000 Mutt Mitts/year at a cost of \$2,950. The Mutt Mitts are paid for from the custodial budget which is only \$10,000 for 2010. Mutt Mitts comprise 29.5% of the custodial material budget. Labor to maintain the Mutt Mitt stations and retrieve the dog waste averages about 1 hour per day or 260 hours per year based on a 5 day work week. At \$16.20/ hour (includes overhead), this amounts to \$4,212. SVCA commits a total of \$7,162 per year to maintain dog waste.

Enforcement Direction – Discussions have been held with Chief of Security, Lenny Angello, re future operations of the Security Department. Results of the recent Security Department questionnaires submitted by Valley residents are being reviewed. It is our shared expectation that the Association's security operations will follow the highest standards for the provision of security and public safety services to the Community. We will be developing a coordinated strategy for security operations to ensure that the Association's Security officers will provide the highest level of security services possible within the limits of available funding and staffing.

Friends of the Library – The GM met with Sudden Valley representatives of Friends of the Whatcom County Library System (FWCLS) to discuss possible problems associated with the necessary County permits required for the development of a library in the Middle Barn. The GM has contacted the County Planning Department and discussed the key issues that were of concern to the FWCLS. The response was very positive and will allow the process to continue forward.

Postal Services at the Rotunda – The GM met with the Postmaster and the Mt. Baker Station Chief regarding the sudden reduction of services at the Rotunda Mail Distribution Facility (RMDF). He was advised that with the retirement of "John the SV Postman" there has been a reduction in staffing at the facility - the primary reason for the reduced services. There is no one to fill that slot and provide "counter-type" services. Postal personnel at Sudden Valley now are postal carriers, not counter clerks. The GM requested the local postal authorities provide at least a minimal opportunity for SV residents to contact USPS personnel at the Rotunda. The Postmaster has asked the Mt. Baker Station Chief to provide opportunity for such contact for about 2 hours per day.

VII. COMMITTEE REPORTS:

1. Executive Minutes: President Casey reviewed the Executive Committee Minutes for March 17th, simply reporting that the committee met for the purpose of setting the Agenda for February 22. Additionally, on March 18th, the Executive Committee (Georgia Allen excused) authorized the GM, via email, to engage in a contract with Wilson Engineering for the purpose of conducting the annual road paving project.
2. Finance: Acting Treasurer Clark Champion summarized the Minutes of the Finance Committee meeting of March 17th and presented six motions for Board Approval.

MOTION:

The Finance Committee recommends the Board approve the combining of the initial phases of the Road Maintenance and Mailbox Installation projects and designate Wilson Engineering as the sole source provider of survey, design and engineering services for an amount not to exceed \$45,000, which includes a contingency of \$5,000 and sales tax of \$3,528. Funding for the combined work is to come from the Road Reserve.

Treasurer's Recommendation: The Finance Committee recommends approval of the motion and I agree and so move. The motion was seconded.

MOTION PASSED UNANIMOUSLY. LAURA WEIDE RECUSED

MOTION:

The Finance Committee recommends the Board approve funding for the development of a SSPB prototype to ensure USPS acceptance, in an amount not to exceed \$3,000 to be drawn from the Mailbox Reserve.

Treasurer's Recommendation: The Finance Committee recommends the approval of the motion. I agree and so move. The motion was seconded.

MOTION PASSED UNANIMOUSLY. LAURA WEIDE RECUSED

MOTION:

The Finance Committee recommends the Board approve funding for the two fairway drainage projects in an amount not to exceed \$32,000 to be drawn from the MR&R Reserve.

Treasurer's Recommendation: The Finance Committee recommends the approval of the motion. I agree and so move. The motion was seconded.

A discussion followed to explore the feasibility of getting the projects completed internally, as a certain degree of expertise is required to do the work properly and our staff (currently at 6) is, at this point, untrained to perform the work. The two fairways affected are 1 and 3. The task could take up to two weeks to complete; we need to get permits, but will not be able to begin before June 1. Director Brigham suggested that we might consider waiting until October to do this work. Director Champion suggested that we verify with the contractor that he will be working on both fairways simultaneously to minimize fairway downtime, and potential loss of revenue. The General Manager will explore all suggestions and report back to the Board.

MODIFICATION OF MOTION:

To table the Motion and consent that the Motion could be granted by the Executive Committee if, on investigation, it is determined that it is impractical for us to buy a machine at this time. The Motion was seconded.

MOTION PASSED UNANIMOUSLY

MOTION:

Motion: The Finance Committee recommends the Board approve funding for the purchase of a desktop replacement laptop computer, along with software and a docking station in an amount not to exceed the budgeted amount of \$2,500 to be drawn from the MR&R Reserve.

Treasurer's Recommendation: The Finance Committee recommends the approval of the motion. I agree and so move. The motion was seconded.

MOTION PASSED UNANIMOUSLY

MOTION:

The Finance Committee recommends the Board approve funding for upgrading the capacity of the Association's website and for engaging additional professional website development services in a total amount not to exceed \$6,000 for 2010 to be drawn from the MR&R Reserve.

Treasurer's Recommendation: The Finance Committee recommends the approval of the motion. I agree and so move. The motion was seconded.

MOTION PASSED UNANIMOUSLY

MOTION:

The Finance Committee recommends the Board approve funding for the additional final funding of the Clubhouse restroom remodel project in an amount not to exceed \$17,000 to be drawn from the MR&R Reserve. This funding is included in the 2010 Capital Budget.

Treasurer's Recommendation: The Finance Committee recommends the approval of the motion. I agree and so move. The motion was seconded.

MOTION PASSED UNANIMOUSLY

3. Financial Task Force Committee: Co-chair Clark Champion reported that the Committee held its first meeting on March 7, 2010. All members have signed the requisite Code of Conduct document; they have moved into communication with other Sudden Valley membership groups and considered how communication on what this Committee is working on is to be disseminated amongst these groups. The purpose of the Task Force is to generate recommendations to the Board that will lead to long-term stability for our Association. They have developed some the pluses and minuses and identified various strengths and obstacles within Sudden Valley.
4. Architectural Control: AC Chair John Gordon reported that they have lost another member, temporarily, and are now down to 7. They have conducted interviews, but none of the interviewees fit their needs and have resumed their search for applicants. The N&E is going to place some kind of notice in the *Views* and there are signs posted around the gates.
5. N&E Committee: Per President Casey, it is his understanding that the Manual is still being integrated and will probably be up for review at the next meeting.
6. Communications: Communications Chair Curt Casey reported on Friday Night Bingo night at the Barn that has raised \$2000 for the Barn Theatre. As to the Welcome Neighbor event, it will be held May 15th from 6:00 – 9:00 p.m. in the Adult Center. There were 279,000 hits on the website in February and we've had, based on our operations survey, some very satisfactory comments with respect to the website and its capabilities. The Members Only page is up and running. If members do not get a password back right away, check the Junk Mail folder, because we found a lot have gone into the Junk Mail folders.
7. Emergency Preparedness: Chair Laura Weide reported there will be a shelter course for about 9 or 10 participants that signed up and performed some initial work to take this course. It is a full-day course and will be held on April 17th. Lenny Angello is working on some Emergency Preparedness articles – a series of articles outlining things people need to do and prepare for in emergencies. Work is being done to update the Emergency Manual, which is sorely needed. We have had 29 applicants so far for the Fire Wise event and one of the Sudden Valley vehicles is to be modified to make it a chipper truck. If residents want to keep the chips, they will be left on their respective properties, or we can dispose of them as an accommodation. The Community Garden may also be interested in using some of the chips. Through Dave Ralston, we will have a jail crew coming to assist in the clean up the Sudden Valley lots. Anthony is working on identifying those lots. These people are released from the jail – are not convicts/felons – and will be supervised. The chips on Valley owned lots are to be replaced onto those lots to nurture growth.
8. Long Range Planning Committee: Chair Barbara Audley reported that the LRPC is still working on the condo survey and are close to distribution. The Committee is also looking at what the land use possibilities are around the Valley and has made a recommendation that Sudden Valley have a Master Land Use Plan, which would include any Sudden Valley owned properties and other potential commercial pieces of property that might be available. This would be good data to have for planning purposes. We would know what we have, what each property's characteristics are, and what its potential uses might be. This is a standard document that jurisdictions have in their "planning portfolio" so, based on the recommendation of the LRPC, the following motion was made:

MOTION:

That Sudden Valley develop a Master Land Use Plan for Sudden Valley.

The motion was seconded. Barbara Audley suggested that Anthony Cavender be permitted to work in tandem with LRPC on the project.

MOTION PASSED UNANIMOUSLY

9. Document Review Commission: No report.
10. Mail Box Task Force: Task Force Member Penny Carter gave the Board a very detailed review of all the activities associated with their efforts. Penny reminded the group that last year was the final year of the \$35/year per lot assessment. As originally defined, the objective was to make our physical addresses and our mailing addresses the same upon completion, to provide cluster boxes in all the gates, that all developed and undeveloped lots be included, and that the Rotunda would be upgraded and renumbered with our street addresses. Original cost estimates were \$475K-\$500K. The street renaming was to be included in that and it has been, and the USPS was expected to retain and distribute undeliverable packages. As we all know, we have realized over the past several years that that was not going to happen. Additionally, there are \$14,000 in unpaid mailbox debt still outstanding, some of which may never be recoverable. We have less than 1000 boxes at this time, and this final order will be for an additional 2346. The Task Force is constantly looking for cost cutting opportunities but the figures reflect that there are now approximately \$100K in extra costs involved with the project. The goal is to get the installation completed this year. Next month the requests for purchase of boxes, site preparation, and purchase of the SSPBs (Super Size Postal Boxes) will be brought to the Finance Committee. The number of boxes per site have been determined. This has been a huge undertaking with many hours involved. Meetings are going on all the time, and the Task Force has clearly worked endlessly for the benefit of the community. Penny presented a signed addendum to the MOU, signed by the Postmaster clarifying the description and size of the SSPB. Penny and Bruce were able to get the ratio of CBU to parcel box reduced to one standard parcel box for every 3 CBUs. Accolades were given to the Task Force, the staff and everybody associated with this monumental effort. It was very impressively executed. Laura Weide added that the Task Force has made every effort to keep the community apprised of the progress of this project. Laura passed out copies of the Project Plan Overview to the attendees for their review. Laura also passed out some box color samples for review and presented two motions to the Board for selection and approval.

MOTION:

To authorize the Mail Box Task Force to move forward with the color selection of Gray for the cluster box units, package boxes and the super size package boxes to ensure they all match. The motion was seconded.

MOTION PASSED UNANIMOUSLY. LAURA WEIDE RECUSED.

MOTION:

To approve the Mail Box Task Force to continue moving forward with the mailbox project despite the potential cost overage. The motion was seconded.

MOTION PASSED UNANIMOUSLY. LAURA WEIDE RECUSED.

VIII. CONSENT AGENDA:

MOTION WAS MADE, SECONDED AND UNANIMOUSLY PASSED TO ACCEPT THE CONSENT AGENDA AS AMENDED. BEN BRIGHAM ABSTAINED.

IX. OLD BUSINESS:

1. Approval of 2010 Spending Plan. Per General Manager Dave Wareing, 2010 Capital Spending Plan, while previously reviewed by the Board, has not been formally approved. Vice President Audley mentioned that she had noticed the Adult Center Pool had been covered and suggested that we do the same with the main pool. The General Manager agreed that this is the year to do it. She also requested that consideration be given to the purchase of a generator for the Adult Center because that is to be the site for our Red Cross Shelter. The General Manager will look into it and report back to the Board.

MOTION:

To approve the Priority 1 2010 Capital Spending proposals on the draft as of 2/18/2010. The motion was seconded.

MOTION PASSED UNANIMOUSLY

2. 25-Year Capital Plan. President Casey noted that this was merely for awareness of the plan and to become familiar with it, but that it would be a discussion item at the April 11th Work Session. The General Manager noted that this was a very important document for the future. It represents a tremendous amount of work where each and every building was gone into evaluating every piece of equipment, all the facilities, and all of our buildings which has resulted in a much more accurate capital replacement and capital reserve plan than has ever existed in Sudden Valley. President Casey pointed out that this plan is lacking reserves – that one has to figure out how to fund it to make it a viable contribution. Mention was made that some of our directors will be attending the CAI seminar on reserves on April 6th. Director Ben Brigham made the following motion with regard to the seminar:

MOTION:

That the SVCA cover the costs for any director who wants to attend the CAI seminar. The motion was seconded

MOTION PASSED UNANIMOUSLY. BARBARA AUDLEY ABSTAINED.

3. AT&T Antenna Lease. Phil Sharpe views the proposal as an option to lease, not a lease and recommended we reject the AT&T proposal, turn it back to them and if they want to extend a lease to the Association, then they can extend a lease. We aren't interest in an option to lease. Dave Wareing has informed Ken Lyon of AT&T.

MOTION:

That we reject the proposal from Cingular/AT&T Option to Lease. The motion was seconded.

MOTION PASSED UNANIMOUSLY**MOTION:**

That we authorize the use of UDR funds to fund collections and all third-party costs. The motion was seconded.

MOTION PASSED UNANIMOUSLY

4. New Business.

Enforcement Action. The General Manager requested authorization to initiate legal action. The matter was discussed with the Board during closed session March 9, 2010,

and it is well aware of the Administration's efforts to enforce the final decision of the Architectural Control Committee (ACC) with respect to the location of a yard building by a member. Despite the best efforts of the ACC, the Administration and staff to gain the cooperative and voluntary compliance of the involved member, our good faith efforts have been fully and completely rebuffed with no affirmative action taken by the member. Both SVCA attorneys, Phil Sharpe and Hugh Lewis, advised SVCA to take all necessary legal actions. The Manager requested permission from the Board to proceed accordingly.

MOTION:

That the General Manager is authorized to proceed with initiation at the Superior Court level to compel through mandatory injunction that this member abide by the ruling of the ACC and to correct the issue and to pay all costs and amounts owed to the Association. The motion was seconded.

MOTION PASSED UNANIMOUSLY

5. Fishing Derby: Director Brigham inquired as to whether the Fishing Derby had been officially cancelled and it had not been. Discussion evolved around finding the funds and necessary personnel to allow for this established community event to go forward sometime, as has been the tradition.

MOTION:

To direct the General Manager to work with the Community Partnerships Commission to make the Fishing Derby happen. The motion was seconded. Commitments for donation were immediately garnered from members of the Board and the General Manager.

MOTION PASSED UNANIMOUSLY

6. April Work Session: The next Board work session will be held on Tuesday, April 11, 2010.
7. FCTF Recommendation #2: That the Board and Staff reexamine all the staffing and operational expenses on the 2010 Spending Plan with an eye towards further reducing expenses sufficiently so as to enable the main pool to remain open this summer. This has been done as stated earlier in the General Manager's report.

MOTION:

That based on the in-depth review by departmental managers of their respective budgets, needs, available resources and cost projections for the balance of 2010, it is simply not financially viable for the Association to open and operate the pools this year. The motion was seconded.

MOTION PASSED UNANIMOUSLY**X. PROPERTY OWNER COMMENTS:**

Concern was expressed over the use of a work party made up of a jail crew during the Fire Wise event in May; a question to confirm the total outlay for the bathroom renovations and upgrades in the Clubhouse; clarification of the action taken on the antenna.

XI. BOARD MEMBER COMMENTS:

Comments revolved around reassurances that the use of a jail crew does not involve the use of felons or violent offenders; hesitation expressed over continuing with the AT&T antenna project, given the fears and concerns of the residents living close to the proposed site, in spite of the lack of evidence that is conclusive in determining that radio frequency waves cause any of the problems described; a directive to the General Manager to contact

Tina Olson at the DNR to verify her verbal comments to Curt Casey relative to the aquatics lease, and to get their response in writing; and finally, in response to an earlier property owner's comment, President Casey noted that it is okay to disagree, it is fair to disagree, using one's opinion of the facts or the real facts, but he will not again allow any inflammatory personal remarks saying it is "science fiction," "mystery" etc. – they are inappropriate, become personal and do not deal with the facts at hand. We are not going to tolerate those kinds of derisive or inflammatory remarks.

There being no further business the meeting was adjourned at 9:30 p.m.

Board approved _____ Date _____

**MINUTES OF THE SVCA BOARD OF DIRECTORS MEETING
MONDAY, JUNE 28, 2010, IN THE MULTIPURPOSE ROOM
COMMUNITY CENTER – 7:00 P.M.**

IN ATTENDANCE:

Curt Casey, President
Georgia Allen, Secretary
Jo Jean Kos, Treasurer
Chuck McGroddy
Laura Weide
Ben Brigham
Bob Almond
Clark Champion
John Gordon, ACC Representative

EXCUSED ABSENCES:

Barbara Audley, Vice President
Naomi Bunis, N&E Representative

STAFF IN ATTENDANCE:

Dave Wareing, General Manager
Andy Schwartz, Controller
Tim Newcomb, *Views* Staff

COMMUNITY MEMBERS IN ATTENDANCE: 15-20

- I. CALL TO ORDER:
President Casey called the meeting to order at 7:00 P.M.
- II. ROLL CALL:
President Casey noted the excused absences of Barbara Audley, Vice President and Naomi Bunis, N&E Representative.
- III. ANNOUNCEMENTS:
President Casey noted an addition to the Agenda – under New Business: 5) Revocation of Construction Deposit – an ACD request.
- IV. APPROVAL OF MINUTES:
Minutes of the May 4th Special Work Session were approved as written.
Minutes of the May 11, 2010 Work Session were approved as amended.
Minutes of the May 24th Board of Directors Meeting were approved as written.
- V. GENERAL MANAGER’S REPORT HIGHLIGHTS:
General Manager, Dave Wareing, gave a synopsis of his report of June 25, 2010.
 - a) **Renters.** The Administration has been working with the Association’s corporate legal counsel to research appropriate approaches for addressing the issue of renters who do not obey Association rules by developing legal remedies for gaining compliance.

Some owners are as equally resistive as their clients, and we need more tools to deal with the issue.

- b) **Culverts.** Culvert sleeving has been postponed 30-45 days because the creeks are still running too high.
- c) **Mailbox Installation.** Boxes have arrived and are being assembled and labeled; the Postmaster has inspected the work thus far and is satisfied; and the project is on schedule for completion this year.
- d) **Marina Restrooms.** Maintenance crews are working on refurbishing the Marina restrooms with vinyl wall sheathing and new paint. They will be open by the weekend of the 4th of July and in time for the Independence Day celebration and fireworks show. We expect to install a new roof on the building in July, once permits are in hand.
- e) **Security at the Marina** – We have installed a number of new notice and warning signs at the Marina. We will also be installing a new launch gate at the main boat ramp that will automatically close once a boat has been launched. The camera security contractor is in the process of installing and testing some new equipment. The problem dock gate lock has finally been fully repaired.
- f) **Road Paving** – The road paving project will begin shortly with the Board’s approval of the final projects. With the Board’s approval, the contract with Western Refinery Services will be signed and work will begin.
- g) **Community Garden** – We are working with the County to resolve a routing problem with the waterline for the Community Garden after a County critical areas specialist found some wetland plants where we were going to lay the waterline. We will reroute the line to avoid the sensitive area.

Attendant at the Marina – We now have an attendant at the Marina on the weekends. Roman Johnson, who works with the Barn Theatre, will provide monitoring of the boat launch and sell refreshments.

VI. COMMITTEE REPORTS:

- A. Executive Minutes: The Finance Committee held a special meeting on June 14 to review the capital request for Road Paving and Mailbox Site Preparations. The committee reviewed the bids received from Western Refinery Services and Whatcom Builders and made the following motion:

MOTION:

The Finance Committee recommends the Board approve funds in the amount not to exceed \$160,000.00 from the Road Reserve Fund to complete the annual road paving and site preparation for the installation of the mailboxes in Gates 1, 3, 9 and 13.

Treasurer's Recommendation: The Finance Committee recommends approval of the motion and I agree and so move.

MOTION WAS UNANIMOUSLY APPROVED VIA EMAIL

The Executive Committee was been asked to approve this motion immediately so that the contract could be awarded and the work scheduled as quickly as possible. No further action was taken.

- B. Finance Committee:

- 1. Minutes: After review of Finance Committee minutes, the Treasurer proposed the following motion to fill a Committee vacancy:

MOTION:

That the Board approve the nomination of Nick Furnari as a member of the Finance Committee. The motion was seconded.

MOTION PASSED UNANIMOUSLY

2. Treasurer's Motions: There were 3 motions, as follows:

MOTION 1: Mailbox Project

That the General Manager be authorized to spend no more than \$50,248.00 from the Mailbox Fund to complete the mailbox project. The motion was seconded.

Treasurer's Recommendation: The Finance Committee recommends that the General Manager be authorized to spend no more than \$50,248.00 from the Mailbox Fund to complete the mailbox project and I agree and so move. The motion was seconded.

MOTION PASSED UNANIMOUSLY

MOTION 2: Pave Campground Roadside Parking Area

The Finance Committee moved to confirm the reasonableness of the bids, but recommended that the Board not approve the project. Should the Board approve this project, the Committee recommends that no more than \$18,879.00 be spent from the Road Reserve to complete it.

Treasurer's Recommendation: The Finance Committee confirms the bid amount of \$18,879 for this project, but recommends the Board not approve it. I disagree with the recommendation of the Committee, but move the motion. The motion was seconded. Discussion followed, and Director Champion, speaking as a member of the Finance Committee acknowledged that the Finance Committee acts in an advisory body – their primary role is financial; however, when there is an issue on the table, such as this one, that members of the FC cannot support as being a reasonable expenditure of funds, they ought to be able to recommend that the money not be spent. His personal rationale for opposing the paving of the parking lot was:

- The disc golf group still has not provided their own insurance policy – they are covered by our policy, but should there be an accident or injury, it would come against our policy and not theirs.
- He doesn't see a lot of support from the members of that group in terms of caring for the facility
- It has been reported by two members who tried walking their dogs in the area that they were discouraged from doing so by the disc golfers playing at the time. There is a conflict of usage.
- Lastly, there apparently will be an excess in the road reserve fund at the end of this year, of approximately \$160,000 and he doesn't feel an obligation to spend that. His concern is that next year we may have recommendations from our road engineers for an amount that exceeds what we collect in the road fund this year, and he would like to see any surplus from this year applied to next year. A surplus now does not ensure a surplus in the future.

Director McGroddy added that we still have to cover the culvert sleeving expenses as well, which will also have to come out of that same surplus. President Casey ensured that the Board understand that the motion before us was to disapprove the proposed expenditure. The GM also noted that with the considerable increase in usage of the disc golf area, the parking lot has become increasingly hazardous, and noted among other things that if we elect not to pave, then we may have to make another decision on the disc golf facility.

MOTION TO DISAPPROVE PASSED UNANIMOUSLY

MOTION 3: Develop and Pave Spring Road Turnaround

That the Board approve the Spring Road project, not to exceed \$8,680.00 from the Road Reserve.

Treasurer's Recommendation: The Finance Committee recommends that the Board approve the Spring Road project, not to exceed \$8,680.00 from the Road Reserve and I agree and so move. The motion was seconded.

Director Almond reported that he had gone to the site and felt strongly that this would not alleviate the problem of heavy use by residents and others who drop their children off at the bus stop and use private property to turn around. Drivers can already drive down to the end of the road to turn around, but choose not to do so for personal convenience. The GM pointed out, however, that the issue was one of safety, and in answer to a question from Director Almond, agreed that if the turnaround is installed, he would ask that Security monitor the area for a period of time to ensure that drivers develop the habit of utilizing the turnaround. The area would accommodate normal sized vehicles, but not large trucks.

MOTION FAILED BY A VOTE OF 4 TO 3.

Treasurer Kos commented that our non-paying dues members have dropped to 397 and that the collections process seems to be working very effectively. Controller Schwartz called the Board's attention to page 34 of the packet, which represents Operations through May 31, 2010. Looking at Year-to-Date, we are suffering in golf and in the Marina revenue, to the point that before dues we are \$30,000 worse than budget. If the trend continues, and the dues payers don't come up with enough to cover it, the Board will have to look at additional cuts to make. Individual managers are currently putting together an "outlook," which is taking their actions to date and now trying to forecast – to the best of their knowledge – to the end of the year so we can see where we are and the Board can review in July. We are not doing well at the moment. Golf suffered a horrendous month in May due to rain, and the Marina, in spite of the dropped rates, has generated no renewed interest. The subtotal from Operations, however, is still \$20,000 better than budget, so Operations is holding costs down, but our problem this year, as in last, is revenue sources.

C. Architectural Control: AC Chair, John Gordon, reported four new construction applications in June, with all four being approved – a welcome statistic. With respect to the Guidelines, the process is essentially complete. Final edits are being ironed out and hopefully will be posted on the website within a month or two. He announced that after 4 years as AC Chair, he has decided to step down. The Committee discussed his replacement and have voted to have Carol Bauman become the new AC Chair. Carol would prefer not to facilitate the AC meetings to continue participating in them, so Tom Chambers has been designated as facilitator. He noted that Carol will not be able to attend the work session of July 6th, and asked that the Board approve her appointment as Chair to be effective July 7th.

MOTION:

That the Board approve the appointment of Carol Bauman as ACC Chair, effective Wednesday, July 7, 2010. The motion was seconded.

MOTION PASSED UNANIMOUSLY

Several members of the Board expressed their sadness to see John step down; however, they all thanked him for his tremendous contribution to the Board over the past four years and wished him every success. His eagle-eye proofreading of the minutes will be missed by all, especially the Board Secretary.

- D. Finance Committee Task Force.** Director and FCTF Chair, Clark Champion, noted that the Task Force's work is not done yet. They have a few more things moving forward, and there will probably be 3 or 4 more additional recommendations coming from the Task Force to the Board at the July 6th Work Session, involving the residential lots owned by SVCA, the Communications Plan developed by the Task Force and one or two other things. Director McGroddy suggested that given the magnitude of the recommendations being developed, he would like our Work Session to be a joint session with the members of the Task Force for joint discussion, since what they are working on will affect the future of the Valley going forward. Also suggested was the inclusion of members of the Document Review Board.
- E. N&E Committee.** No report in the absence of N&E Chair, Naomi Bunis.
- F. Communications.** President Casey reported that the informational brochure on Sudden Valley has been completed. It was an exceptionally well-developed creation by the FCTF and Communications simply added some marketing jargon and pictures to the copy. The brochure makes absolutely clear that Sudden Valley is a homeowners association and how the amenities we offer are supported. Also, he wanted to dispel a myth surrounding an item in the recent *Views*. The reason we cancelled Spirit Day this year was solely to put on a better Spirit Day in 2011. We weren't getting enough attendance; we wanted to plan it better, maybe combine it with another event such as the Flea Market. Spirit Day is run by the Communications Committee and their spouses – we don't get much other help from the community, and we raise the money ourselves to make it happen. What we're thinking of doing now is, perhaps, to tie it into another major event, such as the 4th of July. Planning, in fact, has already begun. Next year the plan is to make it a banner event that members of the community will want to attend and will enjoy.
- G. Emergency Preparedness.** Director and Emergency Preparedness Chair, Laura Weide, reported there was no quorum at the May 20th and June 15th meetings. There still is a plan to have a CPR and Heimlich class; however, the class scheduled for last week was cancelled due to insufficient enrollment. Members interested in attending this class should contact Chuck McGroddy. It will cost approximately \$10/person and we will have a volunteer firefighter instructor to teach the class. In September we will be working on the 4-wheel drive volunteer program for residents to help other residents get home during bad weather. The Firewise event went extremely well with the Dept. of Natural Resources and counts as our Firewise event for the year and counts towards our credentialing for next year. A lot of cleanup for the Valley was achieved by this event. Director Brigham congratulated Laura on the great work that was accomplished. Anthony Cavender was credited with also having done a great deal of work to identify lots with excessive overgrowth that needed clearing. Director Weide felt it was a phenomenal success all around.
- H. Long Range Planning Committee,** In the absence of Barbara Audley, President Casey noted that Anthony Cavender has completed his report on the greenbelt lots, etc.
- I. Document Review Commission,** Naomi Bunis was away, but they will be part of our special joint work session on July 6th.
- J. Mail Box Task Force:** Cluster boxes are here and we expect to have the super-sized boxes arriving soon. JoJean Kos, Leslie McRoberts, Laura Weide and other volunteers are going to be working on labeling those boxes. Compliments and appreciation were expressed for the work JoJean has provided to the team. The Post Office personnel are very pleased with the efficiency and results as well. Director Weide expressed appreciation to the Administration staff for all their support as well.

VIII. OLD BUSINESS:

AT&T Antenna Lease The GM gave a historical review of the negotiations to date, the concerns and opposition expressed by some of the members; and the data provided by independent consultants on concerns over radiation exposure. Based on his belief that there was no evidence confirming such danger, he recommended that the Board move forward and approve the Lease.

MOTION:

That the Board accept the AT&T cellular tower lease. The motion was seconded. Before calling for the vote, President Casey asked if there were any new comments anyone wished to make regarding the antenna installation/lease, and noted that an AT&T representative – Mike Mitchell – was present and available to answer any technical questions. Director Brigham asked why there hasn't been any feedback or known effort to find a different location for this tower. There's never been any opposition to a tower – just the site presently under consideration. General Manager, Dave Wareing responded that he spoke with AT&T's Ken Lyons, who told him the reason they were so focused on this site was that Whatcom County is one of the most difficult counties in which to get anything approved through the planning process. An attempt to seek and get approval for a different site would require going through a much more challenging and difficult process. Lyons said anytime they can attach to an existing structure it cuts their costs and time required to get the permitting dramatically. Treasurer Kos asked about the money that would be paid on the lease. The GM responded that he had told them their initial amount was insufficient. Lyons indicated they would be willing to pay more; however, they would be paying 2 entities – SVCA and the Water District. The property is ours, but the water tower belongs to the Water District. They offered \$15,000/year with a 2% increase for each year after the antenna is installed. All other costs associated with the first year's installation would bring this year's dollars to approximately \$22,000. Director Almond asked if any sort of landscaping would be required around the tower and AT&T representative, Mike Mitchell, said he believed that there was already such a plan in the works. Mr. Mitchell indicated that he has just been hired to wrap this deal up – they have already invested a lot of money in this negotiation and basically are down to either wrap it up or find another location. It was his job to find another location, if this negotiation fails and he indicated that he had already been out looking that day. President Casey then called for the vote.

MOTION FAILED BY A VOTE OF 6 TO 1

IX. NEW BUSINESS.

- A. SVCA Lot Evaluation. The General Manager reported that the Architectural Control Department has completed an evaluation of SV owned by Sudden Valley. Several lots the Association owns are restricted by covenant and cannot be sold or used for other purposes. We have 98 lots here that we have the ability to sell. Anthony Cavender has evaluated all of these lots and rated 35 as least buildable, 55 as more buildable and 8 as most buildable. Those rated least buildable would be extremely challenging and maybe impossible to build on – many exhibiting characteristics of wetlands that would further restrict any future development due to county environmental code. By reclassifying these lots to common areas there are many opportunities to create contiguous tracts of environmentally sensitive land worthy of protection from development. The Association would also benefit from a substantial tax savings by converting the least buildable lots to common areas.

Many of the 55 lots rated as more buildable are nonetheless topographically challenged and would make ecologically valuable common area lots in addition to the 35 least buildable lots. Some of these lots are located adjacent to existing common area lots and greenbelts and could provide viable interconnected corridors for wildlife. There would also be additional tax savings associated with reclassifying some of the 55 more buildable lots. However, many more of these 55 lots offer the potential for future lot trades or sale and thus have value as a commodity. The 8 lots rated as most buildable would readily lend themselves to residential development. It is recommended that those lots be sold.

Director Champion noted that the FCTF has utilized Anthony's excellent assessment of the lots reviewed and will be adding their comments on the study at the July 6th work session.

- B. Proposed Agreement for Community Church. The church has been granted a 5-year renewable lease for an amount to be determined. It follows the format of our usual SV leases, having been modified by counsel to fit its purpose.

MOTION:

That the Board approve the lease agreement. The motion was seconded. AC Chair John Gordon asked if the lease amount "to be determined" was going to be determined before approval. Director McGroddy added he would like an addition of language under the Purpose clause after "services and events, *which shall be open to all residents of Sudden Valley.*" and suggested a rent amount of \$1.00/month, since it would be available to all Valley residents. Director Brigham concurred. Services will be weekly, and the lease amount was set at \$100/month, still a fair amount.

MOTION PASSED UNANIMOUSLY

- C. Video-taping of Board Meetings. President Casey noted that this came up at the Work Session and that some of the Board wished to discuss the issue further at the Board Meeting. Added to the discussion also was a copy of a legal opinion by Abraham Ritter with respect to recording, video-taping, etc. Director Brigham challenged the need to pay for an opinion as video-taping of meetings has existed for years; we aren't engaging in any secret operations, so why would we want to prevent such taping. President Casey agreed, reiterating that further discussion had been requested, and noting that he had previously commented that there was no problem with video-taping, but the videographer would have to be in place before the meeting began; no disruption would be allowed to occur to distract either speakers or conduct of the meeting. Secretary Allen added that she would like them filmed in their entirety, placed on the SVCA website, in lieu of the audio, if that is preferred. She would not like to see the carefully edited versions that finish up on *YouTube*. President Casey reminded all that we can't control everything, including what appears on *You Tube*; however, he does not want people walking into and disrupting a meeting without consideration for those who have elected to attend and then walk out. In fact, those residents who usually come in to videotape were asked if they would volunteer to tape meetings that could be placed on our server for general viewing, but ultimately was turned down. We don't have any volunteers to do the job. Director Weide suggested purchasing an inexpensive camera to be set up at the back of the room prior to each meeting. Director Champion agreed and expressed his appreciation for the suggestion. His personal objection to portions of meetings being posted on venues like *YouTube*, however, is because they show only disrespect for your neighbors, community, property values and everything else – it is a real negative. The same thing is true for websites and blogs that engage in the same thing, but he has no objection to having a video record of our meetings on our own website, accessible to any of our members. The

problem is in how they are used and where, and the way to control that is to do what has been suggested - do it ourselves. He would support that. The General Manager noted that the legal opinion was sought after the events of the recent Work Session. He, too, would prefer a full, unedited version of our meetings be the norm – not the carefully edited, negative versions intended to demean or embarrass the subjects. Director Weide then offered to research video cameras for the size of the meeting room and to report back for the July 6 work session. She also suggested that if we choose the option to video-tape ourselves, that a notice be posted on the meeting doors disclosing to attendees that the meeting is being video-taped.

D. Revocation of Construction Deposit. The General Manager’s request:

“Purpose: The purpose of this memorandum is to request the Board revoke and forfeit the completion deposit provided by the contractor who defaulted on the completion of a new house located at 2 Rocky Ridge Drive (Division 2 Lot 184).

“Background: The contractor D&S Construction, Inc., failed to complete the project within the required time frame allowed, including multiple extensions, and subsequently walked away from the project without finishing the same. The final completion date, with the extensions, was end of November, 2008. D&S is now requesting the deposit, which it paid on behalf of the project it failed to complete. The property owner, Bill Benson, signed his interest in the deposit over to the Association in settlement of costs owned on the property. The house and property were surrendered to the Business Bank of Washington by Mr. Benson to preclude foreclosure. The new property owner (Bank) concurs with the disposition of the \$1,500 deposit to the Association. The Bank is now finishing the work the deposit was originally meant to cover.

“Request: It is requested that the Construction Completion Deposit provided by D&S Construction be revoked and forfeited to the Association so that it can be used in partial settlement of costs related to this property. Per Section 14.8.9 (c) of the Architectural Control Guidelines: “non-compliance with the ACC approved time limit ... may result in the total or partial forfeiture of the deposit.” The revocation is at the discretion of the Board.”

MOTION:

To approve the request to revoke the Construction Completion Deposit provided by D&D Construction as outlined above. The motion was seconded.

MOTION PASSED UNANIMOUSLY

D. July Work Session. The next work session will be a joint session with the FCTF and Document Review Committee on Tuesday July 6, 2010

X. PROPERTY OWNER COMMENTS:

Tom Hadd, President of Friends of the Sudden Valley Library reported that John Armitstead, community member and our pro-bono architect has completed the final drawings of the plan that has been worked out with the County, and gave the Board and attendees a preview of that plan. The group has applied to WA State for charitable organization status, and has also applied to the IRS for status for a 501(c) 3. They are now working with contractors for validating estimates on cost of construction to serve as the cost estimate to be used in grant applications across the County and with some national charitable organizations. Linda Bradley discussed a possible discrepancy on the named owners on a couple of missing lots from the list provided, presumably purchased by SVCA, but still showing the prior owner’s name. One of the lots also appears to be in arrears on property taxes. She provided the list and names to the General Manager for investigation and handling. Linda Tyler expressed her heartfelt thanks to the Board for declining the cell tower proposal. Carl Charbonneau came especially to thank President

June 28, 2010

Casey for having taken the time to come out to meet with him, walk around his property with Carl, giving them both an opportunity to address some of the concerns. He expressed appreciation for the time that Curt spent trying to resolve some of the conflict. He and his attorney are expecting to hear from our SVCA attorney. On July 1st he will be placing his dues into an escrow account until it can be determined what steps he will take next. He reiterated his appreciation for Curt's visit several times and hoped the situation can be resolved. President Casey thanked Carl for his comments and assured him that he had called on him on behalf of the Board, not just himself.

XI. BOARD MEMBER COMMENTS:

Director McGroddy offered, on behalf of the Board, congratulations and best wishes to two of our employees for a long and happy life together – Andrea D'Alessandro and Anthony Cavender, who were just recently married.

There being no further business the meeting was adjourned at 8:43 p.m.

Board approved _____ Date _____

**MINUTES OF THE SVCA BOARD OF DIRECTORS MEETING
MONDAY, JULY 26, 2010, IN THE DANCE BARN OF THE
COMMUNITY CENTER – 7:00 P.M.**

IN ATTENDANCE:

Curt Casey, President
Barbara Audley, Vice President
Georgia Allen, Secretary
Jo Jean Kos, Treasurer
Chuck McGroddy
Ben Brigham
Bob Almond
Clark Champion
Carol Bauman, ACC Representative

EXCUSED ABSENCES:

Laura Weide
Naomi Bunis, N&E Representative

STAFF IN ATTENDANCE:

Dave Wareing, General Manager
Andy Schwartz, Controller
Tim Newcomb, *Views* Staff

COMMUNITY MEMBERS IN ATTENDANCE: 75

VI. CALL TO ORDER:

President Casey called the meeting to order at 7:00 P.M.

II. ROLL CALL:

President Casey noted the excused absences of Naomi Bunis and Laura Weide.

III. ANNOUNCEMENTS:

IV. APPROVAL OF MINUTES:

Minutes of the June 15 Board Work Session were approved as written.
Minutes of the June 28, 2010 Regular Board Meeting were approved as amended.
Minutes of the June 30, Community Garden Agreement approved via Email.

V. GENERAL MANAGER'S REPORT HIGHLIGHTS:

General Manager, Dave Wareing, reviewed his report of July 23, 2010.

- A. **Delinquency Legal Action** – The first delinquent account cases came to trial on Thursday of this week. Of the original ten that were filed, one actually went to trial and resulted in a judgment in favor of the Association. The Association was also awarded default judgments in four other cases where the delinquent members failed to appear. Of the remaining five cases, two have been settled by full payments, two have been converted to Court approved payment plans and one is

still pending the locating of the delinquent member who has proved somewhat elusive. There are forty more cases that are set for trial later this year.

- B. **Budget Development** – The Administration is close to completion of the first draft of a proposed 2011 Operations Budget. The draft budget is based on cost projections by the department managers. The budget follows the budget development direction provided by the Board for 2010 to restore services, operations and amenities to the last approved budget level that was approved by the membership at the 2009 AGM. The cost to bring Association operations back up to even the 2010 approved standard is going to be substantial.
 - C. **Intense Project Focus** – The Maintenance Department is engaged in a series of special projects time and the full commitment of all maintenance staff. The Maintenance Manager is specifically focused on coordinating road paving, mailboxes, culvert sleeving, Marina renovations and Area Z Storage upgrades, just to mention a few projects. He and his staff are also struggling to complete a variety of smaller projects and complete the normal maintenance work as well.
 - D. **Only Major Parks Maintained** – Due to lack of summer staffing, Maintenance will only be mowing and maintaining major parks in the Valley. All maintenance projects and tasks have been prioritized by the Maintenance Manager. With the Maintenance department three workers short this summer, there are some things that we simply do not have the time, staff or money to do.
 - E. **Appointment of Deputy General Manager** - Architectural Control Manager, Anthony Cavender, has been designated as the Deputy General Manager to act on behalf of the General Manager in addressing administrative issues when the GM is absent or where circumstances dictate. This is not a new position, but simply the designation of an existing manager to take over as needed. There is no promotion or pay increase involved.
 - F. **Closure of Disc Golf Course** – The disc golf course was shut down for a number of reasons, including liability issues arising from a dangerous interface between the parking lot and Lake Louise Road, a lack of proper sanitary facilities, negative interactions with Association residents in the Campground, zoning requirements, very low percentage participation of Association members and an increasing demand on Association resources without a significant return to the Association or its members.
 - G. **Independence Day Celebration** – The Independence Day celebration went off without a hitch this year and was incredibly well received by the community. Bob Almond, Jo Jean Kos, Mac and Penny Carter and Russ Harlan joined the GM in the booth, providing excellent support. The GM was joined by a large number of community members early Sunday morning to clean up the Marina grounds and prepare the remains of the celebration for disposal by Maintenance.
 - H. **Community Garden** – The Administration and the Board worked together to facilitate the passage of a unanimous consent resolution that commits the Association's Community Garden space in Area Z to that use for the next five years. This commitment enables the Community Garden Group's coordinators to apply for specialty grants that may assist with funding for upgrades to the facility.
- Drain Grate Accident Report** – Early in the month, Administration received a report of a 12-year-old child being injured by a defective drain grate. An immediate inspection of the grate found it to be properly mounted and secure in base frame with no indication of any damage, malfunction or tampering. A request to meet with the reporting person and the child met with no response. The

grate has been secured against possible tampering in the future. The investigation of the incident remains open.

- I. **Reserve Study** – The Administration has received the preliminary draft Reserve Study Report from Reserve Associates and has been reading through it and working to reconcile it with the current Association documentation.
- J. **Dangerous Dog** – The Administration is in the process of designating the dog of a renter as a “dangerous dog” under the Association’s Nuisance Dog Rule. Such a declaration would require the dog to be permanently removed from the community, as its owner is either unwilling or unable to maintain proper control of it. The dog has reportedly chased and attempted to bite passersby, children walking to a park, construction workers and a Sudden Valley Security Officer.

VI. COMMITTEE REPORTS:

- A. **Executive Committee Minutes:** The Minutes of June 8, 2010 (pg. 21 of the Board pkt.) and 2 sets of Minutes for June 30, 2010 (pgs. 22-24 of the Board pkt.) were read aloud to the members present.
- B. **Finance Committee:** The Minutes of the Finance Committee of June 23rd were approved as corrected. There was only one motion regarding Training Funds. The General Manager requested approval for use of training funds. The Administration has identified the need for additional training for key managers and staff. The need for more training was highlighted during the operations review. The General Manager and Deputy General Manager require additional management certification by the CAI. Certain key personnel need training to comply with legal requirements. Training requests will be submitted to the President of the Board for approval before any funds are expended.

MOTION:

That the Board of Directors authorize the General Manager to spend an amount not to exceed \$6,000 for necessary training for the remainder of this budget year with the funds to come from the UDR. The Finance Committee recommended the not to exceed amount and I agree.

The motion was seconded. Director Champion expressed his support of training for the staff; however, he questioned the wisdom of taking the monies from the UDR. Controller Schwartz explained that there simply were no funds in Operations for this expense.

MOTION PASSED BY A VOTE OF 5 TO 2.

Treasurer, Jo Jean Kos, reported that dues payers are up just above 2900, with the non-dues-paying members down to 307, the lowest since December of 2009. Approximately \$94K in last year’s operating dues and \$40K capital funds have been collected so far this year. Also, the federal income tax refunds have been received – the 2007 refund was approximately \$35K, and the 2008 refund was approximately \$29K. The monies will re-deposited into the funds from which the taxes were paid.

- C. **Architectural Control.** AC Chair, Carol Bauman reported that we had another new construction approved this month. The Guidelines are still being finalized and she expects that they will be completely updated in August.
- D. **N&E Committee.** No report.
- E. **Communications.** Communications Chair, Curt Casey, reported that the Committee will be using a communications roadmap and checklist in preparation for the 2010 AGM, as well as utilizing some of the recommended media in the newly developed communications tool to convey timely, consistent and clear messages leading up to that meeting.

- F. Emergency Preparedness. No report in the absence of Laura Weide.
- G. Long Range Planning Committee. LRPC Chair, Barbara Audley, reported that the Committee is still working on the land use plan and hopes to have something to share in the next couple of weeks.
- H. Community Partnership Committee. Chair, Bob Almond stated there was nothing new to report.
- I. Document Review Commission. Naomi Bunis has been working to modify the documents for presentation to the Board and for review by the community.
- J. Mail Box Task Force. Everything is moving along well, and it looks like we will be using our long awaited clusterboxes around the first of September.

VIII. OLD BUSINESS:

- A. Coffee Shop Closure. The General Manager requested that the operation of the Coffee Shop be reduced to a minimum operation of just coffee, maybe some bottled juices and packaged cookies. It could be available at normal operation for special events that are sufficient to warrant operating the coffee shop as normal. Equipment will remain in place until such time as conditions have improved sufficiently to allow service to be restored to its prior level. The projected losses on the coffee shop, if allowed to remain open, could result in a loss of \$19K for the year, but will only be around \$14.5K by reducing the operation now.

MOTION:

That the Coffee Shop operation hours and services to be reduced to the minimum as outlined and recommended by the General Manager. The motion was seconded.

MOTION PASSED WITH ONE ABSTENTION

- B. Finance Task Force Recommendations. FCTF Chair, Clark Champion, began by informing the attendees that after several months of hard work, the Task Force has made and refined six recommendations. The recommendations have been further refined twice in the past month. These have now been put into motions which he read concurrently by first prefacing the rationale for each in its development.

PURPOSE: The purpose of this motion is to provide a specific mechanism to enhance the effectiveness of communications from the Board to the membership and from the membership to the Board, particularly as it relates to communications regarding Association finances.

MOTION No. 1:

That the SVCA Board shall adopt and implement the first part of Recommendation #6 as follows:

1. The Board shall schedule a live demonstration of the Task Force's Communication Planning Tool with Lee Langdon in order to fully appreciate its potential in enhancing two-way communications between Board and membership.
2. Following the live demonstration, the Association shall implement the first portion of the recommendation by stating all significant financial and other measures in readily understood language for the layman.
3. Any such financial or other significant measures shall be communicated to the membership in a timely manner and in accordance with provisions of the Communication Planning Tool created by TF member Lee Langdon.
4. It is understood that it may require some time to fully implement the use of this Communication Planning Tool; however the intent is that the process shall commence immediately and be fully implemented within one year.

The motion was seconded. Director Almond commented that this will take a lot of staff, the entire Board and members to implement. He supports the challenge, but we will all have to work at it. Director McGroddy fully supports anything that will help us in the area of communications, but hesitated approving something that we have not seen. President Casey assured him that he has seen and it is not difficult to understand. It is a spreadsheet that looks at: the message – the target audience – and the best channels (media) for reaching that audience, etc. Board Secretary Allen commented that she has looked at the tool and what is clear is that when seeking to reach a target audience the goal is to keep the message simple and clear – don't talk over people's heads or down to them – be brief, but specific. She looks forward to the formal presentation; however, is confident it will prove very useful and effective.

MOTION PASSED UNANIMOUSLY

PURPOSE: The purpose of this motion is to increase the Association's focus on financial planning and the role of the Association's Annual Budget by: expanding the budgeting process to include participation by the membership, providing a specific recommendation to re-format the Annual Budget in a more readily understandable and meaningful form, providing a Monthly Financial Report format that is directly compatible with the Annual Budget and facilitates comparison of Actual revenue/expense figures for the current month and year to date (YTD) to Budgeted revenues & expenses to the corresponding figures for the previous year.

MOTION NO. 2.

That the SVCA Board shall adopt and implement the second part of Recommendation #6 as follows:

1. The Board shall direct staff to implement the revised Sudden Valley Community Association Annual Budgeting Process, dated 7/21/10 attached hereto, which facilitates community participation at three different times in the budget planning process. The Budgeting Process as outlined shall be implemented for the 2011 Annual Budget, to the degree reasonably possible.
2. Two revised formats for the Annual Budget shall be developed by the staff and approved by the Board which are consistent with the intent stated in Recommendation #6 and its attachments. One format shall be a complete and detailed line item budget and the other shall be an abbreviated summary of the first. The complete budget shall be posted on the website and available to all members, while the summary format shall be published in the Views and distributed to all members in accordance with the Bylaws. The Annual Budget and the Summary shall both reflect the following data in a logical sequence: A. Budgeting Assumptions. B. For the current year; annual budget, budget YTD, actual figures YTD, and projected year end actual. C. Proposed Budget amount. D. Explanation of significant changes in budget from previous year. The 2011 Annual Budget should be completed in the new format by the end of 2010 with Monthly Reports in the new format beginning the first month of 2011.
3. A revised format for the Monthly P&L Statement of the Financial Report shall be developed by staff and approved by the Board to be compatible with the revised format of the Annual Budget. The revised Monthly P&L, and a Summary thereof shall include the following information in a form consistent with the Annual Budget: A. Data related to the current month including current month Budget, current month Actuals, and current month actuals from the previous year. B. YTD Data including previous year's YTD Actuals, YTD Budget, YTD Actuals, and current year's variance YTD. C. Current year's annual data including current year's annual budget, current year's projected Actual year end data, and previous year's Actual figures.

The motion was seconded. Director McGroddy inquired as to whether this was reasonable to accomplish, given that we are just beginning to utilize a new program and with all the other budgeting issues involved. Controller Schwartz said it was not, reiterating what he had indicated at the Work Session relative to being short staffed, just beginning a conversion, the audit, etc. Director Champion pointed out that many changes have been made to those motions in the hope of accommodating the conflicts stated and the flexibility to wait until the end of the year to get the program established. Director Brigham noted that the objective was clearly to make the entire process more transparent and he felt that the difficulties expressed were immaterial. Vice President Audley would like to see what the TOPS program puts out. It is used by multiple homeowners associations and she would like to see what their reports are like, to see if they provide the kinds of information that we are accustomed to getting now; and then decide whether it is a good format or not, and how we might have to tweak it. Director McGroddy is concerned that we are imposing requirements of the staff that they have already indicated they are not yet ready or able to meet. He agrees with the premise of the recommendation, but doesn't feel this is the time to mandate it. There being no further discussion, the

MOTION PASSED BY A VOTE OF 4 TO 2

PURPOSE: The purpose of this motion is to reduce Association spending regarding property taxes on essentially unbuildable residential lots currently owned by SVCA. A potential secondary purpose is the generate cash flow from possible lot sales and ongoing revenue from dues associated with lots which may become available for residential development. This "secondary purpose" is still being researched by the Task Force and at this time must remain pending

MOTION No. 3

That the SVCA Board shall adopt and implement the first part of TF Recommendation #7, generally in support of the Staff recommendation, as follows:

1. The Board shall direct staff to immediately commence on a course of action to have 14 lots owned by SVCA designated as Common Area green-space. The specific lots include the following Division/Lot Numbers: 2/24, 3/91, 3/99, 3/102, 5/95, 9/205, 15/1, 24/42, 24/44, 24/47, 24/48, 28/74, 28/76, 29/19. These lots have been identified as being among the "least buildable" of the 97 lots currently owned by SVCA.
2. The Board shall direct SVCA staff to expand the extensive report of the physical characteristics of the SVCA lots, to include actual and potential economic aspects of the lots, as suggested in Recommendation #7.
3. The Task Force is concluding its independent research into the Density Reduction Program and entire set of ramifications of the program. It is currently believed that SVCA may be able to sell some of the lots it owns for residential purposes, but this is the subject of ongoing research and shall be brought back to the board at a later date.

Director Brigham would like the motion to be modified by the removal of No. 2, as he doesn't feel that it is necessary to be considered at this point in time. After more discussion, Director Champion agreed to remove the language of No. 2 in the motion.

MOTION PASSED UNANIMOUSLY, AS AMENDED

PURPOSE: The purpose of this motion is to facilitate the recommendations provided by SVCA's Reserve Study Professionals by establishing a specific fund, the "Capital Repair and

Replacement Reserve Fund (CRRRF)", in which to save and conserve funds to be used only as needed in caring for our aging infrastructure. This fund shall coordinate with the Reserve Study and have highly restricted access established by SVCA policy. A secondary benefit to the Association will be a greater focus on the Association's Annual Budget.

MOTION No. 4.

That the SVCA Board shall adopt and implement Recommendation #8 as follows:

The Board shall:

- a. Shall adopt financial policies creating a "Capital Repair and Replacement Reserve Fund"(CRRRF). Access to any funds in the CRRRF shall be subject to the following requirements:
 - i. The CRRRF is strictly for major expenses defined as exceeding \$1000. And,
 - ii. The expenditure must be identified in the current or previous Annual budget, and also be either, A. specifically identified in the Associations current Reserve Study. or B. part of the existing infrastructure of SVCA. But CRRRF funds shall not be expended on new equipment or projects or significant expansions or improvements to existing amenities unless as a part of repair/replacement as scheduled in the Reserve Study. And,
 - iii. The expenditure of CRRRF funds typically requires advanced planning and should begin with budgeting the expense in the Annual Budget as it is prescribed (date and amount) in the Reserve Study. And,
 - iv. Request is initiated by the GM and shall be approved by Board Resolution. And,
 - v. Withdrawals from the CRRRF account shall require the signature of two officers of the Board, in addition to the formal Resolution.
- b. Approve the attached Resolution. And,
- c. Direct staff to:
 - i. Establish this CRRRF by a transfer of \$100 from the Current Capital Account.
 - ii. Establish a corresponding interest bearing account to hold all funds designated for the CRRRF, with signature requirements as noted above.
- d. It should be noted that this motion does not in any way effect the Density Reduction Funds, or the Road Reserve Fund, or any other current Association Reserve Funds.

The motion was seconded. Director McGroddy suggested an addition in paragraph "a. - ii." where it says any project must be scheduled in the Reserve Study. That doesn't cover a situation where we have an emergency replacement, of which we have had many. Director Champion responded it is covered in the Reserve Study or "B. part of the existing infrastructure..." The example used in the work session was the Austin Creek embankment repairs, and he feels the addition in "B." (above) addresses that concern and would allow it to be addressed in that way. That "B" provision allows the Association the flexibility to make a repair to something like the Austin Creek stream sides, even though that is not identified in the Reserve Study because it is ongoing part of the infrastructure the Valley. After comments by Vice President Audley re the amount of \$2,000 referenced in sentence (a.- i.), the language was corrected to read "\$1,000." Also, she expressed several concerns over the funding of the new account, and Director Champion agreed that the funding issue can be decided later, but the objective is to establish a fund that relates exclusively to the Reserve Study.

MOTION PASSED BY A VOTE OF 4 TO 2, AS AMENDED

PURPOSE: The purpose of this motion is to put a process into action that will involve extensive membership participation, facilitated by an independent professional and result in the creation of a Long-Term Strategic Plan for Sudden Valley which reflects the input and desires and goals of the membership. The goal is to develop a plan that will allow SV to evolve into the kind of community that will best serve the members. It may address Amenities, Dues, Services, Reserve Funding, Special Assessments, or any number of topics brought forward through the planning process. The TF has attached a Planning Guide which outlines a highly participatory planning process for community associations and is a part of this motion.

MOTION No. 5.

That the SVCA Board shall adopt and implement Recommendation #9 by appointing a new advisory Task Force of volunteers recruited to reflect the diversity of the SVCA membership in terms of age, sex, vocational background, home location, interests, etc. Selection of the Task Force, as with all other aspects of the planning process, shall be executed as described in the attached planning outline. The TF will be asked initially to review the "Sudden Valley Community Plan of 2004" and the current Vision and Mission Statements to help establish focus and avoid reinventing the wheel where possible.

It is strongly recommended that the group be facilitated by an independent professional and empowered to start at the most basic level of Strategic planning by identifying the Core Values of the Community. What values are, or should be, at the core of everything we do, what values are important to the families who live here? Honesty? Ethics? Frugality? Transparency? Respectfulness? What are the real basic values?

The process as outlined involves many opportunities for public comment and reaction, quick surveys, and may require many months to be effectively completed. Once approved by the Board it shall be incumbent on all of us to keep the plan alive and for our staff to maintain progress toward achieving the Plan's goals and objectives. This can be done via quarterly reports on progress made (not anticipated), and Strategic Plan review sessions every two to three years.

The motion was seconded. AC Chair Bauman questioned the need for an independent professional when we do not have the money to support it. Director Champion expressed his feelings that it is vital, in commencing such a process, that the facilitator be unbiased, or at the very least perceived as unbiased by the community. Mr. Champion noted that he is aware that many of us want things that we might not be able to afford, but we must get all the ideas out there and get feedback from the membership to know what is important and what is not important to them. We know, for instance, that the pools are of keen importance to many members of the community. This is clearer than something on a wish list. There are numerous things that can come out of this process that doesn't necessarily cost money to accomplish. There being no further discussion,

MOTION PASSED UNANIMOUSLY

PURPOSE: The purpose of this motion is to address two of the more critical issues affecting SVCA's long-term financial stability. They are also designed to encourage greater emphasis on financial planning and budgeting. One is to establish, for the first time, a Board spending limit on non-emergency, unbudgeted Association funds. This can be implemented by a Financial Policy, provided the mechanism for rescinding or amending Association Policies is strengthened. The third major issue is to modify SVCA's current requirement for 60% approval of any assessment

increase so that it is in compliance with the new Washington State law. It is the strong recommendation of the Task Force that all four of these issues be addressed in this one Motion, due to their interrelationships.

MOTION No. 6.

That the SVCA Board shall adopt and implement Recommendation #10 as follows:

1. The Board shall adopt a new Financial Policy (# _____) which shall restrict the spending of any Association funds for any reason that is unbudgeted, unless it is of a true emergency nature, to not exceed \$35,000. If an unbudgeted expense exceeding \$35,000, is deemed to be necessary by the Board, it shall be deferred for possible inclusion in the following year's budget, or it shall be put to a vote of the membership, with 50% plus one vote of those voting required to pass.
2. The Board shall commence action in concert with the Document Review Committee to amend the SVCA Bylaws in accordance with the specified amendment process. The nature of the amendment shall be as recommended by our Operations Review Consultant to eliminate the language in our Bylaws Article III, paragraph B, section 19, (a) and (b), which require a 60% approval of any adjustment to the amount of our dues or assessments. In its place, the amendment would add the language of Washington State Law RCW #64.38.025, 24.03 (3) which requires that the Board approve the Annual Budget and within 30 days is required to schedule a Budget Ratification Meeting for the membership. The Budget shall be ratified unless a majority of the owners in the Association reject the budget. In addition to the requirements of the State Law above, the Board shall adopt Policy mandating an additional requirement for the Association to conduct an informational Budget Hearing for the membership prior to the budget being submitted to the Board for its approval.

The motion was seconded. Discussion evolved around the pros and cons for the language in paragraph 2 (of an original 3) of this motion, and it was determined that the paragraph be deleted.

MOTION PASSED BY A VOTE OF 5 TO 1, AS AMENDED

President Casey again acknowledged and thanked the TF for the hard work and hours of labor that was expended to develop these recommendations. Director Champion echoed his thanks to the entire Task Force.

IX. NEW BUSINESS.

- A. Deer Feeding Ban. After discussion of the pros and cons for deer feeding, it was determined that the matter be tabled for further study and consideration at another time.

MOTION

That action on the proposal to ban deer feeding be tabled for further study and discussion at another time. The motion was seconded.

MOTION PASSED UNANIMOUSLY

- B. Overnight Parking – RVs/Trucks. The Association is frequently asked by members and visitors for permission to park larger vehicles, trailers, and/or equipment on the Association's parking lots at the Clubhouse, Barns and Marina. Permission is normally given with the issuance of a 72 hour parking pass. With the increase in such requests,

especially for large vehicles, it is becoming more reasonable to provide such parking for a fee, especially to persons from outside of the community.

The Administration proposed that the Board approve a fee of \$25 per night for overnight parking for visitors/guests/others on any of the Association's parking lots, especially those lots noted above. This would apply only to visitors who are neither members nor residents of the community. Members and residents will be provided a permit free of charge for 72 hours, with one 72 hour renewal for good reason. After the initial, or second, 72 hour period, members would be charged \$10 per night and non member residents/tenants would be charged \$15 per night. Overnight parking in the "park and ride" lot would be allowed for members and residents without charge, under normal conditions. Large vehicles, such as RVs and Trailers would be prohibited in park and ride lots.

MOTION

That the General Manager implement the fee structure outlined above, in the amounts stated, for overnight parking, recreational vehicles and trucks as soon as practicable.

The motion was seconded.

MOTION PASSED UNANIMOUSLY

C. August Work Session. The August Work Session is scheduled for Tuesday, August 10, 2010

- X. PROPERTY OWNER COMMENTS: Property Owner, Gayle Brightwell, read a statement chastising the Board on multiple fronts. Other members issues dealt with fiscal responsibility; queries about the new SVCA flyer and new signs that have been posted around the Valley; who to contact re security issues; and the serving of a petition to place a measure on the ballot in November that for financing the pools. The petition was presented to the Board Secretary. Director Brigham then made a motion that the Board accept the petition and place the measure on the November ballot. Both Vice President Audley and Director McGroddy indicated strong opposition to placing anything on the ballot that they had not had the opportunity to read. Director McGroddy raised a point of order indicating that this matter was not on our Agenda, and he did not believe it made sense, nor would it be legal for us to vote on it. He felt we were being rushed into approving something that we haven't even read and the whole purpose of Roberts Rules of Order that govern our procedure is to give the Board a chance to at least see what we are voting on. Director Brigham continued to press for the Board to accept the request. Director McGroddy stated it may be a good thing to have on the ballot, but until he has had the opportunity to read it and think about it, he has no way of answering the question as to the appropriateness of the request. President Casey assured all present that the Board would review the petition, and respond accordingly. Emotions ran high, and at times the discussion became raucous, rife with constant interruption. Remaining comments centered around the safety of certain roads and curves on Gate 28; comments on the use of the campgrounds; and the need to recognize that the Association's "financial blanket" has been stretched thin – it isn't going to cover much more. Moving the money around isn't going to generate more money. Most of the remaining comments were, as expected, tied to the pools closure and the frustrations attendant thereto.
- Y. BOARD MEMBER COMMENTS: Director Almond responded to a comment about the proposed library, assuring the speaker that the addition of a library in Sudden Valley is not an Association expense. The monies are being raised independently and will not be taken from the Association income.

July 26, 2010

Upon motion duly made, seconded and unanimously approved, the Board moved to Closed Session at 9:47p.m., after first availing themselves of a 5-minute break. The Board returned to open session at 10:10 p.m. and agreed to grant a merit raise of \$2/hour to an employee for extraordinary effort and exceptional performance on behalf of the Association.

There being no further business the meeting was adjourned at 10:12 p.m.

Board approved _____ Date _____

**MINUTES OF THE SPECIAL SVCA BOARD WORK SESSION
TUESDAY, SEPTEMBER 14, 2010, IN THE DANCE BARN
COMMUNITY CENTER - 7:00 P.M.**

IN ATTENDANCE:

Curt Casey, President
Barbara Audley, Vice President
Georgia Allen, Secretary
Jo Jean Kos, Treasurer
Bob Almond
Chuck McGroddy
Laura Weide
Carol Bauman, AC Chair
Naomi Bunis, N&E Chair

EXCUSED ABSENCES:

Ben Brigham
Clark Champion

STAFF IN ATTENDANCE:

Dave Wareing, General Manager
Andy Schwartz, Controller

COMMUNITY MEMBERS IN ATTENDANCE: 18

I. CALL TO ORDER:

President Casey called the meeting to order at 7:00 p.m.

II. ROLL CALL:

President Casey noted the excused absences of Ben Brigham and Clark Champion.

III. SOUND-OFF:

A. Harry Hodes – ACC Decisions. Mr. Hodes discussed his frustration with the ACC’s decision not to approve the use of an electric fence on his property. He also noted that the request had been made due to a difficult problem he and his wife have been experiencing with a tenant neighbor’s animals – primarily a couple of dogs and several cats – and their frustrating, fruitless efforts to acquire neighborly cooperation re the issue. The cats had become so accustomed to using the underside of their deck for a litter box that in his efforts to clean up under his deck, he contracted a lung infection that required hospitalization. They thought they could alleviate the problem by installing an “anti-animal” electric fence around their property, but in the end were informed that the ACC could not approve its being electrically charged, even though the voltage was not sufficient to cause injury – more due to the presence of children and for other safety concerns. The continuing deterioration between the Hodeses and their neighbors, however, has continued to escalate and has become increasingly unpleasant. General Manager, Dave Wareing, commented that he only

became involved in this situation about six months ago, and was not aware of it prior to that time. He has sought to reach a compromise between the property owner, the tenants and the Hodeses by encouraging all to work with one another for a reasonable solution. More recently, he has had a conversation with the homeowner, whose son and daughter-in-law are tenants. She would prefer that SVCA issue them with any citations, as she feels it is their problem, as tenants, and not hers. As property owner and landlord, she is responsible, however, and the behavior is simply not acceptable. The General Manager has directed the ACC Manager and Security Chief to work together on dealing with the problems raised. Citations are to be issued when the evidence is clear that the tenants have been responsible. He has also talked to attorney, Hugh Lewis, asking him to help us develop a rule for the Association that enables us to compel a property owner to expel unacceptable tenants. We have others in the Valley who are problem tenants, but currently do not have any way to deal with them, except on a per case, per issue basis. President Casey assured Mr. and Mrs. Hodes that the General Manager has this situation in front of him; and has the appropriate people working for a solution. The resolution is within the purview of the General Manager. He noted, too, that the Board has no authority over the ACC with respect to the conduct of their enforcement of the regulations. He asked AC Chair, Carol Bauman, to consider a re-review of the situation and a possible waiver on the electric fence, under the circumstances, at the next ACC meeting. Ms. Bauman agreed, even after having considered the situation twice and will go to the Committee again for another review. The General Manager will pursue an amicable resolution to this problem. Vice President Audley asked that the GM contact our attorney as soon as practicable for advice for dealing with situations involving uncooperative tenants.

- B. Aline Elie - Noise Resolution. Mrs. Elie, who lives at the top of Sudden Valley Drive, moved to the Valley three years ago with her two children, ages 11 and 12, viewing Sudden Valley as a great place to live and in which children could enjoy playing. She is surrounded by families like her own – also with children. These children, for no special reason other than for sheer enjoyment in playing, seem to drift into her yard most of the time – often resulting in 11-16 kids in her yard – and she has absolutely no objection to their choice of play site. During the summer months, she has often had Security at her door – as early as 8:00 - 8:30 p.m. – telling her that she is breaking a noise ordinance and she could be subject to fines. The children in her front yard vary in ages – anywhere from 4 to 12 years. This includes her own 2. She has been told that after 8:30, the noise has to stop, and pointing out that it was mid-summer, still very light out, and the group are only playing doesn't seem to matter - they are still too noisy, and she could still be subject to fines. The children were quieted, they continued to play, and the following day she checked on the specifics of this ordinance, unable to find any reference to 8:30 p.m. being the cut-off point on noise. The Security visits continued over the next two weekends with even less children in her front yard. Once again, when she wasn't even home, she was reported to Security as the source of the noise. Mrs. Elie is frustrated because she feels she is being harassed unnecessarily simply because the children choose to play in her yard, and she has no objection to their choice to do so. The General Manager

will look into the matter for the Elie family; and noted that he believes that Security may be confusing the hours reflected in ACC Section 14.7. 1 that are intended for construction hours of operation with Section 1.7 of the Rules and Regulations. He will, however, get in touch with the Chief of Security and find out what he can about the problem. President Casey thanked Mrs. Elie for bringing the matter to the attention of the Board.

IV. DISCUSSION ITEMS:

- A. Sudden Valley Library Proposal. Director McGroddy recused himself from this discussion. The General Manager reported that the Friends of the Library have expressed concern that if the dues increase fails and this failure were to result in closure of the Community Center, there would be no access for library patrons to the restrooms of the Center. They are, therefore, seeking additional space within the library to include the addition of restroom facilities. The proposal is to take the remaining space in the building for this purpose; however, the General Manager has mixed feelings on the proposal because this would take up space that the Association could use, and currently does use, in the course of operation. He recommended postponing any action on the request, pending further discussions, as there is no great urgency in making such a decision at this time. In response to a question, the General Manager said that the additional space amounts to approximately 1,200 sq. ft. and is currently being used for a variety of storage uses. Final decision will be held in abeyance for a later time.
- B. Board Self Evaluation. This matter is up for discussion in October; the president simply wanted to ensure that Board members responded as to their view of our level of achievement as to the goals set for 2010; and that there were no problems with the format used. Responses are due for the Work Session of October 12th.
- C. Budget Discussion. President Casey reflected on the different approach that was employed this year in developing the budget for 2011; the action of including the community in the discussions and seeking their input in the process. With the assistance/input from Director Champion, the president worked with Administrative Support, Alisyn Maggiora to develop a draft for a “budget calendar” that reflects commencement of the process in May of each year. It was presented for discussion with a view to establishing a policy on which we proceed annually, to include community involvement as the process evolves, and a final review by the community at a Town Hall. The draft will be posted on the website for review. Director McGroddy expressed his desire to see very early in the process, before we even draft a budget; and before departments have done their budgets, that we have gone to the members first to seek what they would like reflected in the budget. The input of our members before anything else is begun would encourage their taking some ownership in the process. President Casey feels many don’t fully understand what the process involves and the provision of a straw man version would allow members to see what is involved, comment on the process, and base their opinions on a fuller understanding of what must be considered during this process. Their involvement early in the process would be very beneficial. The method of developing the concept and member participation for maximum result is still under consideration. A suggestion was made on potential advantages to an early survey of the members prior

to beginning the process. President Casey asked that we take everything discussed under advisement and provide feedback on the process with a view to eliciting more community involvement in the process.

The next regular meeting of the Board will be September 27th at 7:00 p.m. in the Multi-Purpose Room.

Upon motion duly made and seconded the Board moved to go to closed session at 8:05 p.m. The Board returned to Open Session at 8:30 p.m... No action was taken.

There being no further business the meeting was adjourned at 8:31 p.m.

Board Approved _____ Date _____

**MINUTES OF THE SVCA BOARD OF DIRECTORS MEETING
MONDAY, SEPTEMBER 27, 2010, IN THE MULTIPURPOSE ROOM
COMMUNITY CENTER – 7:00 P.M.**

IN ATTENDANCE:

Curt Casey, President
Barbara Audley, Vice President
Georgia Allen, Secretary
Chuck McGroddy
Laura Weide
Bob Almond
Clark Champion
Carol Bauman, ACC Representative
Naomi Bunis, N&E Representative

EXCUSED ABSENCES:

Jo Jean Kos, Treasurer
Ben Brigham

STAFF IN ATTENDANCE:

Dave Wareing, General Manager
Andy Schwartz, Controller
Tim Newcomb, *Views* Staff

COMMUNITY MEMBERS IN ATTENDANCE: 12

- I. CALL TO ORDER:
President Casey called the meeting to order at 7:00 P.M.
- II. ROLL CALL:
President Casey noted the excused absences of Jo Jean Kos, Treasurer and Ben Brigham. Director, Bob Almond, acted as Treasurer Pro Tem in Jo Jean's absence.
- III. ANNOUNCEMENTS: None
- IV. APPROVAL OF MINUTES:
Minutes of the August 11, 2010 Board Work Session were approved as amended.
Minutes of the August 23, 2010 Regular Board Meeting were approved as amended.
Minutes of the August 30, 2010 Special Board Meeting were approved as amended.
- V. 2009 AUDIT REPORT: The Larson Gross representative reviewed the highlights of their report, dated September 16, 2010 with the Board. They issued a "clean, unqualified" report, which is what most desirable, deeming it as a special achievement for the Association.

MOTION:

That the 2009 Audit Report, as presented by Larson Gross, be accepted by the Board. The motion was seconded. Treasurer Pro-Tem, Bob Almond noted that the Finance Committee reviewed all the detail of this report and thanked everyone involved for all the

hard work and the support provided by SVCA staff. President Casey concurred and noted the outstanding result.

MOTION PASSED UNANIMOUSLY

VI. GENERAL MANAGER'S REPORT HIGHLIGHTS:

General Manager, Dave Wareing, reviewed his report of September 27, 2010.

- A. **Legal Review** – During the course of the month, a number of attorneys were consulted on behalf of the Association regarding a variety of matters, including such issues as compliance with the Washington Home Owner Association statute regarding the approval and funding of annual budgets; easement related issues; personnel related matters; protection and enforcement of the Association's trademarks and emblems; enforcement of rules with respect to renters, their landlords; and the wording of the measures for the upcoming Annual General Meeting.
- B. **Collections Letters Revised** – The letters the Association has been using to communicate with members regarding late payments and delinquent accounts have been closely reviewed and thoroughly revised. A number of members have complained that the initial letters were too "heavy-handed." Letters to be used from now on have been revised to be friendlier and more helpful to those who are late with a payment or who have fallen behind on their account. Long-term delinquents who fail to pay their fair share can still expect to end up in court with a judge telling them to pay up or else. The Association's collections efforts have proven to be very effective - in most cases, with a substantial amount of delinquent past dues being collected.
- C. **Fiber Optic Cable** – The GM engaged in discussions with the new general manager of the Lake Whatcom Water and Sewer District regarding a number of matters of mutual interest. One project that the District is working on that is of particular interest to the Association is that of a Fiber Optic Communications Network. The District is already pursuing this project, but there are beneficial synergies that can be had for both the District and the Association through some cooperative efforts. While no formal agreements have been made, there would be much good to be gained by both parties through close collaboration on this project. More discussion will be needed in the future.
- D. **Deer Feeding** – At this point, the problematic deer feeding that was occurring in the North Point neighborhood has been stopped by the family that was feeding the deer. We have a constructive understanding with the family and peace has been restored to that neighborhood. Other members are asking for help with problematic animal feeding operations elsewhere in the Valley. This is clearly an issue whose time has come. I will continue to urge that serious consideration be given to banning such activities in the future. The negative impacts and health risks to the neighbors of those who engage in deer feeding are substantial and outweigh any possible benefit to anyone.
- E. **Collections Legal Action** – The Association continues to be successful in its pursuit of collections actions and lawsuits. At this point, we have a 100% success rate in gaining judgments or payments in all cases where suits have been filed, which means that more members are paying their fair share of the cost of operating the Association for the benefit of the membership.
- F. **Mailbox Implementation** – According to the Postmaster, the final steps in the mailbox transition are moving quickly. The next important step in the mail delivery transition is for everyone to switch to their street address ASAP. It is time to drop the Rotunda address for good and only use the street address from now on. It is also critical that folks DO NOT initiate a formal "address change" to have their mail "forwarded" to their street address. It is important that everyone contact those people, businesses and

organizations they receive mail from, and want to continue to receive mail from, and change their address to their street address. Finally, everyone should continue checking the Rotunda mailboxes to make sure all mail is received. The USPS will notify everyone when they can stop checking the Rotunda boxes.

- G. **Sun Mark Property** – The Association will be relocating its canoe rack off of the Sun Mark property this week. Discussions with the current owner regarding the continued use of an easement across the Sun Mark property have been very positive and productive. While the owner has plans to create some upgrades to the property, she is still willing to support and facilitate access to the lake trail across her property. We will continue to work together as upgrades to the property are implemented.
- H. **Valley Coffee Barn** – The Valley Coffee Barn (VCB) case was recently heard in district court and adjudicated. The case involved a \$5,000 claim against the Association by the owners of the VCB. The Association disputed the claim and presented evidence and information in response. The Court’s ruling was favorable to the Association and only ruled that it should pay the VCB for a fair amount of the cost to build the roll-a-way cabinets using the Association’s cabinet bases. The amount determined by the Court was fully consistent with the amount of \$1,000 that had been offered as a final settlement before any mention of a suit. The Court’s judgment is precisely fair and equitable under the circumstances. Contacts with the owner of VCB have been positive, friendly and constructive and the final resolution of this matter has been amicable.
- I. **Marina Gate Incident** – Security cameras captured an incident at the Marina where a man was observed working to force the new launch gate open. While it was first believed that the person observed was attempting to gain unauthorized access, it was later determined that he was actually an authorized member whose card did not work. The problem has since been resolved and he now has access. The good news is that the camera system enabled Security officers to identify the person involved, so he could be contacted. The member was very positive and complimentary regarding the security upgrades that have been implemented. Other observers have reported a dramatic reduction in unauthorized use of the launch ramp since the new gate was installed.
- J. **Emergency Marina Phone** – The Emergency Phone will be installed during the first week in October. The communication lines were installed this week, with internal wiring being done this week as well. The communication lines will also include Internet connectivity that will help resolve a number of our wireless connectivity issue with security cameras and gate controls at the Marina.

VII. COMMITTEE REPORTS:

- A. Executive Committee: The Secretary read aloud the Executive Committee Minutes for September 14, 22 and 24, respectively, for the benefit of the attendees.
- B. Finance Committee: Treasurer Pro Tem, Bob Almond, reported that on September 22nd the Finance Committee spent a good portion of time listening to Larson Gross auditor, Jason Perry’s review of the 2009 audit.

There were 3 capital requests. The first one was for the purchase of a lot in Division 25, Lot 40 from the owner, who was proposing the sale of 3 lots. Lot 40 is environmentally challenged and the owner wants to sell the lot to pay future dues and assessments for other 2 lots that he owns in the Valley. The said 2 lots are buildable. Appraisals have been procured.

MOTION:

As requested by the General Manager and reviewed and recommended by the Finance Committee, that the Board of Directors approve an expenditure, not to exceed the appraised value of \$3,500 from the member Density Reduction Fund, to purchase the member's undeveloped and environmentally challenged lot in Division 25, Lot 40; the funds to be placed in an escrow account for the payment of future dues and assessments that may be owed by the owner.

Treasurer's Recommendation: The Finance Committee recommended the not to exceed amount and I agree, and so move. The motion was seconded.

MOTION PASSED UNANIMOUSLY

MOTION:

As requested by the General Manager and reviewed and recommended by the Finance Committee, that the Board of Directors approve an expenditure, not to exceed \$1,500 from the Major Repair and Replacement Capital Reserve, for the purchase of large capacity (5GB) computer back-up tape cartridges to provide adequate back up capacity for the Association's servers.

Treasurer's Recommendation: The Finance Committee recommended the not to exceed amount and I agree, and so move. The motion was seconded.

MOTION PASSED UNANIMOUSLY

MOTION:

As requested by the SVCA General Manager and reviewed and recommended by the Finance Committee, that the Board of Directors approve an expenditure, not to exceed \$5,000 from the Major Repair and Replacement Capital Reserve, for the purchase of two computer systems for the Accounting Department.

Treasurer's Recommendation: The Finance Committee recommended the not to exceed amount and I agree, and so move. The motion was seconded.

MOTION PASSED UNANIMOUSLY

Controller, Andy Schwartz, made a few comments on the audit report, and noted that the complete report will be posted on the website. As to the financials, he noted that collections were being successfully realized, thanks to Sean's efforts. The dues payer report was not in the packet as the accounting department has encountered some glitches in preparing this one, but it will again be available when the problems have been resolved. On a gross basis, we are about 2,925 dues payers in August; the numbers haven't been separated between developed and undeveloped lots. We're running about a 91% return on our billable lots. All who are over 90 days now on their dues have received letters; and the reality of collection efforts being on the verge of becoming more serious usually results in about 75% of those accounts being paid – even as late as the night before trial. Payment arrangements at that point, however, must be by automatic withdrawal, and no longer by check. Sean deserves a lot of credit for his achievements and for his ability to tolerate things that others would not like to experience. The computers that are to be purchased for Accounting will allow for much more efficient record keeping. In spite of the shortfalls in Golf (due to rain) and the Marina, we are still \$47K ahead of Budget – again, thanks to Sean's diligence.

- C. Architectural Control. AC Chair, Carol Bauman, reported a year-to-date total in new construction at 12. She also reported on the resignation of 12-year veteran, Berry Fox, from the ACC Committee. He has, however, stated his possible desire to return to the committee after a year's respite. She will be seeking the aid of the N&E Committee to replace Mr. Fox and two others, as ACC will be losing 3 members this year and wants to begin a search as soon as possible - for replacements and for training.
- D. N&E Committee. N&E Chair, Naomi Bunis, reported that all the AGM materials are at the printer's - a major accomplishment, giving all credit to the efforts of Office Manager, Barbara Parker. She has been enormously helpful, and is now creating a template for N&E that will provide a standard format for the process for every year going forward. Mailing of the AGM voting packets will be on time, as required. In response to a query by Mailbox Task Force Chair, Laura Weide, Ms. Bunis assured her that any members who, because of the transition from Rotunda to cluster box address delivery, fail to receive their voting packets, those members may go to Administration to obtain replacements.
- E. Communications. Communications Chair, Curt Casey, reported that the Committee has had a busy month participating in AGM participation efforts - calling, emailing, creating flyers, etc. Director McGroddy's statement on his views re our ballot measures has been circulated as well. We are trying to implement the model of Lee Langdon's Communication Plan and to simply emphasize the need for members to get out and vote. We are soliciting the assistance of members to assist in the effort to get that message out. President Casey has been visiting and speaking to various Valley clubs - Women's Club, Golf Club, Garden Club, etc. - to further spread this critical need.
- F. Emergency Preparedness. Chair, Laura Weide, reported that members, Bill Audley and Chuck McGroddy, are working on setting up the 4-wheel drivers' pool of volunteers to assist this winter during bad weather. Also, the Red Cross has asked for a grant to allow us to purchase equipment to be stored here for placement in a Sudden Valley shelter. Chuck McGroddy has been following up with the Red Cross regularly to ensure that they understand the seriousness of our interest in a shelter, and that their original agreement with us is fulfilled. Articles will appear in the *Views* re emergency preparations for our citizens.
- G. Long Range Planning Committee. Committee Chair, Barbara Audley, reported that this committee met in September and reviewed the information provided by member, Curry Miles, on the potential uses of some of the undeveloped land in the Valley. They will be meeting again in about two weeks to look at updating the development policies, bringing them up to date with what is occurring in the County, etc.

MOTION:

That the Committee accept the resignation of Wendy Wall, who has resigned from the Long Range Planning Committee, due to the pressures of business. The motion was seconded.

MOTION PASSED UNANIMOUSLY

Mrs. Audley noted that Ms. Wall's participation had been very much appreciated, and that her involvement will be missed.

- H. Community Partnership Committee. - No report.
- I. Document Review Commission. Commission Chair, Naomi Bunis, noted that the Commission has finished for this year.
- J. Mail Box Task Force. Chair, Laura Weide, noted that the Task Force recently met to discuss issues they feel still need to be addressed and sought the Board's direction in this

regard. Would the Board like the Task Force to disband and leave everything else to the GM? Things that need resolution include:

- Striping of the parking areas
- Any draining corrections, where necessary
- A ribbon-cutting event is still on the drawing board for November 5, but is currently being held in abeyance until the Board decides what it wants the TF to do.
- Potential installation of super-sized parcel boxes for Gates 2 and 5, to provide those gates with the same benefits as the other gates.
- Some grouting still remains to be done
- Potential decommissioning or repurposing of the Rotunda

Vice President Audley feels that some of these items still fall under the umbrella of the Task Force's purpose; however the repurposing of the Rotunda should probably be an item for later discussion and action. The GM has also discussed the remaining items with Maintenance Manager, Bruce Bishop, who feels that Maintenance can handle the remaining items without difficulty – that what remains are things that would fall to that department anyway. Director McGroddy asked for a status on the mailbox fund. There are still bills and costs coming for the installation of the remaining boxes.

MOTION

That the Board thank the Mail Box Task Force for an outstanding job in bringing to a close a four-year project that had been badly stalled before they became involved; and that the remaining details be left to Administration to complete. The motion was seconded.

Secretary Allen suggested a extra-special thanks to the Task Force for the inordinate amount of effort and hours expended on bringing this project to its final conclusion. There simply aren't enough thanks to give for their extraordinary efforts. The GM added that he felt they had taken planning to a much higher level that we have seen heretofore.

MOTION PASSED UNANIMOUSLY

VIII. OLD BUSINESS:

- A. Friends of the Sudden Valley Library Request. Director McGroddy recused himself from the discussion. As was discussed at the Work Session, the Friends of the SV Library are concerned that if the Association is not in a position to open the Community Center, they would be in a position where library patrons would not have access to restrooms, and asked for extra square footage for the purpose of installing their own. Apparently, they are not, as originally posed, seeking the remaining space for this purpose, but rather just another section of floorspace – about 1,200 sq.ft. One added proposal suggested by the GM was the possible addition of 2 more meeting rooms that would accommodate both library patrons as well as SVCA members. Before proceeding further, however, the GM would like to consult with attorney, Phil Sharpe, about drafting a contract between the parties. He would like the matter tabled for now.

MOTION:

That we table the matter until the next Work Session in the hope that we will have a draft of contract from Phil for review at that time. The motion was seconded.

MOTION PASSED UNANIMOUSLY

IX NEW BUSINESS:

- A. ACD Deposit Release Request. The GM reported that we have been asked by one of our builders for consideration of a request to release construction fee and deposit.

Background – In 2008, long-time builder and Sudden Valley owner, Robyn Karlson of Karlson Homes Inc, cleared the lot at 35 Deer Run Lane (D16/L86) to build a new house. At that time, both the \$3,500 SVCA permit and a \$1,500 refundable completion deposit were paid by Karlson. Ultimately, the construction loan fell through and the project was put on hold. The lot has been properly prepared for winter rains and is stable.

Mr. Karlson currently owns five (5) properties within Sudden Valley and at this point is current on each one. However, due to the economy, he has not sold a home in two years; last year his business incurred a \$22,000 loss. Mr. Karlson has lived in Sudden Valley and worked with the ACC and ACD for 20 years, through which he has maintained a positive working relationship with the Committee, staff and remained consistently current on his dues.

Request – Mr. Karlson is requesting the refund of both the permit fee and the deposit. He says that he would apply any amount that is returned to current or future dues on each of his properties until his financial situation improves.

Recommendation – The Administration recommends to the Board that the \$1,500.00 completion deposit be released and applied to future dues per the request of Mr. Karlson. It is further recommended that the permit fee be frozen in place for future construction, but not released or returned either in full or as a percentage.

MOTION

That the \$1,500.00 completion deposit, plus one-half of the permit fee - \$1,750.00, for a total of \$3,250 - be released and applied to future dues per the request of Mr. Karlson. The motion was seconded.

If and when Mr. Karlson's situation improves, he will be expected to pay the difference between the original \$3,500 SVCA permit fee and the current permit fee of \$5,000.

MOTION PASSED UNANIMOUSLY

- B. Meeting. The next Board Work Session will be held Tuesday, October 12th.

- X. PROPERTY OWNER COMMENTS: Comments by property owners centered around the clarity and ease of understanding of our Budget document; continued issues by a long-time member regarding issues he has brought before several Boards re his property and problems associated with that property – more specifically, with water issues. He is still seeking relief from these problems; our attorney and his attorney are working on the issue and the documents provided by our member will be referred to our attorney for handling. Comments were also made regarding the visit of our HOA counsel, Hugh Lewis, at the previous day's Town Hall meeting, and his comments regarding Measure 3 – the Bylaws change. The Board was thanked for the opportunity to learn more about the measure before the Valley and for a better understanding of the need for compliance with the WA RCW. The Board was also asked to consider a time limit on deciding the fate of

the Rotunda. Some of the boxes in that building are to be removed by the Postal Service, but a date certain for their removal has yet to be determined.

XI. BOARD MEMBER COMMENTS:

Director Almond thanked Barbara Audley for doing a fine job as moderator of the Town Hall meeting at the Barn.

Upon motion duly made, seconded and unanimously approved, the Board moved to go into Closed Session at 8:26 p.m. to discuss personnel issues, and returned to open session at 9:12 p.m. No action was taken.

There being no further business the meeting was adjourned at 9:13 p.m.

Board approved _____ Date _____

**MINUTES OF THE SPECIAL SVCA BOARD WORK SESSION
TUESDAY, OCTOBER 12, 2010, IN THE DANCE BARN
COMMUNITY CENTER - 7:00 P.M.**

IN ATTENDANCE:

Curt Casey, President
Barbara Audley, Vice President
Jo Jean Kos, Treasurer
Clark Champion
Chuck McGroddy
Bob Almond
Carol Bauman, AC Chair
Naomi Bunis, N&E Chair

EXCUSED ABSENCES:

Ben Brigham
Laura Weide
Georgia Allen, Secretary

STAFF IN ATTENDANCE:

Dave Wareing, General Manager
Andy Schwartz, Controller

COMMUNITY MEMBERS IN ATTENDANCE:

I. CALL TO ORDER:

President Casey called the meeting to order at 7:00 p.m.

II. ROLL CALL:

President Casey noted the excused absences of Laura Weide, Ben Brigham and Georgia Allen, who was ill. Director McGroddy kindly offered to act as recording secretary.

III. SOUND-OFF: There were no speakers scheduled for this work session.

IV. DISCUSSION ITEMS:

- A. Friends of the Sudden Valley Library. The board discussed the proposal of the Friends of the Sudden Valley Library and felt that more information was required. Dave reported that he had directed the Association's attorney to prepare a memorandum of understanding for further discussion. Director McGroddy reported that the Friends have received tax exempt status under IRC 501 C 3.
- B. Goal Setting Discussion for 2011. A general discussion of goals for next year followed. Goals mentioned included reserve study policies, as well as implementation of Carver method. Ideas for goals are to be sent to the president for discussion at the next regular meeting.

C. Budget. The proposed budget process was reviewed and will be brought to the next regularly scheduled Board meeting for adoption.

Upon motion duly made and seconded the Board moved to go to closed session at 7:40 p.m. to discuss legal matters. The Board returned to Open Session at 8:12 p.m. and reported that it had discussed potential litigation and advice from its attorney.

There being no further business the meeting was adjourned at 8:13 p.m.

Board Approved _____ Date _____

**MINUTES OF THE SVCA BOARD OF DIRECTORS MEETING
MONDAY, OCTOBER 25, 2010, IN THE MULTIPURPOSE ROOM
COMMUNITY CENTER – 7:00 P.M.**

IN ATTENDANCE:

Curt Casey, President
Barbara Audley, Vice President
Georgia Allen, Secretary
Jo Jean Kos, Treasurer
Ben Brigham
Bob Almond
Clark Champion
Naomi Bunis, N&E Representative

EXCUSED ABSENCES:

Chuck McGroddy
Laura Weide
Carol Bauman, ACC Representative

STAFF IN ATTENDANCE:

Dave Wareing, General Manager
Andy Schwartz, Controller
Tim Newcomb, *Views* Staff

COMMUNITY MEMBERS IN ATTENDANCE: 11

VI. CALL TO ORDER:

President Casey called the meeting to order at 7:00 P.M.

II. ROLL CALL:

President Casey noted the excused absences of Chuck McGroddy, Laura Weide and Carol Bauman.

III. ANNOUNCEMENTS:

President Casey noted the addition of a report by the Reserve Fund Task Force to the Reports segment of the meeting, as well as the proposed name change for the Architectural Control Department under New Business.

He further noted that several items had been proposed in a Consent Agenda previously forwarded to the Board for review, consisting of a list of rescinded SVCA policies.

IV. APPROVAL OF MINUTES:

Minutes of the September 14, 2010 Board Work Session were approved as amended.
Minutes of the September 27, 2010 Regular Board Meeting were approved as amended.

V. GENERAL MANAGER'S REPORT HIGHLIGHTS:

General Manager Dave Wareing gave an oral review of his report of October 25, 2010, shown below.

A. **Lake Whatcom Policy Group** – ACD staff and I met with the Lake Whatcom Policy

Group at the Whatcom County Civic Center Building to participate in a discussion focused on land preservation and watershed protection. As a primary participant, I presented information regarding the Density Reduction program's positive past contribution to the reduction of density and development in the watershed. I also explained the high ongoing cost of density reduction within the community and the cost of continuing the program in the future. The Association was lauded for its progressive storm water runoff management strategies. The Sudden Valley community has an important stewardship role to play in the protection of the watershed in the future.

- B. **Collections Legal Action** – We have begun to roll up and convert select District Court collection judgments to Superior Court judgments. The cases involve delinquent members who continue to be unresponsive to our attempts to collect back dues. These cases are also being forwarded on to the Association's corporate attorneys for advanced legal collections action, including garnishments of wages and bank accounts. Converting to Superior Court judgments place a ten-year lien against the property until the judgment is satisfied. Superior Court judgments and the property lien also show up on credit reports. Again, this level of special legal action is reserved for the most resistant delinquencies.
- C. **Court Case Resolved** – The 2006 court case of David Mann versus the Association has been settled. The case involved injuries Mr. Mann sustained when a tree fell from Association property onto his pickup truck as he was traveling on Lake Whatcom Blvd during high winds. The case was handled by an insurance carrier at no additional cost to the Association. Damage caused by falling trees is deemed to be an act of nature.
- D. **Shuffling Canoe Rack** – We have been attempting to find a final site for our Lake Louise canoe rack. The rack was removed from Sun Mark property to another location that was believed to be Association property. We have been contacted by a member who believes the rack is now located on her property. A review of ownership and easement records, as well as plat and survey maps, proved inconclusive. We will either survey the land in question or move it to a less desirable Association property.
- E. **Posting of Unapproved Signs** – Received complaints of unapproved signs being posted in the community in violation of the Association's restrictive covenants and policy. Posting parties believed the signs were protected as political signs, per state statute. Association attorneys were consulted regarding status of AGM measure signs. The attorneys advised the state statute did not apply, as the statute was focused on public government elections and not private corporation votes and signs. The Security Department contacted members who complied and removed the signs. Photo documentation of relevant signs has been gathered.
- F. **Continuing Security Upgrades at Marina** – With the installation of the emergency phone at the Marina, the camera surveillance system can now be further upgraded. The upgrade will provide better coverage of the Marina and greater resolution to enhance detail of violations and violators. Security systems providers will be installing necessary upgrades to ensure the enhanced performance that is desired and needed.
- G. **Windward Parking Area** – The Maintenance Department recently completed a number of appropriate upgrades to a shared parking area needed to address certain ongoing drainage concerns. A curtain drain was installed along the roadway, a catch basin drain grate was raised to ground level and a drainage culvert was rerouted to ensure storm water runoff is not channeled onto a sensitive lot. A related claim that the Association owns the parking area involved, as a result of the 1977 class action settlement, was determined to be incorrect. The Association does not own the property in question.
- H. **Mailbox Transition** – The Postal Service is working to see all active mail delivery to the

Rotunda Mail Building cease, as of the 29th of October. This will enable the final transition to the cluster box units. The transition has been impeded by slow updating of new street addresses by the Postal Service in Everett and by businesses and organizations. Some members have also not asked their correspondents to note the change in addressing, which has also slowed the transition. The Postal Service will be doing another major address update at the end of next week, which should ensure that all companies, organizations and governments will have confirmation of the new physical addresses. The Postal authorities here locally have done a splendid job and have been very empathetic to our concerns and needs. We are working closely with the Postmaster to ensure that important mail gets to where it needs to go. The project is nearing completion with most Valley residents enjoying a full and complete transition.

- I. **TOPS Updating** – The new TOPS financial system is being programmed with as much member and lot-specific information as we are able to upload into the system. Once the system is fully populated with appropriate information, we will be able to access relevant property information in one place through the TOPS system. This, along with our efforts to continually digitize information and documents, will make important information more easily accessed and available, to the benefit of the Association and its members.
- J. **Whatcom County Library** – Curt Casey and I met with the Association's corporate attorney, along with representatives of the Friends of the Sudden Valley Library, to review the reasonable steps necessary for a County library facility to be sited in the Middle Barn. Several steps were identified that would have to be addressed before the project could be approved for actual implementation. It is projected that the project would require significant fundraising and any construction would likely not begin for two to three years. The Friends of the SV Library have been granted 503 C.3. tax-exempt status and will continue to explore their options. A letter of agreement will be developed as the process continues to establish the understanding of the parties involved. Formal agreements will be developed at a later date, when the project is prepared to launch.

VI. COMMITTEE REPORTS:

- A. Executive Committee Minutes: The Minutes of October 20, 2010 were read aloud to the members present.
- B. Finance Committee: The Treasurer Jo Jean Kos noted the Minutes for the September 22nd meeting were approved as modified and the draft Minutes for October 20 had been provided on pages 16 and 17 of the Board packet. There were four Treasurer's motions presented.
 1. **Wireless Microphones:** It is proposed that the Association purchase five (5) wireless microphones for use at town halls, annual general meetings and other Association events. Five of the new generation digital units would provide for a much quicker set up and more reliable sound service than is the norm now. The cost of the Line 6 digital wireless microphones is \$300 each for a total cost of \$1,500, plus \$127.50 sales tax, for a total of \$1,627.50.

Treasurer's Recommendation: The Finance Committee recommends the approval of the expenditure of not more than \$1,700.00 for the purchase of five Line 6 digital wireless microphones, with the funds coming from the MR&R, I agree and so move.

MOTION 1:

That the Board authorize the General Manager to spend not more than \$1,700.00 for the purchase of five (5) Line 6 digital wireless microphones, with the funds to come from the MR&R.

The motion was seconded. There was no discussion.

MOTION PASSED BY A VOTE OF 5 TO 1

2. **Golf Cart Repair:** The transmission housing on a Yamaha golf cart was damaged causing the oil to drain out and the differential and transmission to fail. Repair or replacing the damaged parts is required to fully repair the cart and return it to operation. The damage sustained by the cart may be due to rough areas on the cart paths, people occasionally riding on the rear of the cart or the design of the Yamaha carts.

Treasurer's Recommendation: The Finance Committee recommends the approval of the expenditure of not more than \$1,500.00 to repair the golf cart with funds coming from the MR&R, I agree and so move.

MOTION 2:

That the General Manager be authorized to spend not more the \$1,500.00 to repair the Yamaha golf cart, with funds to come from the MR&R.

The motion was seconded and discussion followed. It will be cheaper to repair the transmission than to replace the cart. We aren't in a position to buy new carts as yet. Controller Schwartz pointed out, that given the current financial restraints, it is unlikely we will be in a position to buy any new carts next year, and do not have enough as it is.

MOTION PASSED UNANIMOUSLY

3. **Road Safety Painting:** The Security Chief and Maintenance Manager evaluated the roads this year and determined that center line (yellow) and fog line (white) striping was sufficient for 2010. Both managers recommended a number of road safety markings that need to be addressed this year and provided appropriate documentation of the work that needs to be completed.

Treasurer's Recommendation: The Finance Committee recommends the approval of the expenditure of not more than \$11,000.00 for completion of the road safety painting for the 2010 calendar year with the funds allocated from the Road Reserve, I agree and so move.

MOTION 3:

That the General Manager be authorized to spend not more than \$11,000.00 for completion of the road safety painting for the 2010 calendar year with the funds allocated from the Road Reserve.

The motion was seconded and discussion followed. The General Manager noted that getting it done may already be too late to complete this year. The contractors have been busy; however, there is a shortage of paint. The County is also having difficulty in acquiring paint.

MOTION PASSED UNANIMOUSLY

MOTION 4:

That the Board approve the removal of Finance Committee member N. Furnari be removed as a Finance Committee member because he has not attended a meeting since his appointment to the committee.

The Motion was seconded. There was no discussion.

MOTION PASSED UNANIMOUSLY

At the request of the Treasurer, Controller Andy Schwartz reviewed the financial statements with for the Board. This was the first quarterly report generated by TOPS; The Controller complimented his staff for their hard work and achievement in getting through a massive conversion with minimal impact to getting things done.

President Casey, speaking for the Board, complimented the Controller, his staff, Finance, as well as to the GM and his staff for adhering to the Spending Plan, staying under the Budget, and being able to generate revenue through the collections process that heretofore was almost written off. Treasurer Kos added that the Finance Committee wished to extend their appreciation to the Accounting Dept. – John, Erin and Gil – for their efforts in getting the accounting software converted to the new TOPS software. The new financial reports will be very helpful in monitoring the Association’s funds; and their effort in getting all the detail work accomplished is greatly appreciated.

- C. Architectural Control. No report this month.
- D. N&E Committee. Chair Naomi Bunis was pleased to report that to date everything related to the upcoming AGM has worked in accordance with the new Elections Manual. Things are going very smoothly. Administration has taken on a large piece of the load by registering the ballots as they come in. There will be a list of members to be called to remind them that if they wish to vote, they need to come in and become current with their dues. A training session has been set up by Dave Scott and the issue affecting lot owners who didn’t get their ballots, due to the new mailbox situation, has been resolved to the best of our ability. An issue has arisen over the withdrawal of Preston Burris after the ballots were at the printer’s. People want to know what happens if he should win a seat on the Board. The process will require that he then withdraw and the vacancy on the Board will be handled as any Board vacancy is handled. Applications will be accepted and vetted first by N&E, and potential candidates will then be interviewed by the Board and a replacement selected to serve until the 2011 AGM.
- E. Communications. Chair Curt Casey reported recent focus has been on the upcoming AGM by developing flyers for handouts; using telephone trees to call to other states where some lot owners currently reside to encourage them to exercise their votes; addressing various Valley clubs; and utilizing every opportunity to meet our residents and answer questions. We have utilized the gate signs, email blasts, and any other available means to get the message out to the Valley. He again thanked Barbara Audley for her work in conducting and fielding questions at both Town Hall Meetings.
- F. Emergency Preparedness. The committee has tabled meetings for the next couple of months.
- G. Long Range Planning Committee. Chair Barbara Audley stated that the Committee has continued to work on the non-residential land use analysis and attendant development policies. They are close to the end and hope to be able to report on the subject by the end of the year.
- H. Community Partnership Committee. Nothing new to report.

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- I. Document Review Commission. President Casey asked if there were any objections to the Consent Agenda of October 25, 2010 (pg. 34 of the pkt.). Hearing none, the Consent Agenda was adopted. Chair Naomi Bunis stated that with this action we now have in the neighborhood of 40+/- active policies. The next step will require a review by the Board as to whether there is still a need for, use for or desire to retain the remaining policies. The next step will be to decide if there are new policies needed that have yet to be developed. The formatting of policies will be a discussion item later on in the process.
- J. Reserve Fund Task Force. Chair Penny Carter asked to give a brief summary of the activities of this new Task Force. She noted the Task Force is on track to bring forth a proposal no later than January 5th that will reflect what they have learned about the Capital Reserve Study was done and what recommendations they have for funding. The Board has received a copy from the Task Force on the purpose and objectives of the Task Force. They are currently meeting almost weekly. Penny will provide another update to the Board next month as well.

VII. OLD BUSINESS:
Budget Schedule Adoption.

MOTION:

That the Board accept the proposed REV2 Budget Planning Schedule of 9/8/10(incorporating membership participation into the budget development process) to be used in future budgeting years, as the Sudden Valley Community Association Budgeting Process.

The Motion was seconded. There was no further discussion.

MOTION PASSED UNANIMOUSLY.

For clarification, the abbreviation "NLT" on the schedule means "No Later Than."

VIII. NEW BUSINESS:

- A. 2011 Board Goals – First Review. President Casey noted that the thrust of these goals is to give us (the Board) a purpose of focus and vision of what we want to see done. This was first introduced in March of this year to develop and implement comprehensive policies involving governance that includes Finance, Personnel and Board policy governing Board and General Manager objectives and performance evaluation. These have all been met. Other goals met during 2010 were the streamlining of Board and Administrative staff processes; development of a policy on Task Forces and Commissions; development of a new Elections Manual by the N&E Committee; reviewed and drafted an update to the Bylaws; and development of cohesive and communications for disseminating information to the community. We made some good progress for this year.

Vice President Audley, at the request of Curt Casey, summarized data gathered from various Board members on proposed ideas for 2011 goals, as a last action by the current Board, and to become a first item for consideration by the incoming Board, for editing and/or adoption. The items proposed consisted of the following:

1. Implement a Strategic Planning Process.
2. Reconcile Sudden Valley Community Association documents/bylaws with RCW 68.34, the Washington State Homeowners Association Act.
3. Update Sudden Valley Community Association policies.

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4. Review and implement recommendations of the Reserve Study Task Force.
5. Review and implement recommendations of the Non-residential Land Use Study.
6. Establish a Community Advisory Board with a formal charter.

Document Review Chair Naomi Bunis told the Board that they will be asked to decide the extent of any proposed bylaw reconciliation; i.e., whether it will be a full rewrite, or one that seeks to target just those sections where our Bylaws do not conform, because it will be a significant effort, and needs careful consideration by the incoming Board before commencing the task. Ms. Bunis suggested that the Document Review Committee be extended at the next Board meeting to pursue this issue in a logical manner. Mrs. Audley reiterated that the process will be to first bring these suggested goals to the new Board for consideration and action and then address the issue.

- B. AGM Committee Reports. This item was just to remind all committee chairs of the necessity for them to develop an annual report to be shared with the membership at the upcoming AGM. The president and General Manager will also be required to give their reports.
- C. Department Name Change. The Secretary made a motion to adopt a recommendation that was made during our review of the JHJ study that suggested changing the name of the Architectural Control Department (ACD) to more accurately reflect the scope of their function.

MOTION:

That the name of the Architectural Control Department be changed to Community Development and Environmental Affairs.

The motion was seconded and discussion followed. An article will be written for inclusion in the *Views* to clarify for the community. Naomi Bunis is working on the article for the next issue of the *Views*.

MOTION PASSED UNANIMOUSLY

- D. Meetings. The next Work Session is Tuesday, November 9, and the tentative dates for the November/December Board meetings are November 29 and December 13, respectively.

X. PROPERTY OWNER COMMENTS:

Linda Bradley commented on data she had found in prior audit reports on resort income realized between 1991 and 1994, and the discrepancy between amounts that have been reported as received versus the amounts reflected in the audit reports. Mrs. Bradley provided the Board with copies of her findings. Penny Carter pointed out that the “dissolved” Mail Box Task Force is still very much involved with Dave and the Post Office on issues that have recently arisen. Penny also wanted to touch on a subject that may already have been addressed by Laura Weide, but she wanted ensure that the all staff was properly acknowledged for their contributions and efforts in providing assistance during the Task Force’s pursuit of its goals. She noted, in particular, the effort and creativity of the maintenance staff in their contribution to the process of developing the oversized boxes for installation with the cluster boxes. Bruce Bishop gave an extraordinary amount of hours to support the Task Force; Kaci Radcliffe, who works for ACD, also spent a considerable amount of time helping to develop maps, the breakout, making sure that all lots were

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properly identified, and provided a complete list of the physical addresses for those lots, as well as developed lots. She also assisted the Task Force with the acquisition of permits. Marlene, Barbara and Ali, in Administration, all worked on various parts of this to get lists put together to aid in the process as well. Penny emphasized that without the help of all who were involved, the Task Force would not have been able to reach the level of success that it has had. Lastly, she noted that they had been able to work closely with the General Manager, who had to take a back seat during this operation, which provided him with an opportunity to focus on other priorities. Tammy Woodin expressed frustration that the correction letter of October 11th to the members from Curt Casey didn't mention the withdrawal of candidate Preston Burris, and the one on the webpage was not easily found as it was close to the bottom of the page. Mr. Casey assured her that every concern she had previously brought forward at the Communications meeting had been addressed, and that he would ensure the notice on Mr. Burris is back at the top of the home page the next day.

Y. BOARD MEMBER COMMENTS:

N&E Chair Naomi Bunis reflected on this meeting as being her last, after six years of serving, and expressed her appreciation for the opportunity to serve and grow as a member during that time. Director Brigham also noted that this was his last Board meeting and expressed his pleasure at having been able to serve the community. Laura Weide has also completed her term on the Board. All three were thanked by the Board for their service.

Upon motion duly made, seconded and unanimously approved, the Board moved to go into Closed Session at 8:22 p.m. to discuss personnel issues, and returned to open session at 9:00 p.m.. No action was taken.

There being no further business the meeting was adjourned at 9:02 p.m.

Board approved _____ Date _____

**MINUTES OF THE SVCA BOARD OF DIRECTORS MEETING
MONDAY, DECEMBER 13, 2010, IN THE MULTIPURPOSE ROOM
COMMUNITY CENTER – 7:00 P.M.**

IN ATTENDANCE:

Clark Champion, President
Barbara Audley, Vice President
Georgia Allen, Secretary
Joel Rodriguez, Treasurer
Chuck McGroddy
Paul Hope
Bill McRoberts, N&E Representative
Carol Bauman, ACC Representative

EXCUSED ABSENCES:

Bob Almond
Jo Jean Kos

STAFF IN ATTENDANCE:

Dave Wareing, General Manager
Andy Schwartz, Controller
Tim Newcomb, *Views* Staff

COMMUNITY MEMBERS IN ATTENDANCE: 25+/-

VI. CALL TO ORDER:

President Champion called the meeting to order at 7:00 P.M.

II. ROLL CALL:

President Champion noted the excused absences of Bob Almond and Jo Jean Kos.

III. ELECTION OF REPLACEMENT BOARD MEMBER:

President Champion turned the task over to N&E Chair Bill McRoberts. Failure to achieve a majority vote on the first ballot resulted in five added attempts, as follows:

First Ballot: Brightwell, 2; Haslam, 2; Shaffner, 1; and Gustafson, 1.

Second Ballot: Haslam, 3; Brightwell, 2; Shaffner, 1.

Third Ballot: Haslam, 3; Brightwell, 2; Shaffner, 1.

Fourth Ballot: Haslam 3; Brightwell, 2; Shaffner, 1.

Fifth Ballot: Haslam 3; Brightwell, 2; Shaffner, 1

The vote was then tabled until we have more than 6 voting members present. Director McGroddy then made the following motion.

MOTION:

That those officers that were elected for a thirty-day (30-day) term have their terms extended until such time as an election of officers can be held.

The motion was seconded

MOTION PASSED UNANIMOUSLY

IV. PROPERTY OWNER COMMENTS:

Comments touched on some of the benefits that will be realized for adults, seniors, and children with the development of a library for Sudden Valley; the continued debate on the process for development; i.e. the belief that the decision either belongs to the entire valley or it doesn't; the reading of a historical statement by FoSVL member Bob Cooper on the background and justification for having proposed a library for Sudden Valley in the first place; a question of why member approval should be required for the act of renting space for a library, when such approval has never been required nor protested against for any other facility or amenity within the Valley; a question as to whether our documents require a process for decisions of this nature; and finally, a reminder that we are a corporation, not a municipality and are responsible to operate as such. President Champion said he was unaware of any such requirement; however, noted that we are bound to use prudent business judgment in making a decision of this nature. A suggestion by another owner that we try to reach out to convince this suggested "60% majority" of neutral Sudden Valley residents for support of issues such as a dues increase. In answer to a question about costs to be borne by the Association on the development of the Library, Mr. Cooper again reiterated that the only cost to be borne by the Association will be for the maintenance of the exterior of the building that houses the Library – a process that the Association is responsible for already – plus the necessary expense of hiring our attorney to draw up the contract between ourselves and the FoSVL. A question was raised as to who will be responsible for the taxes on the building. The Association, as owner, pays those costs; however, IF there were to be a change in the assessed value of the building once the Library has been established, the increase in the tax rate would be paid by the FoSVL. The Library discussion ended with an impassioned comment in support of the concept and frustration that at the 11th hour the process could reach a stalemate because some members have only just become aware of the plan to place a Library in Sudden Valley. An equally passionate perspective on the positive impact that the Library will provide was also shared with those present. One final comment on the process involved in this negotiation came from Bob Cooper, who is also a former SVCA Board member, stating that years ago, when a similar argument alleging the need for member approval on a negotiation being considered at that time, our attorney had counseled that as long as the Association was not selling an asset of the Valley, membership approval for that transaction was not required. There are grant requests that have been developed and are ready to be mailed seeking an approximate \$200,000 in grants, and he cautioned that there would be no way to receive grants without a dedicated site to build the Library.

V. APPROVAL OF MINUTES:

Minutes of the November 6, 2010 AGM were approved as amended.
Minutes of the November 6, 2010 Organizational Meeting were approved.
Minutes of November 9, 2010 Work Session were approved as amended.

VI. GENERAL MANAGER'S REPORT HIGHLIGHTS:

General Manager, Dave Wareing, gave an oral review of his report of December 13, 2010, shown below.

"Recognition of Staff – I would like to begin my remarks by holding up the Association's Staff for the exceptionally good job they do in their service to the Sudden

Valley Community. I had intended to name our star staff members, but quickly realized that we have a staff made up of stars. In my 25 years of management, I have never been prouder of a group of people than I am of our Staff. They are loyal, honest, hardworking and relentless in their commitment to serving the Association, the community and the membership. Most have not had a raise in 4 years, though they deserve one. This community owes these people a lot more than they realize and I look forward to the day when this debt is realized and payment it made. Until that time, I am confident the men and women of our Staff will continue to serve the community to the best of their abilities.

“Pounded by the Weather – The Valley has taken a pounding the last couple of days. The rain Wednesday evening caused substantial local flooding in several of the gates. Many of the culverts, ditches and drains were overwhelmed. The rain swamped the roof drains of the Community Center’s flat roof, resulting in leaks into the building. A quick response from several departments with tank vacuums, mops and buckets made short work of the water. The crews are working to increase drain sizes, redirect water flow and patch leaks so that future rain-caused flooding will be better controlled.

“New Dance Barn Heaters – The Maintenance Department is working with Barron Heating to replace the four gas heaters in the Dance Barn. The heaters were decades old and have all reached the point of critical failure. The heaters were inspected at the request of the Association and were found to be dangerous and in need of immediate replacement. The heaters were replaced on Friday, December 10, 2010.

“Gate 5 Emergency Parking Lot – For those who tried the Gate 5 emergency parking lot last year and found it to be very rocky and difficult to drive on, we have re-surfaced the lot. This lot has been surfaced with crushed gravel and rolled down hard with a compacting road roller. The lot is now ready for use if the snow makes it necessary.

“End of the Year Thoughts – This has been a very challenging year in a series of very challenging years. The resilience of this community, even in its most difficult times and at its lowest ebb, is remarkable. The resilience we see comes from one source: the people. The people who make the difference are those who selflessly give of themselves to do that which provides positive benefits to the community as a whole, whether it benefits them or not. This community’s salvation lay in the recognition that strong communities are made up of strong people who contribute more than they expect in return. It is through selfless acts of giving and forgiving that men and women of good character distinguish themselves as honest and honorable community patriots. During this holiday season, the Staff wishes you all a pleasant and happy holiday season. May peace, love and joy find their way into each and every one of our homes.”

In response to a question on the state of Austin Creek, the General Manager reported that while it is running high, the repairs are in good stead.

VI. TREASURER’S REPORT:

There was no Treasurer’s report to review for November, due to the early scheduling of this Board Meeting.

VII. COMMITTEE REPORTS:

- A. Architectural Control Committee: AC Chair Carol Bauman reported December as one meeting so far – December is generally light. She is happy to have another volunteer for the Committee – Curt Casey – and asked Board acceptance of his membership.

MOTION:

That Curt Casey be appointed as a member of the Architectural Control Committee.
The motion was seconded.

MOTION PASSED UNANIMOUSLY

- B. Communications Committee: Chair Paul Hope noted that he had little to report as yet; however he has been working on trying to look at our communications web services and determine what kind of tools are available there. At this point, it looks like we are at the edge of our capacity so he needs to do more evaluating as to what we can do to get more and what options we have. It is an ongoing process and he expects to have more to report next month.
- C. Document Review Committee. No report this month.
- D. Emergency Preparedness Committee. Chair Bill McRoberts reported they have held their first meeting, but still need a secretary to record their minutes. Member McGroddy reported that a storage area has been developed in the Adult Center to house Red Cross emergency center equipment that is to be delivered when the Red Cross has finished serving at the current flood areas in the south county. He expects that the cots, blankets, coffee, beverages and snacks will be delivered and stored in what was the sauna at the Community Center and has been fitted with a lock by our maintenance personnel.
- E. Executive Committee: The Secretary read the Minutes of the December 7th electronic request for Committee approval as follows:

“General Manager, Dave Wareing, via email request dated December 7, 2010 asked the Executive Committee to approve the following:

“Purpose – Request approval of emergency replacement of failed gas heaters.

“Background – This last weekend, the four heaters in the Dance Barn all shut down together for an unknown reason. When the heat controls were activated on Saturday for the Craft Show in the Dance Barn, only one of the heaters responded and would activate. Upon closer inspection by the Maintenance Manager, and later by Barron Heating, it was discovered that two of the heaters had suffered a catastrophic failure shut down. The other two heaters were in nearly as bad a condition. The units are over 30 years old and are obsolete. There were also some important wiring issues that need to be addressed. All four units must be replaced without delay. State mandated safety standards prevent the reactivation of the heaters.

“Current Operations - This is a very busy period for the Dance Barn and it needs to be available. We have both important Association events scheduled for the facility, as well as paid events from private parties who have contracted and paid to rent the facility.

“Recommendation – This is an emergency situation and involves an unbudgeted expense. It is recommended that capital funds from the MR&R Reserve be approved to pay for the replacement of the failed heaters in the amount of \$9,900.00, which includes \$500 for wiring modifications, \$829.50 for contingencies and \$775.58 in state sales tax.

“Due to the exigent circumstances, it is recommended that Barron Heating be engaged as a sole source contractor to do the work without delay. Barron is our regular HVAC service provider. The MM&R Reserve has sufficient funding to cover this expense.”

“Said approval was unanimously given, via email response, to the General Manager on December 7, 2010. No further action was taken.”

President Champion noted that the rest of the Board had been notified of the need for this action via email and had participated in the discussion. The Executive Committee meeting minutes for December 8th, reflecting only the action of setting the Agenda for the December 13th was also read to the members.

- F. Finance Committee. Treasurer Joel Rodriguez reported on the two Listening Sessions that were held on December 7th and 11th. The purpose of the sessions was to encourage a dialogue between Valley residents, the Board and the Finance Committee. The Treasurer stated he felt that both were very positive and produced many valuable ideas. He felt it was a step forward in trying to heal the Rift within the community by simply having an open dialogue between the members. Two easels with tablets indicating “Wants” and “Do Not Want” were provided. At the first session (with 17 attendees) there were 30 Wants indicated, with about 10 in Do Not Wants listed. On December 11th (with 24 attendees) there were 35 Wants/Solutions and 7 Do Not Wants listed. The Treasurer noted that the Board was going to be faced with a difficult task in trying to build a Spending Plan from all the input, but he was satisfied that he received the information he was seeking from the sessions. He encouraged the members to look at the lists as posted on our website.
1. Minutes. Minutes of the November 22nd Finance Committee Minutes will be brought to the January 19th meeting for approval and then to the Board. Schedule changes due to holidays made it impossible to have December results for this meeting; however, the Treasurer noted that the basic change between the October and November financials was that the dues payers had increased again from 2900 to 2971. Year-to-date operations as of the end of November continue to be slightly better than the 2010 Spending Plan - \$16,000 better than budgeted. He met recently with Controller Schwartz and Jon Oesting to gain knowledge of the history of Sudden Valley finances; shared ideas on how to simplify reporting and hopes to focus on some of the ideas for simplification that they came up with after the first of the year, as closing the books for 2010 will take priority.
 2. Reserve Study. The Treasurer then asked Director McGroddy to report on this study. The Task Force met twice in November that included a conference call with Reserve Associates. They are finalizing a number of recommendations soon and anticipate being prepared to bring recommendations to the Board by January on how to fund the need that we have to replace our facilities as they wear out.
- G. Long Range Planning Committee. Chair Barbara Audley reported that Long Range Planning continues to work on their condo study and anticipate it will be brought to the Board in January as well.
- H. Nominations and Elections Committee: Chair Bill McRoberts reported the Committee held its first meeting in December and elected Susie Harber as secretary. They are still one member shy on the Committee and hope to get some candidates from which to fill that vacancy.

VII. OLD BUSINESS:

- A. Sudden Valley Library Resolution Re-endorsement. Director McGroddy recused himself from the discussion and vote on the Resolution at the beginning of this segment. The Resolution:

“WHEREAS the Friends of the Sudden Valley Library (FOSVL) is a not-for-profit Washington corporation;

“WHEREAS the goal of FOSVL is to raise sufficient funds for the purpose of converting 6,500 sq. ft. of space in the middle barn for use as a branch library to be operated by the Whatcom County Library System and to support the operation of library programs after it is opened; and

“WHEREAS the Sudden Valley Board of Directors believes that a library would be a valuable addition to the Sudden Valley community; and

“WHEREAS the Whatcom County Library System is willing to staff and operate a branch library provided that it is not responsible for the construction of a facility and does not have to pay rent for the space; and

“WHEREAS the FOSVL does not believe that it can raise the necessary funds without a firm commitment that the space for the library will be available.

“THEREFORE BE IT RESOLVED that 6500 sq. ft. of space on the ground floor of the middle barn is reserved for a period of two years for remodeling for use by the Whatcom County Library System as a branch library. This reservation is premised upon FOSVL raising sufficient funds to pay for the remodeling of the space. If sufficient funds for construction are raised by FOSVL, SVCA agrees to enter into a lease agreement with FOSVL for a period of 15 years with provision for extension at no rent. SVCA agrees to maintain the exterior of the middle barn during the period of the lease. FOSVL agrees that all improvements become property of the SVCA.

“FURTHER, BE IT RESOLVED that the FOSVL will, at its own cost, in cooperation with SVCA and WCLS, develop plans for the renovation, confer with County and State officials as to their requirements, develop cost estimates, plan and execute a campaign to raise funds, complete construction and keep SVCA informed of its progress.”

MOTION:

That the Board approve the Board Resolution for the Whatcom County Library use of Middle Barn as amended. The Motion was seconded and a lengthy discussion followed.

AC Chair Carol Bauman commented that given the prior approval of this negotiation last year, it made no sense to be considering renegeing on our previous commitment a year later. Secretary Allen reported having checked back through the Minutes and confirmed that the first time the subject of the possible interest in placing a library in the Valley came from a memo in the January 2010 minutes. The first resolution was presented for review and consideration in February of 2010; articles have been published frequently in the *Views* and on our website. There has been ample time – prior to the two listening

sessions – to express concerns, opposition or displeasure about the Library. She believes it to be of great benefit to the entire community and was excited at the prospect from day one. This is a corporation, and corporations are not required to ask permission of their shareholders for every decision that they need to make. Long-time resident Gary Gallant had recently commented that he served this Association in numerous capacities for years; that the in-fighting in the Valley has been going on for years, and that he finally just burned out from it. If members took the time to go back and read our corporate minutes over the years they would see that nothing has changed – history just keeps repeating itself over and over again. AC Chair Bauman encouraged the Board not to hold up the vote, just because people haven't been paying attention, because the Library has been an amenity under consideration for a long time. Director Hope expressed his strong belief that we must still consider our relationships to our members as our neighbors and not as our adversaries. His plea was for "process and listening" and for ending divisiveness and hostilities. Director Rodriguez noted that he had come to the meeting prepared to vote against this resolution, citing his primary concern as having to do with the process and how all this had evolved; however after hearing what has been said and how much work has been put into this, he didn't want to hold the library hostage. The previous Board had already moved forward on this issue, and clearly many hours have already been expended by the people involved towards putting the plan together. His support was influenced by the fact that this will be a lease situation; we are not selling the property, and he was now prepared to support the resolution. Director Hope stated he would also not be in favor of signing a lease that he has not read, and sought to have three weeks within which reach out to communicate and resolve this issue. Mr. Cooper said that while he sympathized, he couldn't ask this of the FoSVL Board. In recalling his service on the SVCA Board for 5 years, his biggest challenge was always trying to facilitate agreements with the diversity of members in the Valley. It was the overriding issue during his tenure as a director. There would be some progress – one step forward, then two steps backwards – and they could never succeed. Speaking for the Board of the FoSVL, Mr. Cooper pleaded for action on the resolution to take place now. He also feels the Library can be a healing effort, not a divisive effort. The FoSVL is about to spend \$5,000 to have our building checked for structural stability and would not wish to spend the money if we ultimately decide to turn down the Resolution.

Vice President Audley added that during the research and development for the 2008 Survey, she came across the survey of 2003 that included what she termed a "unique" question – not repeated in the 2008 survey – that referenced "New Independent Services. "Based on their importance to you or your family's quality of life and property values, please put a checkmark next to 5 items below that you would like the Association to encourage within Sudden Valley." There were 12 choices from which to choose, 3 of which have already come to fruition: banking services, a business/copy center (we have something similar), and high-speed internet. Then there was "library" – 32% of the responding members indicated a desire for a library. This is not a new idea and is one that has generated support. As a former educator, Mrs. Audley pointed out numerous benefits a library provides to adults, seniors and children; and could also add to the property values of our homes. At this point a call for the question was raised.

MOTION WAS TIED 2 VOTES TO 2

The President did not elect to break the tie, but suggested the need for more discussion. AC Chair Bauman again questioned the reasonableness of having further discussion at this late date over an issue that has been out in the open for such a long period of time. She stated she has read it in the *Views*; has been to the meetings; has heard about it since the beginning; has heard the Board agree to it; and cannot understand why we cannot go forward on this issue now without delay – in her view it was not fair to the FoSVL. If we can anticipate the same answer in 3 weeks, why not decide now? The lease has not been written, but a Memorandum of Understanding has been written that will spell out some of the terms that will eventually lead to the lease, per President Champion. He invited Director Almond to work with him to conduct a Town Hall within the next 30 days to go over this process. N&E Chair McRoberts pointed out that there is no process and we cannot go over a process we do not have. Mr. Cooper added there is no process, no timeline, and they (the FoSVL) are being left with just a negative vote – nothing – except a rejection of a free library in the Valley. Treasurer Joel Rodriguez reiterated his willingness to support the measure when it came to a vote. He stated that he believed this wasn't about the library, per se, but more of the issue of "trust." He believed that opening the issue up to more discussion would be a way of trying to regain the trust that has been lost. However, he did not want to be unfair to the people who have been putting so much work into developing the project. The discussion was emotional and filled with genuine concern.

There was a misunderstanding about what had been agreed to when the result was 2 ayes and 2 nays. It was thought that the vote had been taken on whether to allow more time for additional discussion – not a vote on the resolution. The president then asked if the Board was prepared to vote on supporting the Resolution as presented and he called for the vote as first presented.

MOTION PASSED WITH A VOTE OF 3 FOR WITH 1 ABSTENTION

President Champion reiterated his intent to hold a Town Hall meeting for a discussion on the concept of a library, not the "process," as previously suggested. He would like to allow people to get a full picture of what is happening here, followed by a visit to the site itself. Mr. Cooper added that he understood Director Hope's concerns about the lease and wished to point out that they have only begun to develop a lease, based on a sample lease provided by Whatcom County Library system, spelling out the responsibilities of both Lessor and Lessee, and fine-tuning it to fit Sudden Valley. He supports the idea of a Town Hall, but would like to see some progress being made on the lease as soon as practicable.

- B. Code of Conduct Policy. Vice President Audley presented a draft for a Code of Conduct Policy for review, noting that there was a correction required on the copy, namely to the section headed "Policy:" on page 30 of the Board packet. Said language was amended to read:

"All members of SVCA's Board of Directors, committees, commissions and task forces will be required to annually sign a Code of Conduct governing their participation. Given the scope of each of these groups, the basic Code of Conduct may be altered to address specific needs/responsibilities of any group, subject to approval by the Board of Directors."

MOTION:

That the Board approved the Code of Conduct Policy, with the amended language quoted above, to further include a one-word addition to the bottom of page 31 of the Code of Conduct page itself to read “Board Members shall respect the confidentiality of information exchanged in *closed* sessions.” The motion was seconded.

MOTION PASSED UNANIMOUSLY

C. Political Signs Draft. Director McGroddy acknowledged that there has been much discussion recently on political signs – what constitutes a political sign; what should or should not be in our yard; and if you look at the ACC Guidelines, we are limited to one sign per house of 1-square foot in size, plus real estate signs, and other things. The guidelines up until now have said nothing about political signs. State law has changed to specifically state that a community may not restrict political signs. We have been advised by our attorneys that “political” signs means signs relating to primary or general elections. We did recently have a large number of signs relating to Sudden Valley elections. Under any ordinary interpretation of “political” he sees these as political signs and feels that they should be permitted. He, therefore, has drafted an addition to the ACC rule that specifically relate to political signs. The section will become Section 15.6.1, to read:

“15.6.1 Political Signs: For a period commencing thirty (30) days before any primary or general election or any annual or special meeting of the members of the SVCA and ending twenty-four (24) hours after such election or meeting each member of the association shall be entitled to post on his or her property one (1) sign not exceeding six (6) square feet in area or five (5) feet in height supporting or opposing any candidate, proposition, measure or resolution to be voted on at that meeting or election. No other signs of a political nature shall be permitted. All political signs must be removed within twenty-four (24) hours after the close of voting at the election or meeting to which they refer.”

MOTION:

To approve the addition of a Section 15.6.1 as submitted. The motion was seconded.

A brisk discussion revolved around the proposed sign sizes, and the aesthetic appeal of such signs. Vice President Audley suggested that since there have been so many diverse opinions on this subject that we could, perhaps, gather opinions on how members feel about these signs via a survey to find out what the Valley wants. She suggested a “friendly amendment” to raise the issue with the membership to garner their views on the subject. The amendment was rejected by Director McGroddy. President Champion then called for a vote on the motion as originally submitted.

MOTION PASSED BY 3 AYES TO 1 NAY

VIII. NEW BUSINESS:

A. Monthly Dues Payments - Resolution. The General Manager presented the following Resolution for the Payment of Dues for approval.

“RESOLUTION TO AUTHORIZE MONTHLY PAYMENT OF ANNUAL DUES, FEES AND ASSESSMENTS THROUGH AUTOMATIC WITHDRAWAL (ACH)

“WHEREAS the Sudden Valley Community Association is required by its Articles

of Incorporation, Covenants and Bylaws to assess and collect annual dues, fees and assessments from each lot owner for the maintenance and operation of all common areas and facilities for the mutual benefit of all its members; and
“WHEREAS the Board of Directors has the authority per Article III, Section 19 of the Bylaws to set times and methods of payment; and
“WHEREAS previous boards found it necessary to restrict the payment of dues, fees and assessments to an annual or quarterly basis; and
“WHEREAS the payment of dues on only a quarterly or annual basis is difficult for a significant number of members of the association; and
“WHEREAS the new TOPS financial system provides an effective means for collection of dues, fees and assessments on a monthly basis through the use of direct deposit from members’ accounts to the Association; and
“NOW, THEREFORE, BE IT RESOLVED that the Board of Directors does hereby authorize the Administration to develop a methodology and process for the collection of dues on a monthly basis through the use of the Automated Clearing House (ACH) system.
“BE IT FURTHER RESOLVED that the Board of Directors does hereby authorize the Administration to implement such monthly collection process as soon as the beginning of the next fiscal year when such process has been sufficiently proofed and vetted to ensure the equitable treatment of all members in the collection of dues, fees and assessments.”

Controller Schwartz added that regardless of whether a member pays annually or by utilizing the automatic withdrawal option, they will still receive a quarterly bill, as these mailings include other enclosures useful to our members. Implementation will begin the first of the year, per the General Manager.

MOTION:

That the Resolution to Authorize Monthly Payment of Dues, Fees and Assessments Through Automatic Withdrawal (ACH) be approved as submitted. The motion was seconded.

MOTION PASSED UNANIMOUSLY

B. Community Outreach Committee. Director Hope proposed a motion to create a Community Outreach Committee, to be run in perpetuity by the Board. The purpose of this Committee would be to take on all the various functions that would build connections with our community. He envisions permanent volunteer activities and seeks to find out skill levels within our community to get members involved in Valley activities. He has heard of the volunteer efforts focusing on trail development/maintenance and would like to see that and park efforts resurrected. He feels it could go a long way towards improving the infrastructure of our community as well as getting people involved. Secondly, he feels that several activities have been taken on by the Communications Committee that seem to fall more under an outreach vein and having a group dedicated to these sorts of activities full time as opposed to having them taken on by the Communications Committee would mean they could be attended to with more diligence. He presented a motion to create such a Committee with its own Chair. Director McGroddy preferred the use of a word other than “Outreach” that would more accurately describe what this Committee is tasked to do.

MOTION:

That the Board approve, in concept, the creation of a new committee, the name and Chair of which is to be determined after the creation of a resolution that is specific as to what the committee will actually aim to accomplish – and preferably after the selection for the Board vacancy. The motion was seconded.

MOTION PASSED UNANIMOUSLY

C. Next Meetings. The Board is scheduled for Orientation on Saturday, January 11, 2011. The January Work Session is scheduled for Tuesday, January 8, 2011, and we are to have the new Superintendent of Schools Dr. Baker and his Facilities man Ron Cowan here as our guests on that date. January 24th will be our regularly scheduled Board meeting.

X. PROPERTY OWNER COMMENTS:

FoSVL Treasurer Bob Cooper thanked the Board again for the frank discussions. Other topics included another proposal for dues based on assessed value. After further discussion, President Champion noted that he will be appointing a study group to look into various alternatives relative to dues assessments.

Upon motion duly made, seconded and unanimously approved, the Board moved to go into Closed Session at 9:25 p.m. to discuss legal matters, and returned to open session at 9:45 p.m... No action was taken.

There being no further business the meeting was adjourned at 9:46 p.m.

Board approved _____ Date _____

**MINUTES OF THE SVCA BOARD OF DIRECTORS MEETING
MONDAY, JANUARY 24, 2011, IN THE MULTIPURPOSE ROOM
COMMUNITY CENTER – 7:00 P.M.**

IN ATTENDANCE:

Clark Champion, President
Barbara Audley, Vice President
Georgia Allen, Secretary
Joel Rodriguez, Treasurer
Chuck McGroddy
Jo Jean Kos
Bob Almond
Paul Hope
Nick Flacco
Bill McRoberts, N&E Representative
Carol Bauman, ACC Representative

STAFF IN ATTENDANCE:

Dave Wareing, General Manager
Andy Schwartz, Controller
Tim Newcomb, *Views* Staff

COMMUNITY MEMBERS IN ATTENDANCE: 25+/-

VI. CALL TO ORDER:

President Champion called the meeting to order at 7:00 P.M.

II. ROLL CALL:

President Champion noted the presence of the full Board.

III. ANNOUNCEMENTS:

President Champion reported the temporary closure of the fire exit door in the Multi-Purpose Room after inspection by the Fire Marshall, and noted for attendees several optional exits available, if required during the meeting while the door is being modified.

IV. PROPERTY OWNER COMMENTS:

Comments again were expressed regarding the use of signs and what appeared to be a lack of distinction between political and patriotic signs. The question was raised as to whether a sign seeking support of opening the pools would become a violation of our sign policy. One member thanked the Board for support of the parks and the community. A request was made for a general email site, addressed to all Board members, and a renewed suggestion to designate Sudden Valley as a park district.

V. APPROVAL OF MINUTES:

No minutes were presented for approval due to technical difficulties caused by a corruption of the webpage.

VI. GENERAL MANAGER'S REPORT HIGHLIGHTS:

General Manager, Dave Wareing, gave an oral review of his report of January 24, 2011, as shown below.

“New Director of Golf – Clearly the highlight of this New Year, thus far, has been the selection and hiring of Brian Kruhlak, the former Head Golf Professional of the Avalon Golf Course in Skagit County, to be Sudden Valley’s next Director of Golf. Brian has a very strong professional background and solid experience that will enable him to help propel the Association’s golf program forward into the future in a very positive manner. I appreciate the strong and responsive support that I received from the select group of Sudden Valley golfers who advised me in selecting Brian to be the next Director of Golf at Sudden Valley. We could not be more pleased with the opportunity to work with Brian and see our golf program excel over the years to come.

“Lake Whatcom Policy Group – The Lake Whatcom Policy Group met earlier this month. Of special note was a presentation by the Lake Whatcom Work Group, which is primarily comprised of government staff representatives from the City and County. The SVCA and Water District are also represented. The Work Group made a presentation to County and City Council representatives, as well as other government officials. During the presentation, Sudden Valley held up as an example of good environmental stewardship-in-action and was lauded for its good efforts in protecting the watershed. This is in dramatic contrast to years past when Sudden Valley was routinely condemned for its alleged negative impact on the watershed. We appreciate the positive recognition the Association now rightfully enjoys.

“Collections Legal Action – The Association’s collection’s efforts continue to provide positive results. We are seeing increasingly positive responses to our delinquency letters, which are now being generated automatically by the TOPS financial system. We are also seeing better responses to our legal actions to collect delinquent dues by members who have resisted paying their fair share in the past. Now these members are coming forward with full payments to clear up their accounts, rather than be confronted in court. We are working in a positive manner with delinquent members who come forward and ask for help in bringing their accounts current.

“Structural Examination – The Association worked with the Friends of the Sudden Valley Library to facilitate the examination of the Middle Barn by a structural engineer. The examination is to confirm the structural integrity of the building. The structural status is important for the construction of a library facility within the building. The results of the evaluation have not yet been reported, but are expected soon.

“Drainage Issues – The recent heavy rains have resulted in a number of calls regarding culverts that are unable to handle the heavy water flows. In most cases, Maintenance personnel are determining that the culverts are plugged and need to be cleaned out. An effort is being made to locate and engage the services of a truck mounted water jet to aid in the clearing of plugged culverts.

“Cluster Box Lighting – A number of complaints have been received by the Administration regarding the lack of lighting at the cluster box unit (CBU) installations. Similar complaints have been made regarding the lack of roofs over the CBUs and trash pick up. Unfortunately, the initial project concept did not provide any consideration for lighting, which would likely cost a significant amount of money to install, as would roofs.

Currently, the Association does not provide recycle or trash pick up at the CBU

installations due to cost and manpower limitations. It should be noted that there has never been lighting, roofs or refuse pick ups at the Gate 2 or 5 locations. Members are encouraged to take a flashlight when picking up their mail at night and to use the curbside recycling service with SSC, as Gate 2 and 5 residents have been doing for the past several years.

“Slow Sewage Station Progress – Bill Hunter, engineer for the Lake Whatcom Water and Sewer District has contacted us regarding the slow progress with the upgrading of the sewage pump station in Gate 2 next to Marigold Drive. This project was scheduled for completion in 2010, but is continuing to drag on. Mr. Hunter apologized for the delays and advised that the contractor has experienced a number of challenges that set the project back. The project is projected to be finished and complete within the next 30 to 45 days, barring any further unexpected problems.

“Opening the Pools – Every reasonable effort is being made to find a way to open the Community’s two swimming pools. Working on the positive belief that adequate funding will be found from some source, the Administration is prepared to do what it takes to ready the pools for summer operation.”

VI. TREASURER’S REPORT:

President Champion commented that because the books are still in the process of being closed out for 2010, there would be no Treasurer’s report this time.

VII. COMMITTEE REPORTS:

- A. Architectural Control Committee: AC Chair Carol Bauman reported that the Committee is still working on a previously deferred new construction. The gentleman/owner is still experiencing issues with the driveway and the Committee is working to assist him with a viable solution. Ms. Bauman asked for Board approval of the addition of two more members to the committee – Bill Amens, a recently retired school administrator and Rick Gray, whose recent work experience included some local refineries, but who also has some construction experience.

MOTION:

It was moved and seconded to approve the addition of Bill Amens and Rick Gray to the Architectural Control Committee. The motion was seconded.

MOTION WAS UNANIMOUSLY APPROVED

Ms. Bauman also expressed the hope that in considering the approval (later on the Agenda) of the new ACC guidelines, that they be aware of one more modification to the guidelines with regard to tree trimming that states “no work including pruning can be completed on Sudden Valley property or the right of way without prior approval by the committee.” After a question of clarification by Vice President Audley, the words “Sudden Valley property...” were changed to “Association property or the right of way...”

- C. Communications Committee: Chair Paul Hope announced that Director Nick Flacco was now in charge of the Outreach portion of the Communications Committee’s functions. Nick has taken on about six projects that are moving along nicely and that he (Hope) has written about them in the *Views*. Hope also feels it has been a good division of labor between them. Chair Hope is working on the *Views* aligned more with the kinds of material that is needed for publication, and asked everyone to send him pictures of events throughout the Valley to aid in displaying the things that are actually going on or being accomplished in the Valley. He feels that everything is going well at this point.

- D. Document Review Committee. Chair Bob Almond announced that the first meeting of Document Review has been scheduled for January 25th with a view to setting goals and reaching consensus on completion of the Policy review process and discussing their Bylaws review process.
- E. Emergency Preparedness Committee. Chair Bill McRoberts noted that the Committee reviewed, and he has submitted, the resolution for the EPC. The Committee has 8 members and some added folks who wish to join them, as they have skills that the Committee could use. Some will be added as “consultants” as their knowledge base is in areas not currently within the group. An emergency equipment room has been set up with cots, blankets, and other items for use in the event of an emergency in the Adult Center and is ready for use now, if an emergency should occur. They are developing a communication system between EPC and Security – again, should the need arise. Their meetings are held the first and third Thursday of each month at 8:00 a.m. Attendees are welcome.

MOTION:

It was moved and seconded to adopt the Resolution to Establish the Sudden Valley Community Association (SVCA) Emergency Preparedness Committee for 2011 as presented. The motion was seconded.

MOTION UNANIMOUSLY APPROVED

- F. Executive Committee: The Secretary read the Minutes of the meeting of January 19th setting the agenda for the January 24th Board meeting. No further business was conducted.
- G. Finance Committee. Treasurer Joel Rodriguez reported the Finance Committee had met on January 28th to review the November financials and expect to have the December 2010 figures available by February’s Board meeting. They reviewed the Capital Budget and Spending Plans for 2011. Controller Andy Schwartz reviewed the November update on spending from the 2010 Capital Budget. The Reserve Summary on page 6 reflects a prediction for a reserve projection of \$311K by year end 2010. This number assumes that all projects started in 2010 will have been completed. Pages 7 through 15 provided the detail and gross capital requirements derived from the Reserve Study – all broken out by priority. The predicted Priority 1 projects amount (page 15) for 2011 is \$330,765. Estimated collections in 2011 are \$300K. By adding the \$311K cash to this amount and subtracting the \$330,765 projected for new projects, the projected cash balance at the end of 2011 will be about \$280K.

The Treasurer stated he had 4 motions to present for approval. It was determined by the GM and the FC that a separate/alternative plan would later be developed to fund the pools for the summer of 2011. One such plan was on the agenda for later in this meeting. Prior to any action on the first Motion, and in answer to questions from Director Hope and from a property owner, the Controller reviewed at length all the different considerations given to each action/decision made on spending; numerous potential additional cuts that could result if money became any tighter, and as he has explained numerous times, any dollar spent from Capital monies for Operations expenses could result in 100% of the entire Capital budget balance becoming taxable immediately. Monies simply cannot be used inter-changeably between these funds.

MOTION 1:

As presented by the General Manager and reviewed and recommended by the Finance Committee, I move the Board of Directors approve the 2011 Spending Plan.. The motion was seconded.

MOTION PASSED UNANIMOUSLY

MOTION 2:

As presented by the General Manager and reviewed and recommended by the Finance Committee, I move the Board of Directors approve the 2011 Capital Budget. The motion was seconded.

MOTION PASSED UNANIMOUSLY

The third motion was for replacement of the 1992 Ford 655 Backhoe. It has reached the end of its reliability. This item was included in the Reserve Study and is due for replacement, as its useful life was set as follows in the study:
“i. 1400 Backhoe 20 0 \$80,200.” “20” indicates the useful life in years and the “0” represents the remaining useful years left.

MOTION 3:

As requested by the SVCA General Manager and reviewed and recommended by the Finance Committee, I move that the Board of Directors approve an expenditure, not to exceed \$83,113.50 from the Major Repair and Replacement Capital Reserve, for the purchase of a backhoe. The motion was seconded. A brief discussion followed.

The backhoe is a used 2008 model that Bruce Bishop found after a 3-month search, has approximately 1400 hours of use and is covered by a warranty through November. It is a Caterpillar model, and in good condition. In answer to a question, the cost of a new one would run approximately \$140,000. The old machine will go to the golf compound for their use until it completely runs out, as taking it out of the compound would cause overheating very quickly. Currently, the hoses leak and the machine overheats with heavy work.

MOTION PASSED UNANIMOUSLY

MOTION 4:

That the Board approve the appointment of Don Drabek to serve on the Finance Committee. The motion was seconded.

MOTION PASSED UNANIMOUSLY

Director McGroddy reported for the Reserve Study Task Force, noting that meetings of the RSTF have been irregular; however, they have prepared several proposals for funding replacements. The proposals are currently being refined before presenting to the Board.

- H. Long Range Planning Committee. Chair Barbara Audley reported that Long Range Planning is planning to have another meeting in February when a major player of that team returns to the Valley after a brief absence. The hope is there will be a discussion report to be presented to the Board by February’s regular meeting.
- I. Nominations and Elections Committee: Chair Bill McRoberts reported the Committee has been actively pursuing recruitment of its final member, but not engaged in much else.

This was finally accomplished on January 3rd and they have now been joined by Grace Shaffner.

- J. Friends of the Sudden Valley Library Update: President Champion wanted to talk about a meeting that he had held with Tom Hadd of the FoSVL earlier that morning. Activity has been progressing extremely well for them. They have been the happy/grateful recipients of a significant grant. Work has begun on the Memorandum of Understanding (MOU). It will be a conceptual document, spelling out the terms and responsibilities of all three parties; President Champion will monitor that process for awhile until the parties have reached more of an operational goal and then the GM will take over from there. If there are issues that members may have concerns may possibly have been overlooked in the process, they were asked to send Champion an email. Things that are currently being reviewed are insurance and various coverages, the site itself, and building responsibilities that will be fully spelled out in concept. The MOU will then be replaced by a formal lease. The structural report is expected to be available very soon.

VIII. OLD BUSINESS:

- A. Political Signs. President Champion opened the discussion with an invitation for Board and audience participation in the discussion, pointing out that more discussion is needed before any Board action will be taken and asked for opinions on what the general feelings were about the signs. Director Almond, remembering his move to Sudden Valley, reflected on how much he had appreciated that it wasn't filled a lot of signs, and that those he saw were quite small and unobtrusive – and he likes the Valley without signs. Discussions revolved around the number of signs permitted, the various sizes, the confusion over what is allowed vs. not allowed, and generally the inconsistency with enforcement with respect to signs in general; opinion expressed that the American flag and “We the People” are not political signs, with no restrictions as to length of display. Disagreement over whether signs such as “We the People” are or are not “Tea Party” signs were also debated. AC Chair Bauman noted for the record that the ACC does not perform any enforcement as to signs, and that signs simply stating “Auction” (with no other identification) have been noted by the ACC. She also feels the extra visual indication of price reductions added to existing real estate signs are unattractive. Director Flacco read an email he had sent to a member regarding signs, but stated unequivocally his belief that the American flag “says it all” and his sincere belief that nothing else needs to be displayed. Inconsistency and inequality of enforcement of policies/rules seemed to be the driving theme behind the varied opinions.
- B. Strategic Planning Process. President Champion included in the Board packet an outline to plan a process for creating a committee to develop a strategic plan for SVCA. The plan, specifically designed for community associations, was an update of a previous plan approved by the Board last year. He indicated that the search for volunteers to serve on this committee will begin shortly and asked that interested parties contact him directly. It will be posted on the website for members to look at. At this juncture, the plan is to engage an independent, unaffiliated facilitator to guide us through the process. It is going to require a lot of participation by the membership and very little by the Board. We will probably appoint one person to sit with the core planning group and the remainder needs to be made up of non-Board members. Development of a basic charter for this group

should begin soon. The Board will develop the charter, be responsible for approving the work of the core group, and will require a lot of back-and-forth communication. Vice President Audley answered a member's question about the difference between Long Range Planning and Strategic Planning, indicating that Long Range was set up around a short-term time frame (5 years), looking at financial planning. Strategic Planning will be broader conceptually and will be for a longer term. President Champion added that Strategic Planning will be the beneficiary of the work already done by Long Term Planning, as well as the Community Plan that was approved in 2004. He also stated that he has a couple of ideas on who might serve as the independent facilitator, but asked for suggestions to be sent to him.

- C. Approval of ACC Guidelines Revision. AC Chair Bauman reminded the Board that the revisions were reviewed at the Work Session, and noted that she was agreeable to leaving out the section related to signs for the time being, but asked that the remainder of the revisions be approved. Director McGroddy voiced objection to removing the section relating to signs because it is already part of the ACC rules, and noted that if further change is required, we can simply amend the pertinent section (15.6.1). The policy that we're talking about is not the same as the ACC guideline and is an entirely different document.

MOTION:

That the Board approve the revised ACC Guidelines as presented. The motion was seconded.

MOTION APPROVED UNANIMOUSLY

The Board thanked Ms. Bauman and the ACC for their fine efforts.

IX. NEW BUSINESS:

- A. Personnel Committee. President Champion reported that the Board would like to create a Personnel Committee. Their stated charter:

“PERSONNEL COMMITTEE CHARTER

“GOALS AND OBJECTIVES

“To make timely recommendations to the Board of Directors in order to maintain a stable workforce of talented and satisfied employees, concerning working conditions, general compensation issues, and any other matter related to their employment at SVCA, in accordance with the procedures outlined in the Employees Manual.

“EXAMPLES OF COMMITTEE RESPONSIBILITIES

- “Review & monitor personnel procedures (hiring, firing, evaluation, training, discipline, etc.) at Sudden Valley Community Association (SVCA) for compliance with legal requirements, Association policies, standard current practices.
- “Provide recommendations to the board for any changes in employee compensation and/or benefits at SVCA
- “Review, investigate, and mitigate personnel grievances, after the employee has followed the procedures in the Employee Manual

“REPORTING RESPONSIBILITY

- “The Committee shall act in an advisory capacity to the Board of Directors

- “The Committee shall also be responsive to any employee with a grievance, in accordance to the procedure outlined in the employee manual.
- “The Committee shall keep a written record (minutes) of all meetings & investigations, and submit them along with their report and findings to the Board.

“TERM OF COMMITTEE

- “Committee Members shall be Board Members, appointed by the President, for one (1) year terms unless otherwise specified. It may or may not, at the discretion of the President, have non-voting volunteer consultants with specific expertise in the field.
- “Chairperson of the Committee shall be appointed by the President of the Association

“NUMBER OF COMMITTEE MEMBERS

“Committee must be comprised of no less than three (3) members and no more than five (5). “

MOTION:

That the Board accept the Personnel Committee Charter as presented. The motion was seconded.

MOTION PASSED UNANIMOUSLY

The president then appointed Barbara Audley to chair this Committee, with the support of Director Almond and N&E Chair McRoberts. Additionally, he asked Director Hope and Lee Langdon, who both have experience with Human Resources issues, to serve as consultants for the Committee.

- B. Proposal for Pool Pass Program. Vice President Audley read the proposal on pages 44 and 45 of the Board packet. From the proposal:

“Background: There is no extra money in the 2011 SVCA Spending Plan to cover the costs of opening either or both pools. Many members of the community would like this to happen, however. As an amenity, it would be appropriate to propose the pools be handled as other amenities in the Valley: **opened on a fee basis**. This approach is supported by the 2008 Community Survey which ranked recreation as the near bottom use of dues money.

“The proposed cost for running the two pools for the 2-1/2 month season is approximately \$89,000. This proposal assumes \$10,000 in swim team/swim lesson revenue. As with all other amenities, any surplus would revert to the general fund. With TOPS software, SVCA can now offer easy monthly ACH payment plans for various services and amenities.

“Proposal:

“1. Institute a **family pass system** whereby each family/lot would pay in advance a sufficient sum of money to cover the costs of operating the pools. This amount would be due April 1 and could be paid by a formal contract for monthly bank-account (ACH) withdrawals for 6 months (April –September). If sufficient passes were not bought by April 1, the pools would not open.

“2. Institute a **pass schedule** per person whereby the pass would be bought in advance for a sufficient sum of money to cover the costs of operating the pools. This amount would be due April 1 and could be paid by a formal contract for monthly bank-account (ACH)

withdrawals for 6 months (April-September). If sufficient passes were not bought by April 1, the pools would not open.

“Pricing:

“1. **Member Family Pass:** assume 300 families wish to participate. Cost of basic pass, \$270. Paid over 6 months at \$45/month. \$15 per family member one-time electronic card charge (excluding some small children). Non-resident rate would be \$350.

“2. **Member Per Person Pass:** assume 700 persons wish to participate. Cost of basic season ticket \$108. Payable over 6 months, \$18 per month. \$15 electronic card one-time charge. Non-resident rate would be \$150.

“Comparisons:

Bellingham Golf and Country Club: Additional fee to basic monthly membership, \$43/month, equals \$516 annually. Same season length, same services.”

MOTION:

That the Board authorize the General Manager to communicate this program opportunity to the membership with the goal of achieving sufficient total pool pass purchases by April 1 to cover the estimated pools operating costs so that the pools can open for summer 2011. The motion was seconded and discussion followed.

Multiple means for getting the word out to the membership include the SVCA website, email blasts, gate signs, bulletin boards, etc. Treasurer Rodriguez added he would hope that the plan that is being worked on by the Finance Committee will also be considered. Director Hope interjected that he, too, would like for other options being developed for opening the pools be considered as well. He noted, too, that the recreation programs considered in the 2008 survey included many recreation programs, with recreation fitting in well ahead of golf. He emphasized his appreciation and support of golf, but wondered how we could use this as justification for precluding recreation as he didn't feel that this part of the study didn't state the priorities of our members well. Vice President Audley responded that question #3 in the survey listed the spending priorities of the members and that Recreation came out as #6 out of 7. Director Almond stated he was impressed with the suggestions provided in the proposal, but would have to vote against it if he were to vote right now. He agrees the pools are amenities, but he feels this is mostly for the children, and he doesn't think too many children would find success in asking “Dad” to pony up \$300. If all the children are not going to be included, then he would not vote for it. Director McGroddy sees the pool as an amenity that serves this community in two ways. (1) It does provide recreation – primarily to the kids – but also for the adults at the adult pool, as well as adults who swim in the regular pool; and (2) The pool is also important to us as a community, illustrating that if he were to sell his home right now, it is reasonable to assume that the sale could be to a family that might be delighted at the prospect of having a pool where their children could swim in the summer. He would like for the pools to be financed by a combination of fee packages and daily use passes for individuals or families. He would also like some of it to be financed out of the dues. He hopes the Finance Committee will look at this possibility and after we get their report we will can work hard to come up with one plan. Finance Committee member Linda Bradley spoke very favorably of the presentation that had been made to that committee by Tish O'Keefe, noting that her presentation that involved utilizing the Y operating our pool was, in her opinion, much more efficient than operating them ourselves. The

General Manager stated that more study of the cost comparisons between the Y's operation vs. ours still needs to be done. There are advantages to their operation and possibly some disadvantages, but certainly not a lot of difference in the costs. He is reviewing the proposal with Andrea to see what the comparison costs really are. The GM will arrange to have a joint meeting between himself, Andrea, Tish O'Keefe, and Bruce Bishop, and the Treasurer as soon as possible to go over all the ideas together. He also mentioned that it would take 45 days to get the large pool ready for use for opening in June.

The plan, then, as summarized by President Champion is to get the word out into the community about Barbara Audley's plan immediately, but at the same time allow the Finance Committee two more weeks to develop alternative options before the Board makes a final decision. Vice President Audley's plan is a revenue proposal, not saying how, who, or what facility will actually operate the pools. Secretary Allen supported Carol Bauman's suggestion to try to, via some kind of survey, get some possible numbers of members who would be interested in using the pools if there is a way to make it feasible. The GM said it was important to understand that we must be able to make some kind of arrangement either with the Y or someone else to operate the pools this summer because we simply no longer have the staff to perform that function.

Vice President Audley offered a second motion as follows:

MOTION:

That we table the above motion until such time as we are in receipt of the proposal being developed by the Finance Committee next month. The new motion was seconded

MOTION PASSED UNANIMOUSLY

- C. Board of Directors Feedback eMail. President Champion offered the following to address the suggestion by Member Dennis Jones about email access to the Board:

“All too often 95% of the feedback, opinions, support or disapproval of an important issue comes from less than 2% of the membership. The board is duty bound to make its decisions on what it believes to be best course of action for the Association, but the judgment of what is best can, and should be, influenced by the opinions and perceptions of the membership. How can the board make informed decisions, when usually less than 5% of the membership participates or even expresses an opinion they already have??

“I'd like for the Board to consider another plan to make it really simple for the membership to help the board in making informed decisions. We can establish a new E-mail address BOD@suddenvalley.com , specifically for comments and responses to ideas currently under consideration by the board. Any E-mail received at that box will automatically be forwarded to every Director's mailbox. The point is to make it easy for the members to participate in the process, while still fulfilling our mandated responsibility of making the decisions for the benefit of the Association. A few guidelines can make this much more effective:

“1. In the subject line, please write your Division and / Lot Number in parentheses (104

/ 28) followed by the topic “Dues” or “Signs” or ????. The only reason for the numbers is to ensure that only one opinion is received from each member.

“2. Try to keep the message brief and to the point. I’d rather read 75 opinions of just one or two sentences, than three long ones – it gives me more information and a broader base of knowledge.

“3. The focus should be on topics currently under discussion and not a commentary on actions of the past.

“4. **This is not an election or a vote.** It is an educational process to help the board make informed decisions.”

Initially, Champion will respond to these emails; later the responses may rotate around the Board. Members without computer access are welcome to submit their inquiries in written form and drop them off at the office to be placed in his box.

D. Next Meetings. Coffee chat will be Wednesday, January 26th at 6:00 p.m. at Bob’s. February 8th will be a work session, with another coffee chat on February 9th at 10:00 in the Coffee Barn; and the regular Board meeting on February 28.

X. PROPERTY OWNER COMMENTS: Property owner comments revolved around the urgency of determining if it is possible to open the pools – what it will take/cost, etc. – so that members have a sense of whether it is even going to be feasible as soon as possible. Also suggested: That we explore any possibility for being able to get some money from the budget to help us get the pools open.

The General Manager made a final comment that with a community of a possible 6500-7000 residents, it is important to ensure that decisions and actions taken are correct and legal; hence, we often seek the advice of counsel to further ensure that we are doing the right thing. Director McGroddy conceded that we do spend money getting advice from our lawyers and it is his opinion that it is money well spent because it has kept us out of trouble for many years. It is a lot cheaper to avoid a problem than to get involved in litigation, and we are well served by the attorneys who give us advice.

There being no further business the meeting was adjourned at 9:22 p.m.

Board approved _____ Date _____

**MINUTES OF THE SPECIAL SVCA BOARD WORK SESSION
TUESDAY, FEBRUARY 8, 2011, IN THE MULTIPURPOSE
COMMUNITY CENTER - 7:00 P.M.**

IN ATTENDANCE:

Clark Champion, President
Barbara Audley, Vice President
Georgia Allen, Secretary
Joel Rodriguez, Treasurer
Jo Jean Kos
Paul Hope
Nick Flacco
Bill McRoberts, N&E Chair

EXCUSED ABSENCES:

Bob Almond
Carol Bauman, AC Chair
Chuck McGroddy

STAFF IN ATTENDANCE:

Andy Schwartz, Controller

COMMUNITY MEMBERS IN ATTENDANCE: 12-15

I. CALL TO ORDER:

President Champion called the meeting to order at 7:00 p.m.

II. ROLL CALL:

President Champion noted the excused absences of Bob Almond, Carol Bauman and Chuck McGroddy.

III. SOUND-OFF: None

IV. DISCUSSION ITEMS:

- A. Tree House Park Renovations. Director Nick Flacco read the text of a recent article in both the *Views* and on the SV Website relating to Tree House Park, followed by sharing a copy of some photos of the renovations to Tree House Park with the Board.

“Last year several projects were completed by resident volunteers and the Kiwanis Club. One project that did not get a lot of attention was the renovation of the tree house at Tree House Park, led by a single teenage resident.

“As part of part of an Eagle Scout project, led by Ryan Prescott in 2010, the tree house went from a dilapidated structure to one that residents’ children can enjoy and allow the parents to cool off in the shade during the hot summer days.

“Ryan initially contacted the Sudden Valley Community Association in March of 2010. Between March and May of 2010 Ryan developed a written proposal that required the review of the Eagle Scout organization and Sudden Valley Community Association staff. Upon the successful approval of the proposal, Ryan then obtained private funding to help pay for the project and recruited volunteers to do the physical work, including professional crafts, fellow scouts, family and friends.

“The physical part of the project commenced in August of 2010 with Ryan providing the leadership in executing the project’s plan. Richard Lacey, whose property borders the park, provided connections for project water and electricity. The project was completed by the end of the August. The successful completion of this project enabled Ryan to advance to Eagle Scout status.

“Although the attached pictures show the dramatic improvement made to the tree house, it is recommended that Sudden Valley residents visit the park to see the transformation for themselves and give their children a chance to enjoy another Sudden Valley amenity recovered by volunteers for our enjoyment.

“Sudden Valley Maintenance thanks you, Ryan, for a job very well done.”

President Champion commented that, sadly, we don’t often take the time to blow our own trumpet when it comes to some of the well executed achievements that we enjoy within our Valley. This has been a well-executed task and benefits our members and their children. Everyone involved in the restoration deserve the thanks of the Sudden Valley community.

V. AGENDA ITEMS:

- A. Proposal to Reduce Annual Junior Golf Membership Fees. President Champion noted the recent email request received for immediate Board approval of a reduction in Junior Golf Membership Fees. In recent years, as those fees have gone up, the junior memberships have declined. The proposal was approved, via email, in lieu of a Special Meeting and a “Consent to Action in Lieu of...” was passed around for signatures of the Board members.
- B. 2011 Pools Proposal. Treasurer Rodriguez reported that the Finance Committee meeting held two meetings on February 1st. The Finance Committee (FC) had a special meeting on February 1, 2011 to discuss the operation and funding of the Sudden Valley Pools for the summer of 2011. Prior to the FC meeting, Administration (Dave, Andy, Andrea) met with Tish O’Keefe and Marshal to discuss an operation plan for the pools. He turned the discussion over to Controller Andy Schwartz and Recreation Manager Andrea D’Alessandro to summarize the detail.

The operation plan discussion was to find ways to reduce the costs, as much as possible, where it makes sense. In the course of comparing the cost of performing

maintenance and ensuring that we are doing things correctly, two things stood out. There's really no significant difference between the cost of using an outside contractor (O/S Maintenance Service) or our own maintenance crew. However, the plus side of having an outside contractor is that they have the staff to run the pool operations, whereas we simply don't have the necessary staff to do this in house anymore. We would either have to hire some part-time people or do additional training. There's no real cost savings dollar-for-dollar from what we have in the 2011 official budget for operating the pools, but there is a cost savings in not having to hire people for that purpose. On the Y side, Andrea sat down with Tish and went through the numbers. The proposal has both the outside contractor and the Y taking care of a piece of the pools operations. The Y will operate in the mornings and will keep all the fees for swim lessons. This will serve to cover much of their costs. We will run everything in the afternoons and weekends. The actual cost for running the pools will run approximately \$66K for both. The Finance Committee is recommending that we contribute \$15K from the UDR fund, leaving approximately \$51K to be raised to fund the pools; said \$51K would be subject to tax. The total cost to the community, therefore, would amount to \$56K. Director Hope again asked: If we (the Association) chose to fund the pools, what would have to be forfeited by that trade off? The GM will develop those numbers.

Recreation Manager Andrea D'Alessandro outlined the numbers involved for the multiple levels of Pool Passes, based on approximately 5500 residents, with the hope of acquiring possibly 113 individual passes, and 128 family passes - all committed at these rates in order to make the plan work. She pointed out that there is no consistency about what folks generally want to commit to, citing for instance, that one year families bought family passes, but because of poor weather that particular year, coupled by the inability to always be able to have use of the pools, the same families the following year opted simply to purchase day passes. What is being sought in 2011 is to somehow get families (or individuals) to commit to using the pools in advance - whatever we ultimately offer as options. If using \$15K from the Undesignated Reserve Fund (UDR) is approved, then the difference would have to be made up through a pool pass program and we're asking members to commit early. Director Hope is optimistic that if we open the pools, the members will come even if they are not aware of the pass program before April 1st and that we will "come close" to the required revenue. He views the idea of having things contingent upon some kind of pre-purchase plan as unnecessary as we will be able to generate the money and doesn't have any doubt about that. Controller Schwartz pointed out that the \$15K from the UDR fund was all the Finance Committee was willing to recommend as a means to simply reduce the overall cost. Vice President Audley, who attended the particular Finance Committee meeting at which the \$15K was discussed, confirmed that it was intended only as seed money to achieve the total. The Valley simply does not have the money to pick up all the costs if people fail to show up, which is why it needs to be a guaranteed contract/purchase so we can be assured that the money will come in. She added we do not have the luxury of doing otherwise, although it would be nice if we did. Director Hope asked if we

expected advance commitment as well from golfers to open the golf course. Controller Schwartz assured all present that the pool has always been over-funded by the Association. Two years ago it cost us about \$78K to operate the pools, and we collected only \$28K. The operation of the pools has always been more than 50-60% funded by dues. If we end up covering the pool this year, the cost of a cover – coming from the Capital Reserve Fund – would run about \$15K. One property owner expressed surprise at the costs paid by the Association as against the return on investment. Treasurer Rodriguez stated he has suggested that if we were to come out even – having raised the full amount for opening the pools –the families should get the money back. The Finance Committee, however, had felt that any money raised above the cost of operating the pool should be placed in a pool fund to be carried over from year to year, allowing for a balance always available to apply to costs in succeeding years. Controller Schwartz pointed out that there would be a group of residents meeting with Andrea later in the week to discuss ways to market this program to the membership. Lastly, the Treasurer wanted to make clear that the suggestion to take \$15K from the UDR fund would be a gesture of good will on the part of the Association and there should be a task force that would help with this transition to help with marketing, assisting the GM, getting the word out on the preparations, creating the deadlines and following up on where we are on those deadlines.

President Champion thanked and commended the efforts of the Finance Committee, the Controller and the Recreation Manager – everyone involved – for the great job that they have done to get this proposal developed, as well as the effort of Vice President Audley on her alternative option. The president polled the Board for a straw vote on whether they would support the commitment of \$15K from the UDR if we can succeed in obtaining a workable plan that would help us attain the balance.

- C. Reformatting of Budget & Financial Reports. President Champion handed out and reviewed with the Board a test sample of the updated format for Budget and Financial Reports – in compliance with a request of months back for financial information to be presented that, hopefully, will be easier for some of us to understand. The new format will enable us to better comprehend where the money is going and where we stand financially.
- D. Library Status Report. President Champion noted that there have been two meetings with the FoSVL since the beginning of 2011. There have been numerous email exchanges and work is moving right along with the Memorandum of Understanding (MOU). Finalizing the required insurance coverages to be provided by the various parties is still a work in progress. Champion stated that he had been under the impression that when the time came, they would be hiring a general contractor to do the physical work of developing the library and would provide a completion bond to perform the build out. As it turns out, they will be hiring sub-contractors and utilize volunteers

where possible. The value of a completion bond would be to ensure protecting the assets of the Association in the event the work was abandoned for some reason or the workers simply walked away from the project. Such a bond would be difficult to get and be very expensive to acquire without a general contractor. As a compromise, the FoSVL will place \$10,000 in an escrow account in lieu of a bond to protect the Association from these potential issues.

- E. Task Force to Investigate Advisory Committee. President Champion reported that the requests for volunteers for this task, both on the website and in the Views have been met with no response. The committee, when formed, is intended to serve as advisors to the Board, providing input and ideas. It will be left as an open item for the present. Those who might be interested in participating should contact him. The Task Force would participate in drawing up a charter for the Advisory Committee. Resident Helen Moran volunteered to be on this Task Force during the meeting.
 - F. Alternative Dues Structure Task Force. Again, there has been no success in developing a volunteer task force for this purpose.
 - G. Strategic Planning Process & Committee. Same as above – but there have been 2 members who have expressed an interest in being a part of this group. He has provided these volunteers with the basic outline of what is required in strategic planning and is awaiting their response. Vice President Audley suggested it might be wise to first identify the outside consultant before pursuing any further volunteers. She suggested, too, that perhaps the local Small Business Administration might be able to recommend someone local to fill this position.
 - H. Other. Director Flacco asked about security cameras that have aroused a flurry of activity and email exchanges lately. Director Rodriguez asked if we could have a tour of the camera setup. President Champion agreed it was possible; however, noted that while the cameras are functional, the resolution is poor. The system is being revamped because it does not currently provide what we need. Some of the equipment has to be replaced. The system is a DVR system. When everything is finalized satisfactorily, the link between the cameras and the monitor will be an Internet connection, allowing for access to any camera (password protected) from a laptop anywhere. Cameras are spread around the buildings, at the marina, etc. in an effort to stop vandalism or identify a possible problem. The president will try to set up a Board “tour” of ongoing projects for the Board after Dave returns.
 - I. Next Coffee Chat. February 9, 2011 at 10:00 a.m. at the Creekside Coffee Shop.
 - J. Next Meeting. The next regular Board meeting will be held Monday, February 28, 2011.
- VI. PROPERTY OWNER COMMENTS: No further comments were provided.

Upon motion duly made, seconded and unanimously approved, the Board moved to go into Closed Session at 8:02 p.m. to discuss personnel matters

The Board returned to Open Session at 8:27 p.m. No action was taken.

There being no further business, the meeting was adjourned at 8:28 p.m.

Board Approved _____ Date _____

**MINUTES OF THE SVCA BOARD OF DIRECTORS MEETING
MONDAY, FEBRUARY 28, 2011, IN THE MULTIPURPOSE ROOM
COMMUNITY CENTER – 7:00 P.M.**

IN ATTENDANCE:

Clark Champion, President
Barbara Audley, Vice President
Georgia Allen, Secretary
Joel Rodriguez, Treasurer
Chuck McGroddy
Jo Jean Kos
Bob Almond
Paul Hope
Nick Flacco
Bill McRoberts, N&E Representative

EXCUSED ABSENCE:

Carol Bauman, ACC Representative

STAFF IN ATTENDANCE:

Dave Wareing, General Manager
Andy Schwartz, Controller
Tim Newcomb, *Views* Staff

COMMUNITY MEMBERS IN ATTENDANCE: 25+/-

- I. CALL TO ORDER:
President Champion called the meeting to order at 7:00 P.M.
- II. ROLL CALL:
President Champion noted the excused absence of Carol Bauman.
- III. ANNOUNCEMENTS:
President Champion noted at the outset that we would keep an eye out for the predicted snowfall during the meeting, and approved the addition, under New Business, of a discussion item requested by Director Hope for funding for an upcoming Welcome Neighbor event.
- IV. PROPERTY OWNER COMMENTS:
Discussion evolved again over the lack of a funded budget – the act of having to also approve dues increases separately – and the failure to resolve that disconnect so that the Association is run as it should be. The question also arose as to when this Board will decide to adopt the provisions of RCW 64.38.025 that would give us a passed and funded budget. Another member recommended that the Board turn down a proposal for a Parks and Recreation Development (“PRD”) that has come before several boards multiple times in the past and found not feasible by those boards. A query about our security cameras and whether they are currently operational, with an update on the continuing upgrades and perfecting of the system, including costs, revealed that activity is still ongoing and

the costs that began at a level of about \$40K have now increased to approximately \$90K. It has been noted several times that the project that was begun several years ago, was inadequate in what it was meant to provide, and the investment in fixing the problem has resulted in additional expenditure that, while unintended, has become necessary to provide the intended objective and level of security and video clarity that is essential for our purposes in Sudden Valley. The system as it existed when initially installed required additional components and increased capabilities in order to provide what we actually needed. The General Manager once again described in great detail the steps that have been and are still being taken to bring the service up to date. *(Said detail is reflected in the recording of this meeting on the SVCA website).*

Member Gayle Brightwell submitted a complaint to the full Board regarding a sign in Vice President Audley's front yard illustrating a Jack Russell terrier. She asserts it is a violation of the ACC rules and she sees as reflecting a double standard of enforcement of rules for members vs. rules for Board members. Mrs. Brightwell's handout included a photograph, taken February 28th, of the offending sign, stating that in her opinion this was a clear indication of different "classes" of members – Board members vs. the rest of the community. President Champion stated the alleged violation would be addressed by the Board in closed session; however, Mrs. Audley opted to respond to the issue openly as she felt the complaint was a personal attack against her, declaring the sign is a piece of "yard art" and noting further that she has several items of such art throughout her yard. The object of the complaint is painted with a picture of a Jack Russell terrier – a pet that she and Mr. Audley have – and she challenges its being viewed as or declared a "sign." ACC representatives have been on their property at least 3 times for various landscaping requests since the piece has been in place, and they have never received any comments about it or any of the other pieces on their property. The discussion became quite heated between the parties that included threats of a possible filing of a Restraining Order and accusations of personal harassment. Finally, Mrs. Audley made it very clear that until such time as she has been provided with irrefutable evidence that they are in violation of any ACC policy, or any other policy, she will not remove this piece of yard art from her home.

V. APPROVAL OF MINUTES:

Minutes were approved as written for the following meetings:

- November 29, 2010 – Regular Meeting
- December 6, 2010 – Work Session
- December 13, 2010 – Regular Meeting
- December 27, 2010 – Special Meeting

VI. GENERAL MANAGER'S REPORT HIGHLIGHTS:

General Manager, Dave Wareing, gave an oral review of his report of February 25, 2011, as shown below.

“Snow Response – As the community has seen, the Association has been responsive, timely and effective in responding to this winter's snow fall. The new equipment that we have is proving its value in our ability to respond quickly and effectively to snow fall that threatens safe travel within the Community. We still have some very old spreaders and

light duty plows and trucks on line that we hope to cycle out in a few short years. The larger truck, with its bigger downward pressure plow, larger sander and deicing system is vastly superior in every way. The essential key to our success, however, remains our people and the ability of Maintenance, Security and Administration staff to work smoothly and effectively together with each other and the community.

“Security Cameras – A sore subject for many of us has been the security camera system. By any reasonable measure, we should have had a fully functional camera system in operation long before now. Technical issues, topography and government regulation has made this a challenging endeavor to be sure. The successful completion of this arduous project is close at hand. The two companies who have been working to complete project will be onsite within the next two weeks to complete final installation, configuring and upgrades. In the end, we will have a system that provides the positive results that we all want to see achieved.

“Lighting – Maintenance has been working to strategically improve lighting where it has been too dark at the Barns and around the Club House. The lighting systems that have existed on and around the Association’s facilities are so old that they do not provide good, reliable lighting any more. This is especially important given the significant increase in the use of the Community Center since the upgrades a few years ago; we are looking to create a safer environment after dark.

“Golf Superintendent – After 25 years of dedication and service to the Association’s golf program, Course Superintendent Bryan Newman, will be stepping down. Bryan has done an exceptional job for Sudden Valley golf. We wish Bryan well and every success in his future pursuits. The Association’s new Director of Golf, Brian Kruhlak, will be announcing the new Golf Course Superintendent in the weeks to come.

“Costly Projects on the Horizon – As the Community’s physical infrastructure continues to age, we are identifying more and more costly projects that we will be facing this year and the next several to come. The culvert systems within the Community are reaching the end of their life and are beginning to rust out. Virtually all of our buildings are in desperate need of repairs and upgrades, several have serious deficiencies that must be fixed or we face the real potential of losing critical components and systems. I have asked the Maintenance Manager, Bruce Bishop, to prepare a presentation to provide to the Board and the community to show an accurate picture of the state of the Valley’s infrastructure. I would recommend the presentation for the next work session.

“Challenging Financial Year Ahead – In just the first two months of this year, we are already seeing strong indications that we will be facing steep cost increases almost across the board throughout 2011. Our utilities are up, supplies are up, and fuel costs are up, as are the majority of the other costs that we expect to incur for the rest of the year. In response, we are working to curtail as much spending as possible from this point forward. We are also seeking reallocation of 2010 lapsed appropriations.”

Director Flacco made some inquiries about the specifics of the original bid for the Security Camera system and was informed by the GM that former Security Chief Gordon Johnson was in charge of that effort, and confirmed to Director Flacco that no engineering firm had been pursued or was involved in bidding on the original project.

Before moving to the Treasurer’s Report, Director Bob Almond made the following motion:

MOTION:

That the Board of Directors of Sudden Valley approve a dues increase to fund the budget as approved by the membership at the AGM. The motion was seconded.

Director Flacco noted that prior to the AGM, there was a question raised that stated “What does the proposed Bylaw change do?” The answer was “The Washington State Homeowners Act, RCW 64.38.025, Section 3 provides a process by which all homeowners associations are to set an approved budget and the dues to fund them. The law invalidates all other dues approvals, including Sudden Valley’s. The proposed Bylaw change modifies the Bylaws to comply with state law.” Somewhere along the line, in our Bylaws, “Appendix K” says:

“The Homeowners Association Act (Revised Code of Washington (RCW) 64.38) became effective July 23, 1995 and takes precedence over SVCA Bylaws.”

Director McGroddy raised a point of order, objecting to the continued pursuit of this discussion on a couple of points: (1) that the Board, under any set of circumstances, has no authority to approve a dues increase. We cannot do that and therefore this is a motion that we cannot pursue; and (2) we had just approved an Agenda and he disapproved of having a complex issue like this sprung on him as a Director without any opportunity to review it or view the materials that are behind the motion. He recognized that this is an important issue for the community and something that does require our consideration; but to have it sprung on us, not even on the Agenda, is contrary to our rules and contrary to Roberts Rules. Director Hope noted that the confusion that exists regarding budgets and dues was intended to be cleared up by the proposed change in Bylaws, but it did not achieve that result, and further noted that a diversity of opinion exists amongst lawyers, the CAI and those involved in rewriting the HOA laws that to him reflects an ambiguity of interpretation, and does not want us to neglect our fiduciary responsibility to our members by forcing an issue that is not clear. He feels there is a middle ground here somewhere, but it will not be an easy task. Director McGroddy called for a ruling on his point of order before any further discussion would be allowed to continue. President Champion was unsure how he should rule; however, he did feel that this is an issue that must be discussed by the Board and recognized that it was a topic listed later on the Agenda and wished that the issue had been raised at that point; however, since it has been raised before the natural progression of the Agenda items, he preferred that we simply take up the topic then and there. Since it has been introduced, he recommended carrying it to some kind of logical conclusion.

Director McGroddy took exception to the decision and asked that it be so noted in the Minutes.

Director Almond offered his apology for having brought up the topic at this juncture, but stated his belief that it was the most important item we needed to try to resolve. He noted we have not yet discussed it as a group and felt that, perhaps, we should take it up at the next work session, but was emphatic that it needed to be addressed. Director Flacco then requested to speak to the following: That he had been told the following: “The membership told us what they wanted by the results of the October AGM voting.” What

he saw was a small group of sign-waving enthusiasts promoting voting no on everything onto the majority of the Sudden Valley Community Association membership. What he didn't see was a group of sign-waving enthusiasts' demonstrating and campaigning on why we need a dues increase. He didn't see any large Board of Directors' campaign to promote a reason why an increase was necessary. What actually happened, in his view was that the signs warned, did not address the issues, but caught the attention of the Valley. It was the "only game in town." He also felt that this AGM voting membership majority that were the target of the signs usually don't bother to get involved, think they are satisfied with the status quo and took the path of least resistance without actively seeking alternative options. He felt this small group of members wouldn't let go of their grudges, but insisted on rehashing and condemning all Board actions, and even new Board member actions – right or wrong – and just kept the anger flowing. These folks would not even allow the new Board sufficient time to become acquainted with the issues and address them responsibly. This relentless, continued action resulted in no money for the pools, no money for the parks, no money for proper maintenance, dismissed employees, continued distrust, and the ensuing rift and infighting. Everyone lost. Multiple lot owners who were blessed to have been able to acquire more lots for investment "won" because they wouldn't have to pay the increases on their multiple properties. They "lost," however, because our funds have been depleted to the extent that personnel had to be cut that could provide preventive maintenance, caused further deterioration/failure of the infrastructure and diminished desire for others to move into the community. Without the collective support of the entire community, as committed to at the time of purchasing property in the Valley, there can be no improvement or funds for the necessary repair/maintenance of Sudden Valley amenities. The constant complaints evolve over and over around the Health Club and the Coffee Shop. The message being perpetrated is that a completely new Board is going to succeed where all the others have failed. He does not agree. He feels that the existing problems will not go away with a new slate of officers and he is weary of the whole issue. He feels the State of Washington's development and passing of the RCW 64.35 was intended to avoid these kinds of conflicts.

Director Hope commented that he is very aware of all the differences of opinions and the strong beliefs of both sides. He also feels he was elected because he was an "opposition candidate" and represented change. He also feels that a Board should have members with differing points of view to be effective. He understands that there are opposing opinions and opined that it is less relevant whether we get the pools open, spent \$90K on security cameras, or spent money somewhere else than the importance of relating to one another as neighbors – allowing that we have differing opinions, but share in a willingness to listen with open minds and try to resolve our differences with compromise that is arrived at through civil discourse and less hostility. We are not engaged in a contest, and need to accept that we are all neighbors and just be nice to one another.

President Champion acknowledged that while much had been expressed on the subject, he didn't feel that any of us were prepared to act on the motion on the table. He would, however, entertain a motion to table the subject and reconvene at a special meeting within the next 2-3 weeks to begin laying out a path on how we could adequately prepare ourselves to make this kind of decision. Director McGroddy agreed to make the new

motion, but wanted to make it clear that he completely agreed with what Director Hope had said, and wanted to ensure further that his action to call this discussion out of order was in no way to be interpreted as opposition to the idea. He firmly believes that we have to come to some kind of solution to the problem and agreed with Director Hope that the way to come to some solution to the problem is to move forward and find ways to cooperate with one another and stop looking back and stop calling each other names. He then moved:

MOTION:

That we postpone the prior motion, to be taken up again at a Special Meeting within the next 2-3 weeks for further discussion. The motion was seconded.

MOTION PASSED WITH A VOTE OF 7 TO 1

VII. TREASURER'S REPORT:

Treasurer Joel Rodriguez reported that the Finance Committee met on February 22nd to review the financials through December 31, 2010. He gave a high-level summary of what happened for the year. Board approved capital projects for 2010 amounted to \$290,438; the projected balance remaining for 2010 is going to be \$308,324. Dues payers are up to 2,992, and bad debt has actually dropped for the first time. Looking at the Balance Sheet (pg. 35 of pkt.), the UDR is at \$123K; the Mail Box Fund is at \$6,380 and the project has been signed off by Penny Carter and Bruce Bishop, with the remaining balance to be used for maintenance of the mailboxes. Roads stand at \$307K and MR&R at \$390K. Operations revenues totaled \$2.4M; actual salaries/benefits were \$1.6M; actual "other" expenses were \$763K; combining these figures adds up to about 2.3M. Subtract actual spent from revenue and we have a surplus of \$31,145 at year's end.

VIII. COMMITTEE REPORTS:

- A. Architectural Control Committee: None for this month, in the absence of AC Chair.
- B. Communications Committee: Chair Paul Hope reported that one of the roles of the Committee is to develop surveys and that he suggested a survey, to be included in the next dues billing, that asks the members how they think we – the Board – are doing with respect to our target goals. Secretary Allen commented that she feels the results of such a survey are predictable, as it is apparent from reading the PAC blog site that the members of that group feel the Board is not competent to grade itself, but rather should more properly be rated by the members. She does agree that input from other sources provides added value, but disagrees with the notion that we cannot manage the task competently ourselves. Chair Hope also reported on a community activity being developed by the Committee to address roadside trash/litter. He now also has a map of our trails and wants to have this kind of information made available to the members. He also noted that the Outreach portion of the Committee is actively engaged in developing community projects.
- C. Document Review Committee: No report this month.
- D. Emergency Preparedness Committee: Chair Bill McRoberts reported that we still don't have all the materials promised by the Red Cross to sustain us in the event of an emergency – only a partial delivery has been received thus far. Director McGroddy is working to get this small problem resolved. We will be getting an FCC license for use when utilizing the emergency communication system that was proposed by the Sudden

Valley Hamm Radio Club to facilitate imparting emergency information within the Valley. It may be several weeks, however, before the FCC completes the approval process. We will be having another Firewise program within the Valley and have engaged the assistance of former director Laura Weide and Community and Environmental Services (CEM) manager Anthony Cavender to help us with the event.

- E. Executive Committee: The Secretary read the Minutes of the meeting of January 19th setting the agenda for the February 23rd Board meeting. No further business was conducted. The Secretary reminded those present that Agenda setting meetings are open. They are held at 3pm on the Wednesday preceding the Board meeting in the back room of Bob's.
- F. Finance Committee. Treasurer Joel Rodriguez reported on the Minutes of January 18th (page 73 of the pkt.), noting that the header identifying the date of the meeting had failed to print. The minutes of the February 22nd meeting were also included and the Treasurer presented 6 motions.

Motion 1 Background: The golf course is currently using a very antiquated cash register system, which provides no integration from the electronic tee sheet, very little in the way of reporting capability or security, and sets a poor standard for customer service. He supports the recommendation of the Finance Committee, and so moved the motion.

MOTION 1:

As requested by the SVCA General Manager and reviewed and recommended by the Finance Committee, I move that the Board of Directors approve an expenditure, not to exceed \$2,500 net to SVCA, including taxes, from the Major Repair and Replacement Capital Reserve, for the purchase of a golf point-of-sale system.

The motion was seconded. Director Kos noted for the Board that the Golf Pro will be paying 10% of the total cost (before our net amount) from the profits of the sales in the Pro Shop.

MOTION PASSED UNANIMOUSLY

“Motion 2 Background. Recently a heating system that serves the tea room of Bob's restaurant in the Clubhouse failed and severely damaged a large section of carpet and some of the subflooring. The carpet, which was very old, has been removed and discarded. The subflooring was replaced by the staff and the carpet now has to be replaced. Three bids were received for purchase and installation of the carpet. The not to exceed amount for this is going to amount to \$4,000, including taxes. This transaction was handled by the Finance Committee via email and there were no major objections.”

MOTION 2:

As requested by the SVCA manager and reviewed by the Finance Committee, it is recommended the Board approve the expenditure, not to exceed \$4,000, including taxes, from the Major Repair and Replacement Capital Reserve, for the purchase and installation of the carpet in the Clubhouse tea room.

The Treasurer supported the recommendation of the Finance Committee and so moved the Motion. The motion was seconded.

MOTION PASSED UNANIMOUSLY

“Motion 3 Background: After reconciliation of the books for the 2010 budget year, there is a \$31,145 surplus. The GM has submitted a memo to allocate this surplus to the 2011 Spending Plan in the areas of administration, golf, golf maintenance, security, and maintenance (See GM’s memo). The committee discussed, agreed, and recommended approval that the entire balance be applied to the areas articulated/documented by the GM—with the understanding that he has the discretion to reallocate those funds based upon unforeseen contingencies that may arise during the course of the year.”

The Treasurer supported the recommendation of the Finance Committee, and so moved the motion.

MOTION 3:

As presented by the General Manager and reviewed and recommended by the Finance Committee, I move the Board of Directors approve the GM’s request for reallocation of the 2010 funds for use in the 2011 operational year. The motion was seconded.

A lengthy discussion amongst several directors followed on the pros and cons of whether the funds reflected in this motion ought to be or could be set aside temporarily in the event the pool pledge fund goals were not met, as well as the pros and cons on whether some of those funds might be utilized to make up the difference between the funds raised and the target goal that was \$53K, if that goal was not reached. A request to amend the motion to allow the \$31K to be placed in some kind of “trust fund” in the event the pool pledges fall short of the \$53K goal was **turned down by a show of hands vote of 4 to 2, with one abstention.** The president then called for a vote on the original Motion 3.

MOTION PASSED BY A VOTE OF 7, WITH ONE ABSTENTION

“Motion 4 Background: A special meeting of the Association’s Finance Committee was held on Feb 1st for the purpose of discussing the operation and funding of the Sudden Valley Pools for the summer of 2011. The General Manager, Controller and the Recreation Manager met with Tish O’Keefe (Y Aquatics Director) and Marshal Bailey (Pool Service) to come up with a solid operation plan for the pools. The Recreation Manager, with the cooperation of the association members, has developed a pledge campaign with several price points. These plans were presented and supported by the Finance Committee.”

The Treasurer supported the recommendation of the Finance Committee, and so moved the motion.

MOTION 4:

Based on the work of the Association’s Administration, the Finance Committee, the Y, Marshall Services, and various community members and individuals, the Finance Committee moves that the Board approve the implementation of the 2011 Sudden Valley Pools Pledge Campaign in an effort to gain sufficient pledges to combine with the \$15,000 in UDR funding to enable the funding and operation of the Association’s swimming pools for the 2011 season. The motion was seconded.

Discussion once again evolved around the wisdom of the intent to contribute \$15,000 from the UDR to the pool pledge fund, coupled by additional reprisals for not making a decision on the RCW as proposed earlier in the meeting. Director Hope suggested amending the motion to reflect that if the funds were not met to open the pool this year through pledges that the Association would make up the difference, also from the UDR. The amendment failed for lack of a second.

MOTION 4 PASSED BY A VOTE OF 7 TO 1

“Motion 5 Background: The Association’s Controller has made a recommendation to utilize Larson Gross as the auditing firm for the 2010 Financials.

Finance Committee Recommendation: Due to the time constraints for 2010, difficulty in finding an auditor that specializes in homeowners associations locally, and the time commitment to train a new auditing firm, the majority of the FC accepted the recommendation of the Controller. There was conversation of attempting to acquire a new auditing agency for the 2011 audit; however a motion was made and accepted by a majority of the Finance Committee to retain Larson Gross for the 2010 audit.”

“...It is the recommendation of the Treasurer that a minimum of three auditing firms are researched for price, accuracy, timeliness, and *impartiality*; that those choices are further researched by the Board of Directors, and that, once satisfied, the Board of Directors choose a firm to contract with for the review of the 2010 Year-End Financials. Please note that this not imply any improprieties in the financial data. **Please note that this recommendation does not imply any improprieties in the financial data. I strongly believe that there should be a system of checks and balance.**”

Discussion revolved around the late date for pursuing bids from other firms and the suggestion was made to simply plan to seek other proposals for the audit year 2011. It is too late in the year to begin exploring other options. The pros and cons of changing, the potential expense involved and the general disadvantages of having no firsthand knowledge and experience of how we operate were also discussed. In answer to a query, the Association Boards have discussed the possibility of seeking other auditors in the past, have not actively pursued this option, and have been satisfied to stay with Larson Gross. No search activity, however, has been begun this year to pursue a different firm. Efforts on a search would be better timed for the 2011 audit year.

MOTION 5:

That the Board approve the recommendation of the Association’s Controller to utilize Larson Gross as the auditing firm for the 2010 Financials. The motion was seconded.

MOTION 5 PASSED BY A VOTE OF 6 TO 1, WITH 1 ABSTENTION

Motion 6 Background: As reflected in the General Manager’s memorandum below:

“Purpose – The purpose of this memorandum is to present information that is relevant to a discussion of whether the Association should give serious consideration to the development of a Parks and Recreation District within the boundaries of the Sudden

Valley Community. Such a project would be for the purpose of generating property tax based revenue for community recreational use. Board discussion is recommended.

“Background – In 2003, several Valley residents submitted the attached proposal and information in support of the development of a Parks and Recreation District. Dennis Jones once again is recommending consideration of this question. Such a district would have both potential benefits and potential downsides, such as:

“Possible Benefits: 1) Up to \$100,000 of funding for recreation and recreation programming per year for six years; 2) Access to government grant and/or matching funds for recreation projects; 3) Municipal corporation status (limited) for the Association in working with other government entities; 4) Association veto control of funding and district activities.

“Possible Downsides: 1) Taxation without representation issue; 2) Competition for limited dues dollars; 3) Cost of District administration; 4) Member resistance to increase in property tax; Whether the effort is worth the limited funding.

“Cost – The costs to pursue a Parks and Recreation District vote are undetermined at this time, but are believed to be reasonably low, at \$500 to \$1,500. The cost of yearly administration is reported to be approximately \$15,000 per year.”

The Treasurer supported the recommendation of the Finance Committee, and so moved the motion. He also recommended forming a Task Force that would research the process and feasibility of forming a Parks and Recreation District. President Champion asked him to read the motion (below) and inquired as to whether it should include the recommendation for a Task Force. The answer was yes. *(added in italics)*

The motion as written was:

MOTION 6:

That the Board discuss and review the possibility of forming a Parks and Recreation District within the boundaries of Sudden Valley, *and to form a Task force that would research the process and feasibility of forming a Parks and Recreation District.*

Director McGroddy commented that the idea that we would acquire \$100K from anybody false. That money would come out of our pockets, whether it comes from our property tax pockets or our dues payers' pockets. He is totally opposed to opening all or part of Sudden Valley as a public park district to the public. In further discussion, one of the questions raised was whether such an action would require us to open our facilities to the public. Director McGroddy's judgment, as an attorney, was that while the statute is not specific as to opening to the public in the law, there are numerous cases in other areas of the law that hold that when the public finances something, it becomes a public district open to the public, whether we like it or not. Another issue is that creating another governing body with its staff and its rules and with the possibility of conflict between that board and this Board, we don't need more complication in this Valley – we need less. This Board of Directors does not need more work to do. We have a huge set of problems

already on our plates and we need to concentrate on them. He sees the one possible benefit out of all of this is, as Vice President Audley pointed out, we would be legally qualified to apply for a grant, but he is also not aware of any abundance of grant monies available for acquisition. If there is, then there are a lot of people ahead of us in line. He believes that in this economy that expectation is ephemeral at best. We could be taking on substantial administrative costs in accepting this idea and he sees the benefits as miniscule. He would personally prefer to run our own parks with dues rather than taxes. President Champion called for the vote on the motion.

MOTION 6 FAILED BY A VOTE OF 5 TO 4, WITH THE PRESIDENT HAVING TO BREAK A TIE.

- G. Long Range Planning Committee. Chair Barbara Audley reported that Long Range Planning is still hard at work; they have had some illness within the group and hope to have their condo survey report ready soon for all to read.
- H. Nominations and Elections Committee: Chair Bill McRoberts reported no new activity.

IX. OLD BUSINESS:

- A. Pools Proposal. Completed and released.
- B. Board Goals Status. Removed from the agenda for this meeting.
- C. Library Update. President Champion has sent a copy of the Memorandum of Understanding to Board members for their perusal, and noted it is in the stages of final review. Details for both sides are spelled out; the document has been sent to Phil Sharpe for review. Director Almond does not feel the hours of operation should be spelled out in this document as these would be subject to change anyway.

X. NEW BUSINESS:

- A. PRD Proposal. Discussed earlier in the meeting.
- B. Compliance With State Law. Same as above.
- C. Welcome Neighbor Event Funding. Communications Chair Paul Hope asked for funds (about \$200) from the UDR to fund the Welcome Neighbor event that is held primarily to introduce new residents/members to the Valley. It would cover the cost of decorations and refreshments provided as an inducement to attract attendees to learning more about their new home, the Association, its structure, rules, amenities, etc. The General Manager has a small budget for Board expenses (\$2,750) that could be tapped for this purpose. The monies are meant to cover all Board expenses, so the GM suggested that the Committee simply turn in the bills for payment.
- D. Next Meetings. Coffee chat will be Wednesday, March 2nd at 6:00 p.m. at Bob's. March 8th will be a work session, with another coffee chat on March 9th at 10:00 in the Coffee Barn; and the regular Board meeting on March 28.

X. PROPERTY OWNER COMMENTS:

Comments centered around a concern that we are disenfranchising some of our members who are not citizens from having any say about a PRD in Sudden Valley; concerns about differing views on what constitutes park maintenance – the opinion expressed was that even with our poor state of funds, our parks look better than the County's. Comments were added by a former Board member that multiple reasons have influenced prior Boards in voting against the park designation before – one being that, as Director McGroddy pointed out does

form a municipal corporation and conveyance issues are attached to that. There are a lot of costs involved, including property taxes as well.

Bill Audley, speaking on behalf of the Kiwanis Club, noted the Fishing Derby will be held on April 30th and reminded the Board that members of the Board have contributed support for this event. The lake is stocked annually with approximately \$1,000 worth of trout for this event and he encouraged members to donate if possible.

Y. BOARD MEMBER COMMENTS:

N&E Chair Bill McRoberts cautioned the Board/Committees members not to use the word "vote" in email exchanges. An alternative word choice should either be "agree" or "approve" but not "vote."

The Board moved to Closed Session at 9:22 p.m. for a personnel update, returned to Open Session at 9:28p.m. No action was taken.

There being no further business the meeting was adjourned at 9:38 p.m.

Board approved _____ Date _____

**MINUTES OF THE SPECIAL SVCA BOARD WORK SESSION
TUESDAY, MARCH 8, 2011, IN THE MULTIPURPOSE
COMMUNITY CENTER - 7:00 P.M.**

IN ATTENDANCE:

Clark Champion, President
Barbara Audley, Vice President
Georgia Allen, Secretary
Joel Rodriguez, Treasurer
Chuck McGroddy
Bob Almond
Nick Flacco
Carol Bauman, AC Chair
Bill McRoberts, N&E Chair

EXCUSED ABSENCES:

Jo Jean Kos
Paul Hope

STAFF IN ATTENDANCE:

Dave Wareing, General Manager
Bruce Bishop, Maintenance Manager

COMMUNITY MEMBERS IN ATTENDANCE: 12-15

I. CALL TO ORDER:

President Champion called the meeting to order at 7:00 p.m.

II. ROLL CALL:

President Champion noted the excused absences of Paul Hope and Jo Jean Kos.

III. SOUND-OFF:

RCW 64.38.025 – Linda Bradley. Mrs. Bradley read a prepared statement entitled “RCW 64.35.025 A Question of What is Due?” and excerpts from a statement (memorandum or email) dated September 5, 2006, from a Jennifer Arnold, employee at the Washington State Legislature (attached). President Champion asked about Ms. Arnold’s statement in which she refers (sub-paragraph 1) to an issue that was “currently being reviewed...” in 2006 and wondered what the outcome of that review was. Mrs. Bradley stated that she is awaiting permission to access the website to find out.

IV. AGENDA ITEMS:

- A. Ombudsman/Public Relations. President Champion stated that several people have suggested that perhaps we should consider appointing an Ombudsman or Public Relations-type person who could handle questions/answers/ researching of information, etc. and take some of the time constraints off staff, so that there would be a central clearing source for the various requests for information. He thinks there may be an

advantage for considering such a position, but has concerns about the idea as well. Vice President Audley asked if this was something that should go through the Communications Committee, and the reply was “maybe.” Discussion revolved around the pros and cons for considering such a position; the need for the ombudsman/public relations person, if selected, to have vast knowledge of all the many facets of SVCA history, its operation, amenities and events, providing an “independent face of authority” that would be advantageous as well as helpful. President Champion sees it as advantageous in that it would take up less of individual manager’s time in dealing with the same individuals over and over, frequently on the same subject. The idea has been proposed, and will be taken up for discussion again at another time.

- B. Coffee Shop Proposal – Gary Frey. General Manager Dave Wareing began the discussion by stating the SVCA had received a proposal from Mr. Gary Frey, who seeks consideration of his request for permission to rent and operate the snack bar/coffee shop located in the Community Center. Mr. Frey, a Sudden Valley resident, then reviewed his plan (attached) with the Board, expressing his desire to provide “...one of a kind service to Sudden Valley resident and its visitors as well as give them an experience that will bring them back for more.” Mr. Frey envisions a location that would include a drive-through operation at the corner of the barn. Director McGroddy commented he would welcome a workable solution to operating a coffee shop in the barn; the feasibility of a drive-through, however, was a concern to him and other Board members. It is still under consideration, and in answer to a question, Mr. Frey assured the Board that he wishes to operate the coffee shop as well as the possible drive through capability. In the event that this operation takes off and becomes profitable, it was suggested by Director Flacco that a potential contract include that a small percentage of the net profits be paid to SVCA. The equipment would be under a regular service schedule as is followed in this business to ensure consistent quality. These details would, of necessity, have to be worked out in any lease arrangement. President Champion confirmed the interest of the Board in Mr. Frey’s proposal, and asked that he come back to us – by the next work session, if possible – with a more detailed proposal to include cost projections, insurance/worker comp provisions, etc. Mr. Frey indicated he could do so, but would first like to know what he would likely be charged for rent and utilities on the space. It was also suggested that Mr. Frey and Dave Wareing meet within the next couple of weeks to go over some of this detail, as interest in his proposal by the Board was clear. One final concern, however, would be the potential traffic flow utilizing a drive through, considering all of our current pedestrian traffic in the area.
- C. Library Status Report. President Champion reported the Memorandum of Understanding is nearly ready for signing in the next couple of weeks. The structural report on the building was impressive and the costs involved reasonable. While they do not yet have any bids on necessary fixes, the guesstimate is in the neighborhood of \$30-35K for structural work only. This will require modifications to beam joints and column

attachments – all of which would inure to the benefit of the Association. There is to be a direct pedestrian connection between the coffee shop and the Library without the necessity to go outside to the pathway – benefitting both the library and the coffee shop.

President Champion noted that he had hoped the next two items on the Agenda - Task Force to Investigate Advisory Committee and Strategic Planning Process & Committee – would generate interest within the community and a group would come forward to generate a charter for both of these groups, but that has not happened so he suggested dropping the Advisory Committee for now and he will proceed with drafting a charter for Strategic Planning and bring it back to the Board.

- V. Slide Presentation – State of SVCA Infrastructure – Bruce Bishop Maintenance Manager
Bruce Bishop gave an impressive, color-slide presentation to the Board and members in attendance of the ongoing progression of the irrefutable severity of SV infrastructure deterioration. It was clear that this situation is serious and in need of resolution as soon as humanly possible, when funds are available to begin. The work must be done or we could begin to experience serious failures. The frustration at not being able to address these issues was palpable. The wish list: funding, staffing, equipment and time. Bruce was roundly applauded and thanked for the presentation by all present. Vice President Audley expressed her strong desire that this presentation be made to the entire Valley – through several Town Halls, if necessary – as this is not the sort of information that one would actively seek to learn independently. She suggested multiple viewings to multiple audiences; i.e. the Women’s Club, the Kiwanis Club, Garden Club - any group connected to Sudden Valley, etc. as it is a major information piece that needs to be disseminated. President Champion sees an obvious tie, also, to the Reserve Fund Task Force. Director Flacco suggested a special edition of the *Views* completely dedicated to this issue, filled with color photographs, etc., because all members get the *Views*. Other ideas included putting it onto the website or, made into a DVD with a voiceover explaining what folks are looking at. Dave Wareing commented that through the reserve study conducted this year, it was noted that we have \$330K available this year to spend on various projects, but we are at least \$700K short on funds needed for additional replacement or repairs. Resident Tammy Woodin commented that she didn’t think people were against the dues increases, but against the way the monies are spent; again, using the Health Club and Coffee Shop as an illustration of what she felt were misdirected priorities.
- VI. NEXT COFFEE CHAT. Thursday, March 9th at 10:00 a.m.
- VII. NEXT MEETING. Special Board Meeting, Thursday, March 10 at 7:00 p.m. at the Adult Center.

VIII. PROPERTY OWNER COMMENTS. Comments around the RCW again arose, but interference on the tape made transcription of the member's message lacking in sufficient clarity to transcribe accurately.

The GM asked to clarify misinformation that was being disseminated about a job opportunity that he had pursued unsuccessfully in 2005 to allay any further inference that he had been turned down due to any impropriety on his part.

IX. BOARD MEMBER COMMENTS: None

A motion was duly made, seconded and unanimously passed to enter into Closed Session at 9:23 p.m. to discuss personnel matters.

The Board returned to Open Session at 9:38 No action was taken.

There being no further business, the meeting was adjourned at 9:38 p.m.

Board Approved _____ Date _____

**MINUTES OF THE SVCA BOARD OF DIRECTORS MEETING
MONDAY, MAY 23, 2011, IN THE MULTIPURPOSE ROOM
COMMUNITY CENTER – 7:00 P.M.**

IN ATTENDANCE:

Chuck McGroddy, President
Barbara Audley, Vice President
Georgia Allen, Secretary
Joel Rodriguez, Treasurer
Clark Champion
Jo Jean Kos
Bob Almond
Paul Hope
Nick Flacco
Carol Bauman, AC Chair
Russ Harlan, N&E Representative

STAFF IN ATTENDANCE:

Dave Wareing, General Manager
Andy Schwartz, Controller
Tim Newcomb, *Views* Staff

COMMUNITY MEMBERS IN ATTENDANCE: 12-15

I. CALL TO ORDER:

President McGroddy called the meeting to order at 7:02 P.M., noting for those present that the Agenda was somewhat “massive” and asked for the indulgence of the members present.

II. ROLL CALL:

President McGroddy noted the attendance of the full Board. Director Champion joined the meeting via Skype.

III. ANNOUNCEMENTS: None

IV. PROPERTY OWNER COMMENTS: Member Jim Huthert commented on the fact that we have several Board committees that are reconfirmed annually, and it appears that each must be chaired by a Board member. He doesn't believe that the Bylaws required that the Chair must in all cases be a Board member, at creation or when reconfirmed. He would like some sort of reconfirmation that an existing Chair be permitted to continue if he/she wished to remain on any given committee, rather than changing that role annually just because it is usually a Board member, thereby retaining the continuity of the existing committees. The president agreed that it was a reasonable query and thanked Mr. Huthert for his observations.

V. APPROVAL OF MINUTES: Approval of the Minutes of February 28, March 8, March 10, March 20, and March 28, were reviewed and approved, as amended.

VI. **GENERAL MANAGER'S REPORT HIGHLIGHTS:** The General Manager's report for May 23, 2011 was as follows:

“Pool Opening – As the Board is aware, the 2011 pool permit application has been submitted and we expect the permit to be issued very soon. We are verifying compliance with applicable safety requirements, based on the multiple safety upgrades done in 2009, but anticipate no unresolved issues. A June 18th opening is on target. We have received a significant amount of very positive feedback regarding both the fundraising process and the fact that the pools will be opening this year. The community spirit has been excellent. The Recreation Manager, Andrea D'Alessandro, has done an exceptional job of coordinating a very successful campaign process to see the pools reopened.

“Speeding: Problems and Solutions – The Association receives complaints regarding speeding on an irregular basis. We take such complaints very serious, as the potential for harm or death is very real. While speed bumps have been successful in helping to reduce speeding, there is a limit to how many speed bumps can and should be installed. Radar can be an effective means of addressing speeding. However, due to limited staffing and the potential risks associated with traffic stops, radar enforcement is best left to the Sheriff. The most effective way for the Association to address speeding in an area, especially by someone who lives in the immediate area that can be identified, is to have them reported to Security or Administration. Once these folks become known to us, they will be contacted and warned against further speeding. Further complaints result in administrative action being taken and the involvement of the Sheriff's Office. This approach usually results in the cessation of the speeding. We recently had one such problem in Gate 5 resolved by involving the Sheriff's Office; this problem has since been resolved.

“Reporting of Problem Behavior – There are a variety of issues that regularly arise in the community that need to be effectively addressed. These are best addressed through a close and positive working relationship between members and the Association. Members seeking to see a problem addressed, whether it is a barking dog, speeding, an unkempt home or another issue, need to report the issue to the Association. Once problem people realize that the community or neighborhood is united against their inappropriate behavior and are willing to work with the Association to see it stopped, they normally become much more responsible. The Association wants problem people and situations brought under control as much as their neighbors do. In most cases, it is not necessary to reveal the identities of those who make the complaints. In any case, we will not identify complaining parties without asking for and receiving the permission to do so from the complaining person. E-mails or phone calls with details of the problem, identification of the person causing the problem and contact information usually enable us to respond quickly and effectively to most complaints. Members can call or e-mail me, Administration, or the department manager, who is responsible for handling such calls or complaints.

“Reporting Hazards – Recently the Association received a report that a member had slipped on some mud at the Rotunda mailboxes and injured her wrist when she fell. Responding Maintenance personnel determined that the very heavy rains had blocked a newly installed drain and then washed dirt from the embankment behind the cluster boxes into an area where it puddled. As the water drained away, the dirt settled and became a thick film of mud. We were not notified of this condition until the member

slipped and fell. Staff quickly resolved the problem, by removing the drain and cutting a drainage channel that could handle heavy water flows. The key in situations like this it is for members to immediately report problem situations that pose a risk to them or others without delay so that the appropriate personnel may be dispatched and action taken.

“New Association Website – The Association’s website is in need of replacement. The site is cumbersome, difficult to maintain and update. The website was evaluated by a website expert who has advised the site should be replaced or transitioned to another platform. The website was developed using WordPress, which was developed for blogs, not for HOAs. Board member, Paul Hope, and the Administrative staff have been reviewing a new website system that was developed and structured specifically for HOAs. The new system fully integrates with our TOPS financial system and would provide a feature-rich environment for the membership and provide a better base from which to serve the community in the same manner as other HOAs do.

“Zoning Issues – The County has nearly completed its work to bring its zoning rules into compliance with the state’s Growth Management Act (GMA). Phil Sharpe and I attended Planning and County Council meetings, respectively, where we testified on the Association’s behalf seeking favorable zoning for support facilities. Several areas in the Valley have been designated Small Town Commercial (STC), which is favorable to the Association. The changes made are consistent with the GMA and recent activities. We would like to have had broader application of the STC designation, but the actions of the County are consistent with the applicable law and standard zoning criteria. Even though we would have liked to have seen even more favorable treatment in the Association’s interests, the Association is still in a good position, especially in view of the fact that it exists in a watershed where there is great pressure to limit growth and development.

“Road Marking – The road marking crew took advantage of the recent good weather to mark and install a number of stop sign lines and speed bump warnings. The remaining striping work will wait until after the road work is completed later this summer.

“Ongoing Training – Every effort is being made to ensure that the staff is receiving necessary and performance enhancing training. The Association has acquired access to new, up-to-date training videos which will be used to provide standardized training to both managers and line staff. We have also been taking advantage of the free training opportunities provided by the Unity Group, our insurance carrier, and with labor attorney, Jeff Fairchild. CAI training is also being accessed to enable the latest industry standards to be employed by the General Manager and the management staff.”

- VII. TREASURER’S REPORT:** The Treasurer turned the meeting over to the Controller, who ran through the statistics he always highlights for the Board (pgs. 46-54 of the pkt), adding that there had been no new capital requests for this month. There are approximately 260 people who have not yet paid their 2nd quarter dues. These are people who were current the first quarter, and those who have not yet paid have received the appropriate letters noticing the penalty for non-payment. If they remain delinquent for 60 days, we will assess another penalty; place a lien on their property; and at 90 days, will take them to small claims court. We are now at 2,818 dues payers, still approximately 200 below budget. Reserves (pg. 53) show a net, after expenses, of \$142,916. Operations are in line with budget.

The Treasurer reiterated that he did not have any motions; he is still working on the Minutes for April and will present them in June with the June minutes. The only other thing he wanted to mention was that after reviewing the finances with the Finance Committee, there were two topics that dominated the discussion. (1) The report to be presented later on by Penny Carter, and (2) The 2012 budgeting process. The message that came out of the FC was that the Board needs to start the process for budgeting for 2012 so that we have ample time for community input, planning and the measures ready for November.

Director Hope recalled that we had spoken before about having a special task force that would look into the possibility of a different dues structure, and asked what had happened to that. He was referencing the previously proposed concept of dues based on assessed values. Treasurer Rodriguez commented that it has not been a discussion item for the Finance Committee and he was unaware of any other action on the subject. President McGroddy stated that to the best of his knowledge no task force has been appointed. His feeling is that with the Reserve Fund coming up and with the dues coming up to the AGM, the study of an alternate dues structure can be postponed until we deal with the more critical part. He doesn't want to place an additional load on the Finance Committee at the time of year when they are the busiest, so if there is a motion, we can take this up later. Director Hope continued that he thought we had already decided to do it – that we had voted to do this last March and he wondered where that went. (*“no success in developing...” found in February 2011 & zero in March BOD minutes*)

VIII. RESERVE FUND TASK FORCE FINAL REPORT (Pgs56-77 of pkt)

RFTF Chair Penny Carter reviewed the extensive, thorough and complex report with the Board and the members present in great detail, giving thanks and credit for the support and assistance of member Lee Langdon in assisting with preparation of the written report. Mrs. Carter read a statement of completion signed by members of the Task Force, signing in pencil on behalf of Clark Champion, who will sign in ink upon his return to the Valley.

MOTION:

That the Board of Directors has received and accepts the Final Report of the Reserve Fund Task Force. The motion was seconded.

MOTION PASSED UNANIMOUSLY

Mrs. Carter went on to read the following statement:

“We recognize that this is a lengthy report, with attachments, and request that you read it in full and the 5/10 interim report as supplemental to this report. It's a complicated subject with decisions to be made that have significant implications for our Association. It's important to understand the nuances of this reserve study and digest what we have recommended. For that reason, we feel it is in your best interests to schedule a special session of the Board no later than June 3rd, 2011 for the sole purpose of addressing this topic. This will give each of you time to fully prepare for productive discussion about our capital reserves and decide what action to take. There are a lot of nuances there, and that is all I can say; the interim report that we presented a couple of weeks ago essentially is unchanged other than we added some things to it in the Final Report. In the Final Report, we decided to write it in a more prose fashion so that we could elaborate more on some of the thinking that went on behind this. We tried to whittle it down to the key

components and not over-complicate, but to provide enough information so that you'd have a better understanding of what we went through and of the information that was included in the report. So, we fully expect that, in doing it that way, it might raise some additional questions, which you might have tonight, or that you might want to get questions on in preparation for a meeting that would be just dedicated to this subject. It is a big topic that has lots of options and possibilities to go through; and I think you all need that time to do it as we turn this over to you."

Mrs. Carter then went on to go through some of the topics that she wanted to highlight and some things she wanted to bring to us that might help us go through this report in preparation for the follow-up meeting. President McGroddy added that as a member of this Task Force he has enjoyed an up front and personal view of just how hard this project was and how diligently Penny Carter drove her team to complete this report, adding with a smile, that those who do not like 7:00 a.m. conference calls, please do not sign up for Penny's team. He really knows what went into this – and certainly Penny and Leslie have labored through this, with special thanks, too, to Lee Langdon for contributing her writing skills and organizational skills to this effort. It was a difficult job, extremely well done, and appreciated by all. Mrs. Carter, as a final comment, asked that after all the effort to "get it right" if there is anything that is not clear, or anything missed somehow, please ask any questions that come up – it is vital that we understand and educate ourselves before we get into a discussion. Leslie McRoberts concurred with these comments and encouraged us to ask questions if anything remains unclear.

IX. COMMITTEE REPORTS:

- A. Architectural Control Committee: AC Chair Carol Bauman reported that business is ramping up with the nice weather. One new construction was approved this month. It is actually an addition; the Committee now stands at 11, with the possibility of losing 2 more, so they will still be pursuing interested parties to fill those vacancies.
- B. Communications Committee: Chair Paul Hope noted the addition of 1 new member and the return of another member, and asked the Board approve the return of Tammy Woodin and the addition of Edie Hope as a new member of the Committee.

MOTION:

That the Board approve the return of former member Tammy Woodin and the addition of new member Edie Hope to the Communications Committee. The motion was seconded.

MOTION PASSED UNANIMOUSLY

Chair Paul Hope went on to report three issues that they have looked at this month: (1) They are still working on the *Views* – they are trying to create more of a focus on news and issue articles and would like feedback on anything anyone knows is going on in the Valley that would be of interest, so if members want to contribute news, please let the Committee know and they will get someone out to report on it. He asked again for contributions from Committee Chairs on what they are doing because people want to know. The June issue promises to be very good – they have a procedure for getting articles out that seems to be working. They will continue to try to get information to the *Views* that they need. (2) The GM has already reported on the work that needs to get done. There was, however, an aspect to it that he feels is important. If you look at the "AtHomeNet" TOPs software site, they specialize in HOAs and they have a lot of

embellishments that one can put in the website that could really be great for us. Not only do they integrate, they do calendaring very well and allow member communications in a very nice way. It is very configurable. It comes with a lot of support. If something breaks, they fix it, we don't; but it is very limited in its capacity. They don't have the ability to post the archives that we have set up for past issues of the *Views* and things like that and also videos are out of the question. He would recommend we consider buying a second web host that is an unlimited web host, and has infinite capacity to be used for storage and also we can use that for storing some of our more interesting items. This will give us more flexibility, capacity and a prettier website – hopefully a more user-friendly website – and all for about the same cost as we pay now. It would be better all around.

We have a survey coming out in the next mailing that mainly asks which of the amenities people want to see and has a question included about the Capital Reserve Fund, the Density Reduction Fund, mostly just asking people if they know what it is. Having that information could help us when strategizing what strategy we will utilize in getting the Budget promoted. President McGroddy stated he would like to require that what goes into a mailing be a Board product, not just a particular committee product. He said he had seen the questionnaire and has some questions about it. The mailing is scheduled to begin the 6th of June.

- C. Document Review Committee. No report this month.
- D. Emergency Preparedness Committee. Chair Jo Jean Kos noted that their minutes are in the Board packet, and she had nothing further to report.
- E. Executive Committee. The Secretary summarized the contents of the Minutes of May 5th and May 18th respectively.
- F. Long Range Planning Committee. Chair Barbara Audley reported the Committee is still working on the Non-residential Community Development Plan and hope to have the plan to the Board at the June meeting.
- G. Nominations & Elections Committee. Chair Russ Harlan reported that the Committee met last week to review some of the procedural requirements with Alisyn, including dates and time frames to see where she was relative to getting envelopes and things of that nature ready. He has sent a couple of articles to Tim Newcomb, *Views* Editor – one of them being the announcement of the upcoming nomination period. Nomination period starts August 5th until September 6th to give the Board time frames to get measures to us. The last regular meeting of the Board that we can approve any measure intended for the ballot is August 22nd. After that, we are marking time. There is little room after that date for making any additional adjustments. The deadline for mailing out ballots is October 6th.

X. OLD BUSINESS:

- A. Adoption of Personnel Manual-Revised.

MOTION:

To adopt the New Personnel Manual, as amended. The motion was seconded by Director Champion, and then withdrawn because he had not received the changed noted below.

The GM stated that we had in our packets a few pages (6) that reflected recommended changes by our attorney as to the language. Because we were provided with six additional pages of modifications to consider, the president entertained a motion to postpone approval. He felt it would be poor practice to try to review the changes here.

MOTION:

That approval of the Manual again be postponed until the next regular meeting. The motion was seconded.

MOTION PASSED UNANIMOUSLY

The president followed up with a reminder that there will be a Work Session on June 14th meeting and he will place this on the agenda of that meeting for discussion, with all proposed changes by any of us to be submitted prior to June 7th.

- B. Budget Development Direction to Administration. President McGroddy noted that we have had one joint meeting on this subject with the Finance Committee and Staff where we discussed a number of ideas as to how to build the budget for this year. We did not come to any consensus so we are at a point where if Staff is going to have a budget prepared for us in time for the AGM, we have to give them some sort of direction as to what we want. He entertained a motion for the purpose of starting a discussion.

MOTION:

That the Board direct the Staff to prepare a budget based on the budget prepared last November, and adjusted to fit the realities of 2012. The motion was seconded.

AC Chair Bauman stated that a lot time was spent drawing that budget up last year; it's done and ready and she felt we should go with it. The only change might require some additions, due to price increases, but it was a good budget and we should stick with it. N&E Chair Russ Harlan commented that if we use it, it would tantamount to approving the same budget twice. It will still require a supplemental dues increase to fund it, and that doesn't include the Capital Reserve funding or Roads. It would also assume that needs are the same this year as last year. The dues increase last year for developed lots was \$201.20, \$148.80 for undeveloped lots, based on 2900 dues payers. The president asked the Controller, with this kind of motion, would that be sufficient for he and the staff to start putting together the budget based generally on the last year's budget, with the modifications that may be necessary for this year. If this is sufficient to get them started, this is what we can do. The Treasurer asked, for clarity, if this would be a total package and if so, where would the Reserve Study outcome fit into this. The president responded that we haven't yet made a decision on the Reserve, but he believes that the study and funding of that reserve has to be presented to the members as a separate and entirely distinct package from the dues package, primarily because it is completely new. He thinks it would be a serious mistake for us to not to separate them until the figures are in place. The Controller will develop the budget changes and then be able to compare the 2011 budget to the proposed 2012 to demonstrate the changes to the members. The Treasurer is concerned that we should be providing a complete package so that the total cost can be displayed for the members to understand. The motion was revised (above).

MOTION PASSED UNANIMOUSLY

- C. TOPS Website Update. Based on the report of Director Hope and the General Manager, the president entertained a motion:

MOTION:

To direct the staff to shift our website to TOPS and make arrangements to store archived data in a second web host as recommended by the Communications Chair above. The motion was seconded.

MOTION PASSED UNANIMOUSLY

D. Political Sign Policy Discussion. This topic will be moved to the Work Session for discussion as we have not been able to review it until today.

MOTION:

That the Political Sign Policy discussion will be placed on the Agenda of the June Work Session for review and discussion. The motion was seconded.

MOTION PASSED 7 TO 1 -WITH ONE ABSTENTION

XI. NEW BUSINESS:

- I. SV Friends of the Library Activity Request. Bob Cooper began by noting that the FOSVL had some money in the bank and wanted to commence some of the ground work for the new library. Their request was as follows:

“May 18, 2011

“Friends of the SV Library

“Request to begin renovation work to the Middle Barn.

“The friends group is ready to begin work on initial renovation of the middle barn. The proposed initial work will include (1) cleaning out the existing temporary structures, (2) strengthening the north dividing wall to meet seismic standards, (3) beam to post seismic mitigation, (4) post to and concrete riser and (5) installation of work access door along the west exterior wall.

“These initial work plans do not include opening up any exterior wall and therefore we request that the \$10,000 escrow deposit not be required at this time. We will replace one of the existing barn doors to allow work access. This door will match the existing doors so that the exterior of the barn will appear to be as it exists now. The door will allow full access but will be lockable and secure when closed. The advantages of this initial work are as follows:

“1. It will add seismic mitigation to the overall barn which improves the overall stability of the upper and lower part of the barn.

“2. It will clear out unneeded material and structures.

“3. SVCA will have first choice to any lumber or other materials that are removed.

“4. It will show the public that we are serious about the library which will help in the ongoing fund raising efforts.

“5. If, for any reason, the project is cancelled at this stage the barn will remain completely usable for future SVCA use.”

Attached to the request was a cost breakdown of the work as planned. (pg. 140 of pkt.)

MOTION:

That the request of Bob Cooper, on behalf of the Friends of the Sudden Valley Library, to hold in abeyance the \$10K escrow account payment to SVCA, to allow the FOSVL to commence the seismic renovation renovations on the Barn, subject to the General Manager being satisfied that this work will not require Sudden Valley to perform additional work on the remaining part of the Barn. The motion was seconded.

MOTION PASSED UNANIMOUSLY

- II. 5 Year Road Survey – Wilson Engineering (Preliminary). The General Manager presented the following: **Presentation of Preliminary Five Year Road Survey**

“Purpose: To present the Board with the initial Five Year Road Survey.

“Background: Per the requirements of the Association’s governing documents, the engineering firm of Wilson Engineering was engaged to conduct the five year road summary for the purpose of determining what roads or road system components should be targeted for maintenance work during the next five years. Wilson will provide the final formal survey document within the next week or two.

“Administrative Action: The Maintenance Manager will be asked to prepare bid documents to include the specific road system components noted in the new survey, as well as any other components requiring special attention this year for distribution and call for bids.

“Recommendation: There is no recommendation for Board action at this point in time.

“This submission is for information only.”

Attachments to this presentation can be viewed online on pages 142 – 148 of the Board Pkt.

- III. Request to Purchase ULID Certificate (Pending). General Manager Dave Wareing has received a request from an agent who is dealing with a person in Canada, but he hadn’t been able to get the papers drawn in time. The GM wanted to use the opportunity to discuss ULIDs with the Board. We have approximately 106-107 ULIDs, of which the Association will probably only ever use more than half. They are 25-year certificates that are used for the development of lots and if they are not used within that 25 years, with each progressive year they begin to lose value. He has discussed these ULIDs with the Water District and has been told they are worth about \$4,000 to \$6,000, depending on how motivated someone is to sell. What the GM would like to do is look for offers somewhere between \$5,000 & \$6,000; as soon as he gets them, he will bring them back to the Board’s attention so that these people can move forward on that and get a house built this summer.
- XIII. Next Meetings. A Work Session will be held on June 14th and we have our regular Board Meeting on June 27th. We did commit to holding a Special Work Session to discuss the Reserve study and the funding of the CRR with the RFTF and FC on June 1st.
- XIV. Russ Harlan asked to announce that he, and two other Valley veterans are trying to start a Veterans Group here in the Valley and will be scheduling a meeting in the Multi-purpose room for June 9th at 7:00 p.m. He has sent an article for publication to Tim Newcomb for the *Views*.
- XII. **PROPERTY OWNER COMMENTS:** Linda Bradley asked Mr. Cooper if the FOSVL had liability insurance and they do. The Charbonneau lawsuit that is currently in the




hands of our attorneys was also brought up. A copy of the pleading was handed to Tim Newcomb for possible publishing news of the suit in the *Views*.

XIII. BOARD MEMBER COMMENTS:




Carol Bauman had been confused by receipt of an email that she received, thinking that it had been incorrectly addressed to just herself, and had opted to forward to the General Manager for handling. It probably was intended as a blind copy to all the board, and that would account for just her name in the "To" section.


There being no further business, upon motion duly made, seconded and unanimously passed, the meeting was adjourned at 9:27 p.m.




Board approved _____ Date _____




Barns #6, #7 & #8 @ Sudden Valley CA	Volume III – Descriptions
	<p>View of the northeast façade of Barn #6, looking southwest; note the green tinge to the roof, evidence of widespread moss growth.</p>
	<p>View of the north façade of Barn #6, looking south; the green moss growth is more apparent.</p>
	<p>View of the east end of the north façade of Barn #6, looking south; the moss growth, wood shingle and siding damage is apparent.</p>

Barns #6, #7 & #8 @ Sudden Valley CA	Descriptions
	<p>View of the west end of the north façade of Barn #6, looking south; the moss growth, wood shingle and siding damage is apparent.</p>
	<p>View of the southwest façade of Barn #6, looking northeast; the moss growth, wood shingle and siding damage is apparent.</p>
	<p>View of the west façade of Barn #6, looking northeast; note the paint is fading and the siding damage is apparent. The west façade has corrugated translucent siding inserted below the upper wood lap siding.</p>




Barns #6, #7 & #8 @ Sudden Valley CA	Descriptions
	<p>Close-up view of the west end of the southwest façade of Barn #6, looking northeast; note the moss growth, and wood shingle and siding damage is apparent.</p>
	<p>Close-up view of the middle of the south façade of Barn #6, looking northeast; note the moss growth, and wood shingle and siding damage and is apparent.</p>
	<p>Close-up view of the east end of the south façade of Barn #6, looking northeast; note the moss growth, and wood shingle damage is apparent.</p>


Barns #6, #7 & #8 @ Sudden Valley CA	Descriptions
	<p>View of the east façade of Barn #6, looking southwest; note the paint is in better condition on the east side. The east façade has corrugated translucent siding inserted below the upper wood lap siding, similar to the west façade.</p>
	<p>View of the southeast façade of Barn #6, looking northwest; the moss growth, wood shingle and siding damage is apparent and the metal roof panels are exposed.</p>
	<p>There were a few heavy rain showers during this inspection day.</p>




Barns #6, #7 & #8 @ Sudden Valley CA	Descriptions
 <p style="text-align: right; color: yellow;">09/04/2013</p>	<p>Close-up view of the middle of the south façade of Barn #6; note the condition of the gutter and roof shakes.</p>
 <p style="text-align: right; color: yellow;">09/04/2013</p>	<p>Close-up view of the east end of the south façade of Barn #6; note the metal panel roofing is exposed under the roof shakes, sleepers and stripping.</p>
 <p style="text-align: right; color: yellow;">09/04/2013</p>	<p>View of the condition of Barn #6 siding; note the author's knife inserted into dry rotted siding boards. The siding on all three barns is compromised by dry- and wet-rot up to approximately 12-18-inches above grade. All wood should be held above grade a minimum of 3-inches. In this case, grade should be lowered to create a gap below the siding if possible.</p>




Barns #6, #7 & #8 @ Sudden Valley CA	Descriptions
	<p>The author's knife is still finding pockets of rot at this height above grade.</p>
	<p>View of the west end of the north façade of Barn #6; the wood porch, handrails and roof are of unpainted, treated and non-treated wood and wood shingles have been applied as siding, roofing and fascia.</p>
	<p>More damaged siding making contact with grade at Barn #6 at the north end of the east façade.</p>




Barns #6, #7 & #8 @ Sudden Valley CA	Descriptions
	<p>View of plywood panels nailed over window openings at the east façade of Barn #6; note the condition of the barn siding below the plywood and the contact it has with grade leading to rot.</p>
	<p>Close-up view of the east façade of Barn #6, looking west; the paint on the lap siding and fascia board at the gable is peeling.</p>
	<p>Close-up view of the east façade of Barn #6, looking south; the man-door is wood set in a wood frame and the overhead door is metal set in a wood frame. The window frames behind the plywood panels should be examined for rot.</p>




Barns #6, #7 & #8 @ Sudden Valley CA	Descriptions
 <p>A photograph showing the interior of a stall. A vertical red post is on the left, with the number '6' painted on it. The stall has a concrete floor and a red metal wall. A date stamp '09/04/2013' is visible in the bottom left corner.</p>	<p>View of post #6 in the stalls at the east end of the south façade; these posts should each be examined for rot when the building is refurbished.</p>
 <p>A photograph showing the base of a red post where it meets the ground. The post is set directly into the ground. There is some debris and a blue pipe nearby. A date stamp '09/04/2013' is visible in the bottom left corner.</p>	<p>View of a post in the stalls on the south side of Barn 6; several posts have been subjected to impact damage through the years and parking in this area should be terminated until posts have been refurbished. Posts are also set directly into grade and have rot at the base.</p>
 <p>A photograph showing the interior of a stall. A vertical red post is on the right, with the number '4' painted on it. In the background, a recessed mechanical equipment room is visible. A date stamp '09/04/2013' is visible in the bottom right corner.</p>	<p>View of post #4 in the stalls at the south side of Barn #6, looking west; a recessed mechanical equipment room for the previous ice rink appears in the background.</p>




Barns #6, #7 & #8 @ Sudden Valley CA	Descriptions
 <p style="text-align: right; color: yellow;">09/04/2013</p>	<p>View of post #3 in the stalls at the south side of Barn #6, looking west; another piece of mechanical equipment, presumably for former ice rink activities appears in the background. Unused former equipment should be dismantled and removed from the premises.</p>
 <p style="text-align: right; color: yellow;">09/04/2013</p>	<p>View of the remaining posts in the stalls at the south side of Barn #6, looking west; note the notched post in the foreground. All posts should be examined for rot and replaced as needed.</p>
 <p style="text-align: left; color: yellow; transform: rotate(-90deg);">09/04/2013</p>	<p>View of the concrete entry stairs into the recessed mechanical room at the south side of Barn#6.</p>




Barns #6, #7 & #8 @ Sudden Valley CA	Descriptions
	<p>View of the painted condition of the southwest corner of Barn #6; note the siding is rotted off at the bottom and so are the wood columns along the west wall.</p>
	<p>View of a window sill at the north end of the west façade of Barn #6; note the author's knife sunk into the rotted frame.</p>
	<p>View of the inside of the west wall of Barn #6; note the damp sand on the floor indicating a roof leak.</p>

Barns #6, #7 & #8 @ Sudden Valley CA	Descriptions
	<p>View of the stockpiled sand at the west end of Barn #6, looking east; note the plastic sheeting protecting the sand, but damp sand on the pile indicating a roof leak.</p>
	<p>View of the stockpiled sand at the west end of Barn #6, looking east; note the damp sand on the pile indicating a roof leak.</p>
	<p>View of the 2x4 wood stripping over the built-up wood roof trusses; although invisible in the photo, there is a wire mesh screen affixed to the bottom of the trusses to prevent bird access into the framing. Also note the metal roof paneling nailed into the 2x4 stripping set on edge nailed to trusses under the wood roof shakes.</p>

Barns #6, #7 & #8 @ Sudden Valley CA	Descriptions
	<p>View of stockpiled material in one of the side rooms in Barn #6; all such materials and equipment should be removed from the premises if no longer needed.</p>
	<p>View of the south wall of Barn #6, looking east.</p>
	<p>View of a crack in the concrete slab at the west end of Barn #6 along the west wall, looking north.</p>




Barns #6, #7 & #8 @ Sudden Valley CA	Descriptions
	<p>Another view of the roof trusses in Barn #6.</p>
	<p>View of the north wall of Barn #6, looking west.</p>
	<p>View of the east wall of Barn #6, looking south; note that all but the first window (adjacent to the man-door) has been covered with plywood panels nailed to the frame at the exterior. The floor slab was only poured a few years ago; up until then, rainwater came through the east wall and the roof and pooled up.</p>

Barns #6, #7 & #8 @ Sudden Valley CA	Descriptions
	<p>Overall view of the roof trusses and framing in Barn #6, looking west; due to the bird screen and the lack of an adequate lift, access into the high roof framing was not possible.</p>
	<p>View of stockpiled sand and salt in Barn #6; continual roof leaks are soaking the sand and making it difficult to spread during wintertime icing conditions.</p>
	<p>View of direct burial of a post in the exterior wall of Barn #6; all such posts should be checked for the extent of rot present in the post at grade.</p>




Barns #6, #7 & #8 @ Sudden Valley CA	Descriptions
	<p>Another direct burial of a post near the exterior wall of Barn #6; note the ground is wet.</p>
	<p>View of the roof framing at the east end of the north side of Barn#6, looking east.</p>
	<p>View of the roof framing at the west end of the north side of Barn#6, looking west.</p>




Barns #6, #7 & #8 @ Sudden Valley CA	Descriptions
	<p>View of a shrinkage crack in the concrete slab in Barn #6.</p>
	<p>View of the south wall in Barn #6, looking west.</p>
	<p>View of the "Zamboni" stored in a northeast storage room in Barn #6.</p>




Barns #6, #7 & #8 @ Sudden Valley CA	Descriptions
	<p>View of the author's knife buried in an exterior post in the west wall of Barn #6; posts were placed directly into grade, then a concrete foundation wall was poured contiguous at two sides encapsulating each post. Posts are rotted badly along the west wall, in some cases, clear through.</p>
	<p>Another rotted post at the west wall of Barn #6; see owner's knife buried in column.</p>
	<p>View of the east side of Barn #7, looking west; note the ribbon warping of the roof and the use of different siding types.</p>

Barns #6, #7 & #8 @ Sudden Valley CA	Descriptions
 <p style="text-align: right; color: yellow;">09/05/2013</p>	<p>View of the southeast facade of Barn #7, looking northwest; the bridge is dilapidated and currently scheduled for replacement with a railcar bed and is not part of this review.</p>
 <p style="text-align: right; color: yellow;">09/05/2013</p>	<p>View of the northeast facade of Barn #7, looking southwest;</p>
 <p style="text-align: right; color: yellow;">09/05/2013</p>	<p>View of the northwest facade of Barn #7, looking southeast; note the condition of the painted finishes.</p>




Barns #6, #7 & #8 @ Sudden Valley CA	Descriptions
	<p>Close-up view of the north wall of Barn #7, looking east; note the algae on the siding</p>
	<p>View of the northwest corner of Barn #7, looking east; note the condition of the door at grade.</p>
	<p>View of the northeast corner of Barn #7, looking west; note the outward lean of the north wall and the taper of the end siding board to cover the shifted framing.</p>




Barns #6, #7 & #8 @ Sudden Valley CA	Descriptions
	<p>View of the base of the opening at a door on the north wall of Barn #7</p>
	<p>View of the author's knife embedded in the siding along the north wall of Barn #7.</p>
	<p>Another view of the author's knife embedded in the siding in another location along the north wall of Barn #7.</p>




Barns #6, #7 & #8 @ Sudden Valley CA	Descriptions
	<p>Another view of the author's knife embedded in the siding in another location along the north wall of Barn #7; note the siding is in contact with the concrete foundation wall.</p>
	<p>View of patched siding along the north wall of Barn #7; note the siding makes contact with the concrete foundation increasing the possibility of rot at the bottom edge of the siding.</p>
	<p>View of the east wall on Barn #7; siding is being penetrated to accommodate the installation of the new Library at the first floor; note the gap under the wall.</p>




Barns #6, #7 & #8 @ Sudden Valley CA	Descriptions
	<p>View of the east wall of Barn #7 and the dilapidated bridge to the second floor; the bridge is due for replacement with a railcar bed and is not a part of this review. The roadway along the east side of Barn #6, #7 & #8 has been a drainage problem in the past when heavy rainfall has occurred; water has historically drained to the inside of Barn #6 creating pools of water where a concrete slab has now been poured.</p>
	<p>View of the siding and gap under the east wall of Barn #7</p>
	<p>View of a penetration made in the east wall of Barn #7 to facilitate the construction of the new Library tenant at the first floor.</p>




Barns #6, #7 & #8 @ Sudden Valley CA	Descriptions
	<p>View of the penetrations into the east wall of Barn #7 to allow installation of the Library at grade; all such penetrations should be sealed upon completion of Library work.</p>
	<p>View of a vinyl window frame replacement in the east wall of Barn #7; all such replacement frames have been set into the rough opening, surrounded with a plant-on trim and caulked. It is unknown whether a sheet metal head flashing was used and if not, waterproofing relies on caulking compound only. Such details should be recaulked periodically and at re-painting of the building.</p>
	<p>View of another penetration into the east wall of Barn @7.</p>




Barns #6, #7 & #8 @ Sudden Valley CA	Descriptions
	<p>View of another penetration into the east wall of Barn #7; note that this detail occurs at the connection of Barn #7 to the flat roof area housing the Recreation Center between Barns #7 & #8.</p>
	<p>Up-close view of the previous photo; the detail, materials and finishes need to be cleaned up and closed to the exterior.</p>
	<p>View along the east wall of Barn #7, looking north.</p>




Barns #6, #7 & #8 @ Sudden Valley CA	Descriptions
	<p>View of PVC downspout open connection to partially buried PVC drain pipe; all such connections should be tight-lined to ensure positive drainage away from the building foundation wall. Note the rotted condition of the siding at this location.</p>
	<p>View of the east wall of the flat roof section between Barns #7 & #8; it appears that replacement vinyl window frames have been installed. Proper weatherboard layering of water resistant membranes, flashing and details could not be verified. No metal flashing was apparent at the top of the opening.</p>
	<p>View of the west wall of Barn #7; note the failed paint coating on both upper and lower siding types.</p>




Barns #6, #7 & #8 @ Sudden Valley CA	Descriptions
	<p>Up-close view of the west wall of Barn #7; note the failed paint coating on the lap siding; also, it is unclear what the nature of the detail is at the juncture of the lap siding with the translucent corrugated siding.</p>
	<p>View of an upper window on the west wall of Barn #7; note the failing paint coating. The window glass has been removed and a fabric screen material placed in the opening. Details may not be water tight but could not be verified due to lack of access.</p>
	<p>Close-up view of the sliding barn doors at the north end of the west wall of Barn #7; the bottoms of the doors are rotten and need to be rebuilt.</p>




Barns #6, #7 & #8 @ Sudden Valley CA	Descriptions
	<p>Another close-up view of the sliding barn doors at the north end of the west wall of Barn #7; the bottoms of the doors are rotten and need to be rebuilt; note the painted window frame and glass or plywood panels in the door.</p>
	<p>More sliding barn doors at the north end of the west wall of Barn #7; all penetrations into the building walls need to be sealed; note the round penetration above is open to the interior.</p>
	<p>More sliding barn doors at the north end of the west wall of Barn #7; the bottoms of the doors are rotten and need to be rebuilt.</p>




Barns #6, #7 & #8 @ Sudden Valley CA	Descriptions
	<p>View of the opening at the west wall of Barn #7, into the new Library facility, currently under construction.</p>
	<p>Another view of the opening at the west wall of Barn #7, into the new Library facility, currently under construction.</p>
	<p>Another view of the opening at the west wall of Barn #7, into the new Library facility, currently under construction. Note the new plywood patch above the opened door; it is unknown what the final siding installation will be, but all wall penetrations must be sealed.</p>




Barns #6, #7 & #8 @ Sudden Valley CA	Descriptions
	<p>An upper view of the previous photo; the old door opening must be properly sealed in order to prevent wall leaks into the new Library space.</p>
	<p>View of the south end of the west wall of Barn #7; note the new penetration into the wall at the right side and the flat roofed building abutting Barn #7. Also note the small second story rectangular penetration appears to have been covered with a fabric screen material (access was not gained to this area). The lower siding material is OSB panels.</p>
	<p>View of the west wall of the flat roof extension between Barn #7 & #8 housing the Recreation Center; note the shingle siding, vinyl or metal framed window and the 6-panel composite solid core door set in a wood frame with wood trim.</p>




Barns #6, #7 & #8 @ Sudden Valley CA	Descriptions
 <p>A photograph showing a close-up view of a double set of dark brown wooden doors set within a recessed porch area. The porch has a shingled roof. A yellow timestamp '09/05/2013' is visible in the bottom right corner of the photo.</p>	<p>View of the double entry doors into the Recreation Center at the west façade.</p>
 <p>A photograph showing the south end of a building with a shingled roof and a red door, terminating into the north wall of a red barn. A yellow timestamp '09/05/2013' is visible in the bottom right corner of the photo.</p>	<p>View of the south end of the Recreation Center terminating into the north wall of Barn #8.</p>
 <p>A wide-angle photograph of a large, weathered barn with a gambrel roof. The lower portion is dark red, and the upper portion is white. A yellow timestamp '09/05/2013' is visible in the bottom right corner of the photo.</p>	<p>Overall view of the west façade of Barn #7 abutting the Recreation Center at the south side.</p>




Barns #6, #7 & #8 @ Sudden Valley CA	Descriptions
	<p>View of the south side of Barn #7 roof reveals two different types of composition shingles; the uppermost shingles appear to be of a newer vintage and better grade. The lower shingles appear to be older and of less dimensional cross-section or thickness. The lower shingles are cupped from UV exposure and the wind that opens avenues for water intrusion. A certain amount of curling can also be seen in the upper shingle field as well.</p>
	<p>Another view of the composition shingles on Barn #7; note the undulating condition of the roof. Also note what appears to be a sheet metal flashing along the ridge between the middle and highest sloped surfaces. The roof framing of this building has experienced movement and if movement is occurring during high wind storms, further separation of the shingles could be occurring. Due to the condition of the roof framing and stripping, and the lack of any adequate lift equipment, the high roof was not accessed during the visitation.</p>
	<p>Close-up view of the curling shingles on the lower roof surface of Barn #7 south side.</p>




Barns #6, #7 & #8 @ Sudden Valley CA	Descriptions
	<p>View of author's knife embedded into the tongue & groove wood stripping in Barn #7 roof. Many locations in the stripping appear to have the beginning of wet- or dry-rot conditions in the outer fibers.</p>
	<p>Another view of the beginning of wet- or dry-rot conditions in the outer fibers.</p>
	<p>View of the roof framing in Barn #7; the higher stripping could not be accessed due to the low loading conditions of the second floor plywood subfloor and to the lack of the availability of an appropriate lift. Some of the boards appear to be wet (darker in color) and large water stain fields can be seen.</p>




Barns #6, #7 & #8 @ Sudden Valley CA	Descriptions
	<p>More evidence of water staining.</p>
	<p>More evidence of water staining; note the listing of the framing to the left (west).</p>
	<p>More evidence of the listing of the framing to the left (west).</p>




Barns #6, #7 & #8 @ Sudden Valley CA	Descriptions
	<p>More evidence of water staining.</p>
	<p>More evidence of water staining; the black areas appear to be where rot is well established and tend to be located adjacent to where nails affixing the stripping/decking penetrate into the rafters.</p>
	<p>More evidence of water staining.</p>

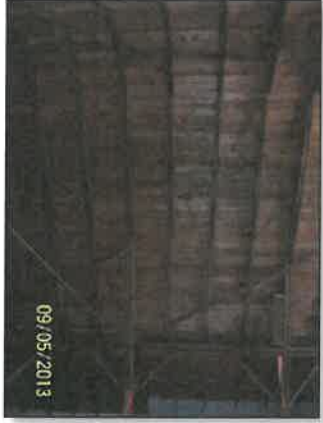


Barns #6, #7 & #8 @ Sudden Valley CA	Descriptions
	<p>More evidence of water staining.</p>
	<p>More evidence of water staining.</p>
	<p>More evidence of water staining; also appearing in the blackened decking are white areas that appear to be fungus growth.</p>




Barns #6, #7 & #8 @ Sudden Valley CA	Descriptions
	<p>More evidence of water staining; note also that a piece of decking on the lower right side of the photo appears to have been replaced with OSB sheeting, a poor choice for a board in possible contact with water intrusion and temporary at best.</p>
	<p>More evidence of water staining.</p>
	<p>More evidence of water staining; a small amount of white material is forming in the black stains.</p>




Barns #6, #7 & #8 @ Sudden Valley CA	Descriptions
	<p>More evidence of water staining; here the author's knife has penetrated the outer fibers of the blackened area up to ¼-inch in depth.</p>
	<p>More evidence of water staining; note the author's knife stuck into the outer fibers again.</p>
	<p>In this location, the author's knife is deeper, up to ½-inch in depth.</p>




Barns #6, #7 & #8 @ Sudden Valley CA	Descriptions
	<p>Here, the author's knife has penetrated into the roof joist to ½-inch in depth, indicating that at least some rotted conditions have transferred into the structural frame.</p>
	<p>Another location where the author's knife has penetrated into the roof joist to ½-inch in depth, indicating that at least some rotted conditions have transferred into the structural frame.</p>
	<p>Evidence of damage to the subfloor at the second floor of Barn #7; ghosts of water pool lines are discernible and top surfaces are damaged.</p>




Barns #6, #7 & #8 @ Sudden Valley CA	Descriptions
	<p>Another location where the author's knife has penetrated into the roof joist to ½-inch in depth, indicating that at least some rotted conditions have transferred into the structural frame.</p>
	<p>Overall view of the roof framing at Barn #7.</p>
	<p>More evidence of water staining; water stains can be seen on the decking.</p>




Barns #6, #7 & #8 @ Sudden Valley CA	Descriptions
 <p style="text-align: right; color: white; font-size: small;">09/05/2013</p>	<p>View of cross bracing applied to the rafters to impede listing of the framing to the west.</p>
 <p style="text-align: right; color: white; font-size: small;">09/05/2013</p>	<p>View of the north column row, looking east, reveals the outward thrusting of the roof displacing the posts on the north side to the north and those on the south to the south.</p>
 <p style="text-align: right; color: yellow; font-size: small;">09/05/2013</p>	<p>More damaged decking.</p>

Barns #6, #7 & #8 @ Sudden Valley CA	Descriptions
	<p>More damaged decking.</p>
	<p>More damaged decking; note another piece of OSB has been used to replace a rotted portion of the original decking.</p>
	<p>View of the north column row, looking west, reveals the outward thrusting of the roof displacing the posts on the north side to the north and those on the south to the south.</p>




Barns #6, #7 & #8 @ Sudden Valley CA	Descriptions
	<p>View of the south column row, looking west, reveals the outward thrusting of the roof displacing the posts on the north side to the north and those on the south to the south.</p>
	<p>View of standing rainwater on the flat roof area housing the Recreation Center, looking west. Management indicates that this roof has been leaking.</p>
	<p>View of mechanical equipment located on the roof over the Recreation Center. It is unclear whether the metal stanchions penetrate the roof membrane.</p>




Barns #6, #7 & #8 @ Sudden Valley CA	Descriptions
	<p>View of a vent pipe penetrating the roof membrane; the penetration appears to be caulked with a bituminous compound, but there is a depression ring around the joint that could harbor standing water. Such penetrations must be effectively caulked continuously to avoid water intrusion.</p>
	<p>View of the roof membrane folded, wrinkled and cracked in the southwest corner of the roof; note the debris that the fold is harboring in the corner. This organic material will support plant growth that will compromise the membrane in the future. Also, the fold will wear sooner than the adjacent membrane where laying flat and should be corrected to remove the fold. Note the disc of organic material covering what looks to be a roof drain.</p>
	<p>View of the open roof drain at the west end; this drain is connected to a large PVC downspout that expels the rainwater to grade. The downspout is oversized to expel leaves and other wind-driven debris through the pipe without clogging; hence no drain screen is present around the opening on the roof.</p>




Barns #6, #7 & #8 @ Sudden Valley CA	Descriptions
	<p>View of the flat roof housing the Recreation Center, looking east; note the standing water on this end as well.</p>
	<p>View of the gutter at the south side of the flat roof; during this inspection, short but heavy rainfall occurred. The gutter is incapable of handling the volume of rainwater produced by the massive roof of Barn #8. The gutter had a small amount of organic debris in it and it blocked the outflow of water which was soon overflowing onto the flat roof. The gutter needs to be much larger and it needs routine cleaning to keep it clear.</p>
	<p>Close-up view of the clogged gutter; note also the gutter has been torn loose from its hangers. Management indicates this is caused by snowfall sliding down the roof and stockpiling on the gutter separating it from the hangers. When the gutter is increased in size, snow clips can be connected to the standing ribs of the metal roof to prevent the snow from stockpiling onto the top of the gutter.</p>




Barns #6, #7 & #8 @ Sudden Valley CA	Descriptions
	<p>View of a roof leak in the Recreation Center.</p>
	<p>View of a delaminated coating on the floor slab in the Recreation Center coffee bar; the delaminated coating could be due to underground hydrostatic pressure from the water table leaking through a fissure or shrinkage crack in the floor slab. If so, regrading of the alley on the east side of the building together with drainage tile dispersing the water toward the lake and away from the building could eliminate this condition.</p>
	<p>View of another roof leak in the Recreation Center.</p>




Barns #6, #7 & #8 @ Sudden Valley CA	Descriptions
	View of another roof leak in the Recreation Center.
	View of another roof leak in the Recreation Center.
	View of another roof leak in the Recreation Center.




Barns #6, #7 & #8 @ Sudden Valley CA	Descriptions
	<p>View of a leak under a threshold in the Recreation Center; the leak under the threshold could be due to heavy rainfall and the service drive at the east side that is sloped toward the building. Resetting the threshold with proper flashing and caulking may eliminate this condition; alternatively, regrading of the service drive could prevent this condition from recurring.</p>
	<p>View of the east façade of Barn #8; a few fence pickets on the left side are damaged and need replacement.</p>
	<p>View of the entry bridge to barn #8, looking northwest.</p>




Barns #6, #7 & #8 @ Sudden Valley CA	Descriptions
	<p>Close-up view of the entry doors at Barn #8 showing the wood entry doors, shingle wall surround and entry wall wainscoting.</p>
	<p>View of the east wall of Barn #8, at the north end; bird's nests should be removed to prevent damage to the painted finish. Also, quality of workmanship of the surface mounted downspouts could be improved.</p>
	<p>View of the east wall and north wall of the bridge entry into Barn #8, at the middle; note the painted finish at the north wall of the bridge needs to be refinished.</p>




Barns #6, #7 & #8 @ Sudden Valley CA	Descriptions
	<p>Partial view of the east wall of Barn #8 and south wall of the bridge entry, at the middle.</p>
	<p>View of the east wall of Barn #8, at the south end.</p>
	<p>View of the north wall of the entry bridge to Barn #8; note the discoloration of the siding on the bridge.</p>




Barns #6, #7 & #8 @ Sudden Valley CA	Descriptions
	<p>View along the extent of the east wall of Barn #8; note the dirt splash on the siding along the service drive. The service drive needs to be regraded so that it clears the bottom of the siding full length of all Barn buildings and provides positive drainage away from the buildings toward the east side.</p>
	<p>View of a temporary OSB wall patch adjacent to the man-door; the soil needs to be removed from the base.</p>
	<p>View of the south wall of the entry bridge to Barn #8; note the trim board at the base of the siding appears to be split and should be replaced; also note the broken battens.</p>

Barns #6, #7 & #8 @ Sudden Valley CA	Descriptions
 <p style="text-align: right; color: yellow;">09/05/2013</p>	<p>View of impact damage to the bottom of the bridge where the batters are broken and the trim board is split; the damaged pieces should be replaced.</p>
 <p style="text-align: left; color: yellow;">09/05/2013</p>	<p>A close-up view of the east wall of Barn #8, at the south end; any open penetrations should be closed and closed ones should be recaulked when repainting. Damaged openings should be repaired.</p>
 <p style="text-align: left; color: yellow;">09/05/2013</p>	<p>A close-up view of the south wall of Barn #8;</p>

Barns #6, #7 & #8 @ Sudden Valley CA	Descriptions
	<p>Overall view of the south wall of Barn #8.</p>
	<p>View of the sheet metal standing seam roof at Barn #8, looking north.</p>
	<p>View of the southwest façade of Barn #8, looking northeast; note the staircase is provided partial protection from the overhang above and stairs appear to be wet on their outer half. Also note the lack of a fascia board and gutter at the south side; this will wet the tips of the rafters and accelerate their deterioration and produces a high runoff that drains to grade.</p>




Barns #6, #7 & #8 @ Sudden Valley CA	Descriptions
	<p>View of the south façade of Barn #8, looking north; note the staircase is provided partial protection from the overhang above and stairs appear to be wet on their outer half; this will accelerate deterioration of the staircase.</p>
	<p>Partial view of the west wall of Barn #7, looking east; the siding on this façade appears to be a combination of the original board and batten barn siding and plywood replacement panels with battens (or grooves) to match the original barn siding.</p>
	<p>Overall view of the west façade of Barn #8, looking northeast.</p>




Barns #6, #7 & #8 @ Sudden Valley CA	Descriptions
	<p>View of replacement vinyl window frames recently installed at Barn #8; the trim does not illustrate a sheet metal "z" flashing at the top edge. This means that the water resistance of the opening relies on caulking instead of mechanical means for waterproofing. This will require routine periodic maintenance for recaulking the entire opening.</p>
	<p>View of replacement vinyl window frames recently installed at Barn #8; the trim does not illustrate a sheet metal "z" flashing at the top edge; routine periodic maintenance will be required for recaulking the entire opening. An older sheet metal flashing behind the new trim will only serve to redirect water intrusion behind the trim or frame, leading to rot.</p>
	<p>View of the other end of the window in the previous photo; the older sheet metal flashing behind the new trim will only serve to redirect water intrusion behind the trim or frame, leading to rot.</p>

Barns #6, #7 & #8 @ Sudden Valley CA	Descriptions
	<p>View of another replacement vinyl window frame recently installed at Barn #8; the door opening does not have the requisite “z” flashing either. Caulking will have to be replaced routinely. Note the replacement siding is a grooved T-111 plywood or OSB siding.</p>
	<p>More of the same conditions shown in the previous photos. The 6-panel door has a fiberglass, vinyl or metal skin and is set in a wood frame.</p>
	<p>More of the same conditions shown in the previous photos; this opening appears to have been too large for the frame installed and appears to have patched in the siding to close the opening. The whole assembly relies on caulking compound in good condition to resist water intrusion.</p>




Barns #6, #7 & #8 @ Sudden Valley CA	Descriptions
 <p style="text-align: right; color: yellow;">09/05/2013</p>	<p>More of the same conditions shown in the previous photos;</p>
 <p style="text-align: right; color: yellow;">09/05/2013</p>	<p>View of the bottom of the siding along the west wall of Barn #8; the siding has been set too low to the ground and is beginning to deteriorate at the lower edge.</p>
 <p style="text-align: right; color: yellow;">09/05/2013</p>	<p>View of damaged shingles at the south end of the canopy on the north end of the west wall of Barn #8;</p>

Barns #6, #7 & #8 @ Sudden Valley CA	Descriptions
	<p>View of the south facade of Barn #8; the woven wire fence is part of the swimming pool enclosure. Beyond the fence is the bath-house service window.</p>
	<p>View of the south facade of Barn #8; the blue metal fence is part of the swimming pool enclosure. Beyond the fence is the bath-house service window.</p>
	<p>View of the siding at the south facade of Barn #8; the board and batten siding is held slightly above the concrete deck.</p>

Barns #6, #7 & #8 @ Sudden Valley CA	Descriptions
	<p>View of the siding at the east end of the south facade of Barn #8; the board and batten siding is held slightly above the concrete deck.</p>
	<p>View of the author's knife sunk into the trim board at least 1-1/2-inches, indicating that the trim is dry-rotted clear through; the lack of a gutter and downspouts along the south wall has probably accelerated the rot</p>
	<p>View of the author's knife sunk into the trim board at least 1/4-inch, indicating that the trim is partially dry-rotted.</p>

Barns #6, #7 & #8 @ Sudden Valley CA	Descriptions
	<p>View of the author's knife sunk into the trim board, around the corner from the previous photo, at least 1/2-inch, indicating that the trim is partially dry-rotted.</p>
	<p>View of the author's knife sunk into the resawn plywood or OSB siding panel, around the corner from the previous photo, at least 1/4-inch, indicating that the panel outer fibers are partially dry-rotted.</p>
	<p>View of the author's knife sunk into the trim, adjacent to the siding panel, at least 3/4-inch, indicating that the trim is dry-rotted; note also the weather mitre joint has been done backwards which directs rainwater behind the trim into the assembly instead of kicking it out to the outside face to drain.</p>



Barns #6, #7 & #8 @ Sudden Valley CA	Descriptions
	<p>View of the concrete apron and walkways around the service window where cosmetic cracking is visible; also, the walkway and the apron have settled differentially and pose a tripping hazard. The transition between the two surfaces should be made level.</p>
	<p>View of the 2nd level Dance Barn floor and exposed wood columns.</p>
	<p>Another view of the 2nd level Dance Barn floor and exposed wood columns.</p>

End of Photo Volume III

December 11, 2013

PROJECT **Sudden Valley Barn Investigations** **KW#13111**

TO Jeff Schlaack
Sudden Valley Community Association
4 Clubhouse Circle
Bellingham, WA 98229

PRELIMINARY REPORT OF FINDINGS

This report addresses two buildings. These are the north most of the three barns henceforth referred to as the “ice barn” and the center barn that will be referred to as the “library barn”. The following sections describe our observations, analysis, and recommendations

Ice Barn

Building Description The ice barn is an early to mid-1900’s timber framed barn structure that may have been built prior to the Sudden Valley community development for agricultural purposes, or early in the community history to house an ice rink. There is a timber framed loft along the south side of the barn and the remainder of the structure is one story with a slab poured on ground for the floor. The walls are constructed with cedar siding over wood girts. The roof is constructed with long spanning timber trusses that appear to have been field constructed with through bolted and nailed sawn timber members. The roofing appears to have been a corrugated metal product that was overlaid with cedar shingles on sleepers sometime in the past. The roof is in bad condition with extensive leaks. The building is currently used to house maintenance equipment and road sand.

The following investigation purpose was provided in our original project proposal:

Since the building’s use is not going to change, the building structure does not need to be checked for compliance with current code requirements for snow, wind, and seismic forces. (It should be noted that the building would likely not be adequate for any of these criteria (snow, wind, seismic) and that it is, and will continue to be less safe than a similar structure constructed to modern standards.) The purpose of the investigation will be to attempt to identify structural flaws (due to design or degeneration) that should be modified, repaired, or monitored in order to keep the building in service.

Available information: No building drawings were available. Our review, analysis, and recommendations are based on site observations only. No invasive/destructive testing was utilized with the exception of some spot probing with an ice pick to check for the presence of rot on posts, where accessible.

Site observations were made on 11/20/13 and 11/26/13. Existing framing including post sizes (and condition of accessible areas), and loft and roof framing types and connections were observed. Detailed condition survey of the roof framing was not possible due to the presence of netting installed at the underside of the existing trusses

Observed condition issues: The following condition problems were noted:

1. Of approximately 100 posts, a total of 18 wood posts along the west end wall and the south side wall were observed to have substantial areas of rot. 26 existing posts were concealed by finishes and could not be checked.
2. The leaking roof may have caused rot or corrosion damage to the roof framing that could not be observed. It is our understanding that a tear off and re-roof is pending and that the roof framing will inspected and replaced in kind if damage is discovered.

Existing structure analysis: The following analysis was performed. Wood framing was assumed to be Douglas fir #2 or better. The analysis assumes that the members are in sound condition (free from rot or corrosion damage):

1. Gravity:
 - a. The existing loft framing was checked and determined to be inadequate for live loads in excess of 20 PSF. The space should not be used for occupancy, but may be accessed for maintenance purposes.
 - b. The majority of the roof framing is adequate for self-weight plus snow load. Some truss members are overstressed by a factor of 1.2 or less, but these would generally be acceptable given the current use of structure.
 - c. The following truss members and connections appear to be grossly overstressed and should be reinforced:
 - i. Reinforcement of the center web members and their connections at the bottom chord (overstressed by a factor of 7)
 - ii. Reinforcement of the connection of the truss knee braces at the support columns (overstressed by a factor of 3.6)
2. Lateral loads
 - a. By current code, the structure is inadequate for seismic loads by a factor of approximately 2.
 - b. The structure does appear to be adequate for current code wind loads, with the exception below of the tall end walls at the east and west ends of the central building bay. These appear to be inadequate for out of plane wind forces.

Repair recommendations: Because there is no planned action that would trigger bringing the building up to code, such as adding load or weight to the building, or changing the use/occupancy of the building, the only repairs that are strictly required are those related to building degradation. The following structural repair recommendations are separated into three categories: 1) required, 2) recommended, and 3) required if the building is upgraded to meet code.

1. Required structural repairs
 - a. Replace all posts with rot damage. This building is a 'pole building' which means the posts are buried deep in the ground so that they provide the lateral support and gravity support to the building. Because of this, the replacement poles will have to be detailed to be restrained at the base. This will require special detailing including the addition of large concrete footings and substantial steel brackets and fastening.
 - b. Repair any roof framing elements with rot as part of the re-roof project
2. Recommended structural repairs
 - a. Reinforce truss members and connections that were determined to be grossly overstressed (see section above)
 - b. Reinforce the central building bay end walls for lateral wind loads
3. Not required unless building is to be upgraded to meet code
 - a. Add extensive shear walls to the building to provide lateral capacity for seismic loads
 - i. Completely re-frame central building bay end walls (for out of plane wind and in plane shear for seismic)
 - b. Extensive reinforcement of existing trusses to address all elements and connections that are overstressed

Roof Type: We recommend that the new roof installation include standing seam metal panels over plywood or OSB that is fastened per an engineer's direction for wind uplift and diaphragm action.

This roof type is recommended for the following reasons:

- This is the only assembly type which will strengthen the roof diaphragm with plywood so that the owner will have the option to make additional seismic improvements to the structure in the future, if required
- This roof type has the longest life expectancy
- Composition shingles or other asphalt membrane products will be too heavy and would probably be inappropriate for a building of this type
- Corrugated metal roofs would require through fastening with screws which will create opportunities for future leaks.

We also recommend that the final assembly (including membrane types and fastening) be reviewed by a consultant with expertise in building envelope construction such as an architect or envelope consultant.

Library Barn

Building Description: The library barn is an early to mid-1900's timber framed barn structure that was probably built prior to the Sudden Valley community development for agricultural purposes. The structure is two stories tall with the first level constructed with a slab on ground and the upper floor constructed with timber joists and beams. The walls are constructed with siding over wood girts. The central roof vault is constructed with timber frames that are built up with sawn lumber members. The side roofs are supported with rafters. It appears that the central vault area was subjected to outward thrust forces that caused the central posts, side roofs and side walls to shift outward. A steel rod and beam system is in place across the vault to resist these thrust forces. It does not appear to be original to the building. The roofing is

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fairly new with composition shingles. The building's upper floor is currently unoccupied, but it was our impression that the Association would like to use this space in the future. The lower floor is currently under construction to be used as a public library satellite branch.

The following investigation purpose was provided in our original project proposal:

It is our interpretation that this building's structure should be brought up to code because its use has been modified by adding the library and possible future upper floor occupancy. This will almost certainly require extensive reinforcement efforts, including the addition of structure to the roof, and extensive re-framing of the walls to provide a load path for lateral forces. The purpose of the investigation will be to attempt to identify structural flaws (due to design or degeneration) that should be modified, repaired, or monitored in order to keep the building in service AND to develop schematic options for reinforcing the roof and providing a lateral system.

Available information: Partial building drawings, engineering calculations, and a report dated April 2012, prepared by Mats Harezlak PE were provided by the client. Original building drawings were not available. Our review, analysis, and recommendations are based on the previous report and our observations.

Site observations were made on 11/26/13. KW staff became generally familiar with the structural components of the building. No invasive testing was performed. The structural work related to the library is covered with finishes so it was not observed. A storage area at the north side of the ground level was accessed and the reinforcement work specified by Harezlak including the installation of connection hardware between timber beams and columns had not been installed in this space

Observed condition issues: The following condition problems and structural issues were noted:

1. Some rotted roof decking and floor decking was observed in the upper level space.
2. The westward lean of the central roof vault was observed. It is our opinion that this issue occurred during construction of the barn and that it has not been an ongoing process. However, if the leaning is progressing, we feel that it will be arrested by the addition of plywood to the roof, which is necessary for seismic performance anyways.
3. The outward thrusting of the central roof vault is evident by the leaning central support columns and outboard walls. It is our understanding that the steel cross tie reinforcement, that has been added at some point in the past, has been confirmed to be adequate by Harezlak to address the thrust issue.
4. The end walls at the east and west of the upper level space appear to be inadequately framed for wind loads. Additionally, the west end wall is allowing driven rain to enter the upper floor space, where it subsequently can leak into the finished library space below.
5. There are no plywood shear walls present between the upper level floor and the roof. It is not possible to observe the presence of new shear walls in the main floor library area, but they are shown on the Harezlak drawings and presumed to be present

Existing structure analysis: No structural analysis has been performed because of the recent engineering study by others. Kingworks will perform an analysis if the client requests it.

- Upper floor: The Harezlak report states that the upper floor has been confirmed to have a live load capacity of 60 PSF. We assume that the existing floor weight was used in this analysis, and that there is no weight budget for the addition of new floor finish material in this stated capacity. This load capacity is adequate for office use as long as stationary or movable partitions are not required, in which case a 65 PSF capacity would be necessary. Public assembly uses would require a 100 PSF live load capacity, so the space could not be used for this purpose.
- Roof: The report states that 25 PSF snow load has been checked. This is an adequate snow load. The report does not break down the roof weight that was used for the analysis, so we assume that no weight budget was included for new insulation, ceiling material, or HVAC equipment (all of which would probably be required if the upper floor space were converted for office use.

Repair recommendations: Because of the addition of the library it is our opinion that this building should have been reinforced to the level required by current code for gravity and lateral loads. With respect to lateral forces from wind and earthquake, it is our opinion that this reinforcement/upgrade may have been performed at the ground floor level but it does not appear to have been executed for the upper level or the roof. It is our opinion that the following structural repair items are required. Additional design and detailing work will be required to fully specify the work that is only briefly described below:

- a. The end walls at the east and west of the space should be re-framed so that they can adequately resist out of plane wind loads. Additionally, plywood shear walls should be added in part, or in total along these walls to provide a load path for seismic and wind lateral forces
- b. The partial height walls along the north and south sides of the upper floor space should be sheathed with plywood and fastened to the roof above and the floor below for wind and seismic loads.
- c. The existing plywood on the upper floor should be nailed to the decking below to provide a structural diaphragm that will transfer lateral forces from the new shear walls above, to the existing shear walls below that were added during the library construction. Any floor planks below the plywood that exhibit signs of rot should be replaced or reinforced
- d. The existing composition roof should be removed, and plywood should be installed above the existing planks with the necessary fastening to ensure that the roof diaphragm is functional.
- e. All connections of roof framing members should be investigated to confirm that they are adequate for current code level snow, wind, and seismic forces

New Roof Type: We recommend that the new roof installation include standing seam metal panels over plywood or OSB that is fastened per an engineer's direction for wind uplift and diaphragm action.

This roof type is recommended for the following reasons:

- This is the only assembly type which will strengthen the roof diaphragm with plywood so that the owner will have the option to make additional seismic improvements to the structure in the future, if required
- This roof type has the longest life expectancy
- Composition shingles or other asphalt membrane products will be too heavy and would probably be inappropriate for a building of this type
- Corrugated metal roofs would require through fastening with screws which will create opportunities for future leaks.

We also recommend that the final assembly (including membrane types and fastening) be reviewed by a consultant with expertise in building envelope construction such as an architect or envelope consultant.

This concludes our report of findings for the barn investigations. Feel free to contact us if you have any questions or concerns. We would be happy to assist in the planning and execution of the repairs we have recommended.

Sincerely,

John R King, SE
Principal

**Excerpt from Reserve Study Prepared by Capital Reserve Consultants, LLC
9/25/13**

Barn 6: Barn 6 suffers from extreme neglect in terms of exterior maintenance and repair. The lack of a well-defined use for Barn 6 appears to have resulted in the Association allowing the building to continue to deteriorate, if for no other reason than a lack of a clearly defined use for the building. It is CRC's opinion that the replacement of the roof on Barn 6 should be the Association's number one priority. The fact that it has not been replaced, when it is obviously in such an advanced state of deterioration, speaks volumes about the lack of understanding with respect to how facilities maintenance is supposed to work. It is CRC's recommendation that Barn 6 should be repurposed for use as a golf cart storage facility so that the cart fleet is not exposed to the elements during the rainy months. The outdoor storage of the golf carts, as is the current practice, is yet another example of inadequate stewardship of association-owned assets.

Barn 7: Barn 7 is currently undergoing a systemic interior renovation to repurpose the space as a branch of the Whatcom County Library. The cost of the renovation is not being paid for by the Association, but there remains the need for capital funding and ongoing maintenance funding to renovate and maintain the exterior of the structure.

Barn 8: Barn 8 houses a variety of community-based amenities including children's activity space; a coffee bar; fitness center; public gathering spaces; locker rooms and equipment rooms. The second floor of Barn 8 houses a meeting hall which is used by the community as well as one or more local church congregations. The current condition of Barn 8 is fair, but again there is a current need for capital and maintenance funding with respect to the exterior of the structure.