

## TREASURE ISLAND COUNTRY CLUB

**MINUTES OF THE BOARD OF TRUSTEES MEETING held June 14, 2014**, at the Grapeview Firehall/Horton Community Center, 4350 East Grapeview Loop Road, Grapeview, WA. The meeting was opened at 9:00AM by President Mike Croke and attended by Larry Grumme, Linda Pryor, Roger Hansen, Ken Sanberg, and David Madson. Also attending were members Daryl Axelson, Barbara (and guest Doug Melton), Ledene Sandell, and Cheri Swettenam.

### GUEST MEMBERS

Barbara Dexter informed the Trustees that work is ongoing to remove the logging debris on her property. Progress will continue until the cleanup project is completed.

### MINUTES

**MOTION** to approve the [Minutes of the May 10, 2014 Board Meeting](#) as written was made by David Madson, seconded by Larry Grumme and passed.

### FINANCIAL REPORT

The Trustees reviewed the Cash Flow Report dated June 1, 2014. It was noted that the software provided by Tyco to view the security camera video from a smart phone or tablet is still not working; no response has been received to a request for assistance with the setup. The remaining balance of \$2,600 due on the contract will be held until this issue is resolved. • Five members with past due accounts for Dues will be sent notice of impending collection action. • A request was received to open a separate account for the Water System Reserve Fund that is currently held in the General Operations account. This request will be taken into consideration. • The accountant recently reviewed tax returns filed for the past three years and amended them to treat interest paid by members on late payments as exempt interest income; this resulted in refunds for each of the three years.

**MOTION** to approve filing amended tax returns for 2010, 2011, and 2012 with respective refunds of \$315, \$315, and \$1,417 was made by Roger Hansen, seconded by Ken Sanberg and passed. **MOTION** to approve filing the tax return for 2013 with a refund of \$1,794 was made by Roger Hansen, seconded by Dave Madson and passed. • The Budget and Actual Expense Report for July 1, 2013 to June 10, 2014 was reviewed and discussed.

The Trustees discussed an invoice of \$29,885 (dated May 31st) for the ongoing audit that was received from the Association's accountant. Invoices already paid total \$8,665 and an hourly breakdown for services includes an additional \$2,362 that has not yet been billed. The estimate for the audit provided in the engagement letter was not to exceed \$10,000 to audit the 2013 financial records plus \$5,000 to audit the 2012 bridge project expenses and special assessment receivables. Although the accountant did convey to a Board member that the cost of the audit was going to exceed the estimate, he did not provide a revised estimate for the final cost nor did he indicate that the increase would be so significant. Following discussion, it was agreed that a consultation would be scheduled with the accountant to negotiate the fees and that Mike, Larry, and Roger would attend. A member made a request to attend the negotiations. Mike declined the request, noting that he would contact the Association's attorney to see if attendance by a member was within protocols.

It was noted that the funds available to carry over into the next fiscal year budget would be unknown until negotiations are completed. With intentions of scheduling the negotiations for early next week, the Trustees agreed to schedule a Special Board Meeting for Thursday, June 19th at the Fire Hall. **MOTION** to Table discussion of the July 1, 2014 to June 30, 2015 Budget for the Special Meeting was made by David Madson, seconded by Ken Sanberg and passed.

Larry Grumme reported the final Reserve Study report was received from J2 Consultants and was emailed to all Board members for review. The report included a schedule listing each component that will require major maintenance, repair or replacement in future years, an estimate of the remaining useful life of each, and an estimate of the current repair and replacement cost for each. Larry noted the schedules included retrofitting the water storage tank, installing a booster system, and replacing the water distribution lines as recommended in Gray & Osborne's Water System Renovation Plan. Cost analysis schedules were included with recommended reserve account contribution rates for the next 30 years. The recommended schedule included an increase to the reserve account in 2015; a suggestion to include a proposal on the annual meeting agenda for a \$100 Dues increase for the reserve fund was received and Tabled for a decision at the Special Meeting.

## COMMISSIONER REPORTS

WATER – Commissioner Larry Grumme distributed a written report prepared by the Water Operations Manager, Daryl Axelson. The coliform tests for April, May, and June were negative. Water usage for the past three months was within the six year average. So far this year, 2,675,896 gallons, or 8.2 acre feet have been pumped.

- Fifty-nine water meters have been installed so far this fiscal year. Four additional meters are on hand and eighteen more have been ordered for installation during this fiscal year. A total of 170 meters have been installed (78%); forty-eight remain to be installed.
- No response has been received from the state regarding the corrected Sanitary Survey, nor has a response been received regarding a request for an explanation of the increased fee to perform the Survey.
- Of the 255 Water Use Questionnaires sent out, 227 have been received.
- The installation of isolation valves is scheduled for winter 2014 (materials in inventory).

BRIDGE – Commissioner Roger Hansen reported the bridge inspection report was received from Exeltech; there were no significant findings in the report. Roger noted this was the first complete inspection since the bridge was completed in 2012; going forward, the bridge will be on a five year inspection schedule.

- The storm water filters need to be cleaned and a maintenance form completed to submit to Mason County.

ROADS – Position vacant. No report.

DOCK – Commissioner Ken Sanberg reported the painting of the gangway railing still needs to be completed. He will be painting the south end of the float with a solid yellow area to more clearly define the loading zone. He noted Rick had checked the rails on the gangway entrance and the fence along the top of the bulkhead and replaced boards that were in poor condition.

- Cheri Swettenam provided an illustration of the design Tom is planning for the new sign-in box that he volunteered to build. She also asked the Trustees to consider construction of a concrete walkway from the handicapped parking area to the gangway entrance and adding more rock to the top of the bulkhead. Cheri conveyed that she and Tom were willing to organize and fund these two projects.

**MOTION** to authorize Ken to work with Tom and Cheri to move forward with these modifications to the gangway entrance was made by Roger Hansen, seconded by David Madson and passed.

BEACH – Commissioner David Madson had no report.

SECURITY – Commissioner David Madson reported a Log Book is now in the well house to record when surveillance records are viewed and for what purpose. David noted that he and Larry will continue as the Board members authorized to access surveillance records; he will call on the currently authorized representative, Daryl Axelson, for technical assistance if needed. It was noted that the Surveillance Camera Policy limits access to where the recording equipment is stored to authorized members of the Board of Trustees only. This needs to be revised to include 'authorized representatives' as the Water System employees must have access to the well house where the equipment is located.

- David reported the Mason County Sheriff Department cannot guarantee that an off duty Deputy will be available for hire on the 4th of July.

**MOTION** to contract with the company used last year to provide a Security Guard from noon to midnight on the 4th of July, estimated at \$480, was made by Roger Hansen, seconded by Ken Sanberg and passed.

## COMMITTEE REPORT

Cheri Swettenam distributed a draft of recommended revisions to the Club's Rules that the Rule Committee has been working on. The committee is still active and working towards a final draft.

## NEW BUSINESS

A draft of the 2013 Audit Report was received; the accountant found all financial records to be accurate and free from misstatement. The accountant provided recommendations to improve the Club's internal controls and business practices; these included implementing some new administrative procedures and performing reviews of certain records. He recommended implementing an integrated accounting system, eliminating the practice of having employees serve on the Board, and to consider having a separate Club office that is not located at a personal residence. Larry Grumme drafted an action plan for implanting the recommendations that he will email to the Trustees.

The Trustees reviewed and discussed documents prepared for the Annual Meeting Notice. **MOTION** to approve the documents for the mailing of the Notice (with the exception of the Agenda and Budget to be finalized at the Special Meeting) was made by David Madson, seconded by Roger Hansen and passed. The mailing will include two TICC vehicle decals for each member.

The Trustees discussed correspondence from a member regarding damage to an outside door that appears to have happened when a large rock was thrown by the Club's lawn tractor during routine mowing of the road

shoulders. The member conveyed to a Board member that he was not seeking compensation for the damage, but wanted to call attention to the danger this poses to people and urged caution when mowing.

The Trustees acknowledged Rick Buran's recent resignation from his position on the Board.

Larry Grumme reported an island resident is interested in learning about operations and maintenance of the water system and suggested an employment agreement for a water system employee in training. Discussion was Tabled until a projection of working hours is available to consider.

#### ADJOURNMENT

Mike Croke adjourned the meeting at 12:50 PM.

Linda Pryor/Secretary

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