

MINUTES
Meeting of the
Blue Ribbon Farms Homeowners' Association
Board of Directors
April 8, 2024 at 1pm at the Nichols' Home 202 Lands' End

1. Roll Call – Chair Mark Long called the meeting to order at 1:05pm. In addition to Mr. Long, also present were Vice Chair Drew Zacharias, Treasurer Carmen Lynaugh, Andre Baritelle, Jenn Gibbings, Paul Allsing, and Secretary Natasha Merkuloff Nichols. Corby Sommerville was also noted present.
2. Public Comment – The Board is happy to hear your comments; however, in the interests of time, please limit your comments to three minutes. The Board cannot act on any issue brought forth at this meeting that is not agendaized unless the matter is considered urgent by a majority of the Board.
3. Report on activities of the Water Consumers Advocates Olympic Peninsula (WCAOP) - Vicki Colburn
 - a. Ms. Colburn spearheaded the successful opposition to the proposed water rate increase by Cascadia several years ago. She explained that this year, more HOAs and neighborhoods are included in the proposed rate increase. She and former Board Chair Rick Smith are working to obtain the rate case financials for Cascadia for analysis. Cascadia is asking for a 75% increase in their revenue. They are trying to combine the five water systems on the Olympic Peninsula with 12 water systems on Whidbey Island. The five peninsula systems have the following: 367 connections in systems on the Peninsula with an additional 90 stand-by. Montera has 203 connections while Peterson has 230. Aquarius and Discovery Bay are the final two water systems, and Ms. Colburn does not yet have information on them.
 - b. In the past, the Washington Utilities and Transportation Commission (UTC) automatically gave a 12% guaranteed return on investment (GRI). Recently, there has been feedback to the UTC from the public attorney that this GRI deserves a closer look. Ms. Colburn provided various other pieces of information to the Board, including the fact that what she is focused on is to get a continuance of the hearing which is currently set for May 23. She pointed out that Cascadia filed their rate increase request on February 29th, but customers did not receive notice of the proposed increase until the third week of March. This shortens the time available for discovery substantially. She would like a continuance of 90-120 days. Another option is to ask the UTC for a formal hearing, which is expensive. Last time, three hearings were held on this matter, with one pre-hearing

conference with Cascadia. The customer group was well represented, both by property owners, and also by our Counsel, Judy Endejan.

- c. Ms. Gibbings asked specifically what projects for our system Ms. Colburn was questioning. Ms. Colburn explained that the Olympic Peninsula systems should not be combined with Island systems, as Island systems have much more infrastructure work that is needed. Cascadia says bundling the Olympic Peninsula with other systems to achieve economies of scale. However, when you combine us with Whidby, which is an Environmental Protection Agency (EPA) clean up site, and Monterra which still does not have individual meters, our system will be paying for improvements that do not benefit us. There are new members in this community, one being a retired Seattle utility system employee, who will be assisting the group analyze the new tank and other infrastructure issues here. Ms. Colburn also pointed out that the UTC is in somewhat of a personnel crisis with two commissioners under pressure, four harassment suits, a new Director of Equity starting March 1st among other issues. Mr. Zacharias asked about water treatment in these systems, and Ms. Colburn responded that the new site has limited treatment. Mr. Zacharias pointed out there surely will be new mandates to do treatment, regardless of size. Discussion went on about the water quality reports being poor. Mr. Baritelle said he has some contacts in Discovery Bay, should contacts be needed there.
- d. Ms. Colburn said the next step is to try to get the hearing date continued, and she's hoping to be able to do it without using Ms. Endejan. There is an onsite visit with Cascadia on April 22nd, but it appears they don't understand that the Whidby system is nowhere near the Olympic Peninsula. She and Mr. Smith will start diving into the financials, investigating Cascadia's rate models and how they allocate administrative costs. Currently they allocate on a percentage basis, but that is not where the costs come from, they come from connections, not percentages. Mr. Baritelle pointed out stand-by fees are set to be raised substantially in this proposal, and Ms. Coburn acknowledged that. The other important job is to get names of people for the growing email list. Many names remained from the last time, with new names from the Ladies of Greywolf mailing list. Ms. Colburn pointed out if there is a willingness on the part of 200 people to contribute \$60, that will give the group a budget of \$12,000. One of the volunteers is putting together a spreadsheet to email to those of the list which will enable them to plug in their water use data to determine what their new cost would be if this rate proposal goes through. A need for the group is a person with computer skills.
- e. Mr. Somerville asked whether there is any estimate for attorney costs this time around. Ms. Colburn said she has a commitment letter which she has signed. She said last time the cost was about \$15,000, and probably

\$4200 to get the attorney working. N.B. Ms. Colburn contacted the secretary to clarify that last time the costs were under \$12,000. Ms. Lynaugh said last time the HOA contributed approximately \$5300. The hearings were online last time due to Covid.

- f. After a good deal more discussion, it was moved by Ms. Lynaugh, seconded by Mr. Long, and unanimously carried to send out an eblast to the HOA membership regarding this issue members contact Ms. Coburn via her email. Additionally, the same information should be placed on the BRF website.
4. Secretary's report
 - a. It was moved by Ms. Lynaugh, seconded by Mr. Long, and unanimously carried to approve the of minutes of February 27 and March 11, 2024.
 - b. It was moved by Ms. Lynaugh, seconded by Mr. Zacharias, and unanimously carried to approve the wording of the Public Comment section as reflected above.
 5. Treasurer's Report:
 - a. Ms. Lynaugh reported the account balance will be \$74,995.23 after depositing the checks currently on her desk. \$12,950 has been received in annual assessments plus one \$100 voluntary payment.
 - b. After some discussion, it was moved by Mr. Long, seconded by Ms. Gibbings, and unanimously carried to authorize the treasurer to obtain an association debit card to simplify payment of some bills.
 6. Discussion and possible action regarding hiring a webmaster- Ms. Gibbings
 - a. Ms. Gibbings presented information on her search for a new webmaster. She presented three companies: AllFantastic or Portland, Or; Isabel Bay Design of Port Townsend; and Visual Webz of Seattle. She explained the pros and cons of each company. Discussion ensued about the need to switch the BRF's Uniform Resource Locator (URL) from <http://> to <https://>. URL is the address of a website; the "S" designates a secure site. Mr. Sommerville asked whether this security fix would be in Phase I; yes it will. Also, the Board expressed hope this URL change can happen via auto-direct, rather than people having to enter a new website address. Additionally, there was discussion about moving the website from a .com site to a .org site, in other words moving from a commercial site to a non-profit site. The domain .org is already owned by the association. The Board asked Ms. Gibbings what the ballpark cost would be if all that was desired at some later date was to simply move the existing website into a new platform, without updating it. She responded \$600-\$1200 or so. After some further discussion, it was moved by Mr. Long, seconded by Ms. Lynaugh, and unanimously carried to hire Isabel Bay Design to begin Phase 1 as on April 15, including transferring the website management and upgrading the URL. The Board also expressed its deep thanks to Dan

Masys for the many years he has managed the BRF website so well, and as a volunteer, even though he no longer lives here.

7. Discussion and possible action regarding hiring an attorney-Mr. Zacharias
 - a. Mr. Zacharias explained that from his conversations with various law firms, he's realized no one comes out in person; everything is handled remotely. The Board had had discussions about whether it was more advantageous to hire a local person vs. an out-of-town person. Most of the local attorneys are generalists and they admit 90% of their practice is family law, so there will be a billable learning curve. On the other hand, attorneys nearer to Seattle are the specialists and they have more experience in working in areas in which the Board has an interest, so theoretically, they'd be up to speed quicker. Money wise, it would be a wash: less dollars per hour, but more hours, vs. higher per hour cost but less hours. The cost is \$300 to \$500 per hour. Our current attorney, Judy Endejan's fee is \$300/hour. Some of the attorneys are good at working on governing documents, while others are better at legal disputes, and some are good at mediation. Some of the input Mr. Zacharias received was that we may not be able to rely on the clause in the CCRs which says that failure enforce any restriction shall not be deemed a waiver of doing so in the future. The input was that if the Board wants to have retroactive enforcement, should probably plan for legal help, with mediation being the most likely way to go. In response to a question from Ms. Lynaugh, Mr. Zacharias said he had contacted Patrick Irwin, the attorney who works with Sunland. Sunland is his only HOA, and he does a lot of real estate law. Ms. Lynaugh wondered if an attorney from farther away would be familiar with Clallam County codes. Mr. Zacharias mentioned the Seattle two-man firm of Eglick and Whited, whose specialties include real estate and HOAs. Their critical areas of interest include wetlands, zoning, land use and a particular interest in coastal issues and water resources. They have done a lot of litigation between communities and water companies and are also familiar with municipal law. They fall in the mid-range of \$380/hour. Ms. Gibbings asked if this firm sounded like a possibility, and Mr. Zacharias said yes. Another firm is Bailey, Diskin, Peiffle and Martin. They do a lot of HOAs. Mr. Sommerville reminded the Board that the GovDoc revision is a major project. The Board acknowledged that further work of the GovDoc committee depended on attorney assistance. Mr. Zacharias thought perhaps the firm would not allow us to speak to references, but that he would like to speak to this firm in depth. Ms. Lynaugh thought a small subgroup of board members should speak to the attorneys, as the entire Board would trigger the need for minutes. She has been compiling questions for speaking to a few attorneys; topics included would be a request for references. She suggested we get the list of attorneys, check their websites, and get references first, before interviews.

Mr. Sommerville said a firm should typically have references. Ms. Lynaugh said this information could be used to develop a short list of firms that have some governing document or HOA experience. Mr. Zacharias pointed out it basically comes back to what WE want. After more discussion, Mr. Zacharias said he will send out the names and locations of a few law firms and what he liked. He'll keep it to three firms.

8. Reports from Standing Committees:

a. GovDoc Committee-

- i. The Board consolidated the agenda item regarding SB5769 with the item on the GovDoc Committee. Ms. Gibbings told the Board the committee met April 1st and after discussion, it was apparent that all committee members were aligned with the guiding principles for the committee approved by the Board. One key action is to make sure that further discussion by the committee uses the term "airport community. The Board agreed with that. Ms. Gibbings echoed the Board's earlier comments that the committee won't be moving forward until an attorney is on hand. At present, all members will be reading the current governing documents as well as those from Surfside HOA. She asked what the Board would communicate to the committee. Mr. Long said it would be interesting for the committee to understand the difference between the Declaration of Covenants, Conditions and Restrictions and the By-Laws. Ms. Lynaugh, who is a member of the committee, has pulled governing documents from Surfside, Sunland and two other HOAs from their websites, and offered them to Ms. Gibbings perhaps as more information for the committee. Ms. Gibbings said the committee will start thinking in terms of what they want to see in GovDocs, and "guardrails" will be needed from the attorney. In the long term, she said the challenge will be how to engage the community on the GovDocs.

b. Insurance Committee –

- i. Mr. Allsing stated that Ms. Allsing reviewed the HOA's airport liability policy thoroughly, and it does NOT require a 10mph speed limit anywhere in BRF. Ms. Lynaugh pointed out the CCRs say we can set limits lower than the 20mph specified in the CCRs. Mr. Allsing also brought information that the HOA's current airport liability policy is up for renewal and an offer to renew, with a renewal rate of \$3007 has been received. The previous year's cost was \$2615. He reminded the Board that last year the Board declined the terrorism premium. BRF will continue with Chubb and execute the documents and forward a check forthwith.

c. Airport committee –

- i. Mr. Baritelle stated what is obvious to all the Board members: it's mowing season. The lighted X is positioned in an easily accessible location. It is highly visible when in use.
 - d. Curve committee report -
 - i. Mr. Baritelle had nothing to report. Ms. Lynaugh said she still have not heard from the County engineer.
 - 9. Report regarding upcoming newsletter –
 - a. Mr. Zacharias said he will work at pulling something together.
 - 10. Old Business - None
 - 11. New business
 - a. Mr. Sommerville talked about the uncertainty of what to expect under the newly enacted legislation SB5769, now part of the Revised Code of Washington (RCW) as Section 64.90. He wondered if it would be helpful to obtain feedback from legislative representatives about what we could expect for implementation. There was some general discussion about whether the GovDoc committee should do this; Mr. Sommerville is a member of GovDocs. No one had an issue with him initiating some contacts if he wished.
 - 12. Closed Session: The Board adjourned to closed session at 3:17pm
 - a. Litigation: Blue Ribbon Farms Association vs. Michael Mason, et al
 - 13. There was no action out of closed session.
 - 14. The meeting was adjourned at 3:25pm