

TREASURE ISLAND COUNTRY CLUB

MINUTES OF THE BOARD OF TRUSTEES MEETING held June 6, 2015, at the Grapeview Firehall/Horton Community Center, 4350 East Grapeview Loop Road, Grapeview, WA. The meeting was opened at 9:00AM by Vice President David Madson and attended by Commissioners Roger Hansen, Larry Grumme, Morina Dustan, and Cheri Swettenam; Mike Croke and Ken Sanberg were absent. Also attending were member/employees Linda Pryor and Daryl Axelson.

MOTION to approve the [minutes of the April 11, 2015 Board meeting](#) was made by Larry Grumme, seconded by Cheri Swettenam and passed. Morina Dustan abstained from the vote.

FINANCIAL REPORTS

The Trustees reviewed and discussed the Cash Flow Report dated May 31, 2015.

Secretary/Treasurer, Roger Hansen, reported the Association's accountant has not yet submitted a final draft of the 2014 Financial Review. The Review will be emailed to all Board members when received. Roger met with the accountant to discuss simplifying the Review for future years so it will be a more useful tool for the Board and to modify the format to clearly define all expenses related to the water system. • Roger noted he receives copies of the bank statements each month. For the Trustees' review, he distributed a Liquid Assets and Loan Obligation Summary report that is prepared each month by the Executive Secretary to accompany the statements. • The account at Columbia Bank (Special Assessment Reserve Fund) was changed from a checking account to a money market account; there will no longer be a monthly service fee and .05% interest will be earned. • The Trustees agreed to request that the independent consultant who has been assisting Linda Pryor with the transition to QuickBooks sign a disclosure statement.

Roger reported the sale of Lot 242 for \$45,000 has closed and payment was received. With Dues and property taxes pro-rated and the deduction of all sales costs, the net received was \$40,878.43. **MOTION** to pay Mutual of Omaha the principle balance of \$17,710.22 due on Lot 242's loan obligation; to reimburse the Association for loan payments made for the lot (\$2,210.10 for principle and \$2,831.89 interest); to pay the Dues owing for 2012-2015, and to reimburse the Association for all expenses incurred to foreclose and sell the property, was made by Morina Dustan, seconded by Cheri Swettenam and passed. A loss of \$2,055.17 was realized. **MOTION** to write-off \$4,239.91 charged by the Association for interest and late fees on past due payments associated with Lot 242, was made by Morina Dustan, seconded by Larry Grumme and passed.

The Trustees reviewed and discussed the Budget and Actual Expense Report through May 31, 2015. With projections included for the month of June, an estimated balance of \$8,600.00 remains to be carried forward for the July, 2015 to June, 2016 Budget. **MOTION** to accept the May 31, 2015 Budget and Actual Expense Report and the Cash Flow Report was made by Larry Grumme, seconded by Morina Dustan and passed.

Larry Grumme reported the Reserve Study consultant hired last year, J2 Building Consultants, has discontinued doing the studies. Larry obtained proposals from five consulting service providers; he sent the proposals and a synopsis to the Trustees by email for review. Larry recommended the proposed agreement submitted by Cedcore for three consecutive reserve studies, one each year for three years, at a cost of \$872.15 each year. Level III studies would be performed for 2015 and 2016, with a Level II study (which includes an on-site visit) in 2017. The Trustees reviewed and discussed the proposal. **MOTION** to accept the three year agreement at a cost of \$872.15 per year, and to proceed with the 2015 Level III study was made by Roger Hansen, seconded by Cheri Swettenam and passed. It was noted that the annual Reserve Study is required by state law.

Larry provided the Trustees with a copy of the consultant's recommended expense item list from last year's Reserve Study; the future costs to repair and/or replace assets were estimated and scheduled so the Association could develop a funding plan for the reserve account to meet the anticipated expenses. It was noted that several of the projects included on the list have typically been funded from the Operations and Maintenance Budget as opposed to the Asset Replacement Fund. It was agreed that more consultation and discussion are needed to differentiate maintenance projects from scheduled expenses that would be funded from the reserve account. Larry noted the list can be modified and requested that comments regarding the items included on the current list be submitted to him by email.

The Trustees previously agreed to pursue a seismic retrofit of the water storage tank as recommended by consulting engineers. A proposal to use money from the Asset Replacement Fund to proceed with the

engineering needed to identify the cost of a retrofit project will be presented for a vote at the Annual Membership Meeting.

Larry provided a proposal for the engineering services from Gray & Osborne that was reviewed and discussed by the Trustees. The not to exceed cost of \$38,668.00 includes predesign reports, documents needed to obtain permits and construction bids, and geotechnical services; permit fees are not included and are estimated at an additional \$1,500.00 to \$2,000.00. **MOTION** to accept Gray & Osborne's proposal of \$38,668.00 for engineering services to seismically retrofit the water storage tank, subject to approval of the membership to fund the engineering project with Asset Replacement Funds, was made by Roger Hansen, seconded by Larry Grumme and passed; Morina Dustan abstained.

Larry will draft a letter to be included in the notice of the Annual Meeting and a work session was scheduled for 5:30 pm, Monday, June 8th, at David Madson's to prepare the presentation for the meeting.

The Trustees reviewed a proposal from Garden Gate Nursery & Landscaping to provide landscaping and maintenance services related to the bridge roadway, adjacent landscaped areas, and planters. The proposal for a one-year period totaled \$4,860.00 plus tax. Morina offered to get additional bids and the discussion was tabled.

Roger reported he received two bids for paint striping and recommended the most cost effective bid of \$2,500.00 from Stripe Rite Inc. to repaint the stripes on the bridge roadway, repaint the 'Stop' lines with a thermo plastic covering, and repaint all the speed bumps. Following discussion, the Trustees agreed this expense can be funded from the existing budget. **MOTION** to accept the proposal from Stripe Rite for repainting the striping and speed bumps and the thermoplastic material for the 'Stop' lines, to be completed during the month of June, was made by Morina Dustan, seconded by Larry Grumme and passed.

The Trustees reviewed and discussed the Preliminary Budget for July 1, 2015 to June 30, 2016. Revisions were made to adjust the balance carried forward to subtract the road striping project (to be funded with the current budget) and to add the amounts budgeted for water system projects that were not completed during the current budget year. A proposal to use Asset Replacement Funds for some water system projects was discussed; two projects were deleted (removing stand pipes and replacing sample stations) and the installation of water meters was allocated to the Operations and Maintenance Budget. The proposal for the Asset Replacement Fund Budget will be limited to \$45,000.00 for the seismic retrofit of the water storage tank. The Secretary will incorporate all revisions and email the final draft to the Trustees within three days. **MOTION** to approve the Preliminary Budget with the revisions incorporated, subject to final review of the written document, was made by Morina Dustan, seconded by Roger Hansen and passed.

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. Nitrate samples were taken in June; the results have not yet been received. • Water usage during April and May was higher than last year. A total of 2,935,497 gallons or 9 acre feet have been pumped from the three wells this year. • Three service meters were installed in April; two hundred three have been completed and twenty one remain to be installed. Six of fourteen inactive service connections have been secured and notification letters will be sent to the property owners. • Nineteen responses to the water use questionnaires sent out last year have yet to be received. • A Membership Informational Meeting was held on May 16th at the fire hall. Gray & Osborne's Engineer, Warren Perkins, gave a presentation on the 20 Year Water System Renovation Plan. • A wet area alongside the road was investigated; a homeowner valve installed off the mainline was found to be cracked and was replaced. • The Trustees agreed that the installation of quick-disconnect adaptors on the fire hydrants is not justified if the hydrants are only going to be used to fill the department's tenders.

BRIDGE – Commissioner Roger Hansen reported the storm water canisters were cleaned and inspected as required by the maintenance agreement with Mason County. A letter was sent to the Mason County Director of Public Works to verify that this required annual maintenance was completed.

ROADS – Commissioner Morina Dustan had nothing to report.

DOCK – Commissioner Ken Sanberg was absent; no report.

BEACH – Commissioner Cheri Swettenam reported she is in the process of cleaning up the beach property. Materials stored behind the storage shed need to be gone through to determine what is usable and what should be taken to the dump or donated to Habitat for Humanity. Daryl Axelson will identify items that may be usable for water system projects. • It was noted that the utility trailer (stored in the parking area) needs to be registered

only and does not require a Title. **MOTION** to sell the trailer as is for a minimum of \$300.00 was made by Morina Dustan, seconded by Roger Hansen and passed. • The Trustees agreed to send a courtesy letter to inform a non-resident member that their boathouse is falling apart and will soon be generating a lot of debris on the beach. A letter will also be sent to another member to convey concerns expressed by members regarding the danger to boaters posed by their partially sunken float.

SECURITY – Commissioner David Madson reported the security surveillance system is working fine.

OLD BUSINESS

The Trustees discussed the status of the draft of revised Rules and Regulations that was submitted by the Committee for the Trustees review. Three Trustees were able to attend a work session scheduled to review the draft in February. There were some concerns with regard to the inclusion of County laws and common courtesies in the draft and one of the items in the Committee Charter, a survey of the membership, was not completed. A suggestion was received to schedule another work session when more Trustees are able to attend.

A chairperson is still needed for the July 4th parade. It was agreed that a request for volunteers will be posted on the website and included in the mailing of the notice for the annual meeting.

A form for permission to include members' telephone numbers in the Directory was sent with the mailing of the Informational Meeting in May. The form will be included in the mailing of the notice for the annual meeting as well and will be modified to include options for including island address locations and/or mailing addresses.

NEW BUSINESS

The Notice of the Annual Meeting, proxy form, proxy instructions, and an insert with information regarding summer events were reviewed and accepted for mailing.

ADJOURNMENT

David Madson adjourned the meeting at 12:30 PM.

Written by Linda Pryor/Executive Secretary