

**Carlyon Beach Homeowner's Association  
Board Meeting Minutes  
March 23, 2021**

**Present:** Sandi Allen, Lisa Krupp, Patricia Olive, Jeremy Madden, Marv Harris, Bill Allen, Stan Harris

- I. Meeting called to order at 6:04pm by Sandi Allen.**
- II. Flag Salute**
- III. Member Comments – there were no members in attendance via ZOOM.**

Brian Gibson, our contracted WWTP operator, was here to update us on current issues that need to be resolved and some long-range planning we should start considering to keep everything in good working order. (see handout)

1. Electrical work that needs to be approved. Electrical wiring and lighting at the biosolids waste tank area was removed at some point before Brian started working for CBHA. This request is for the retrofitting of the electrical system that was removed as well as repairing a light that was damaged by a falling branch. It also includes sensor/security approach lights and a safety light that would have a breaker for overhead lights in the building that would not go out if the pump trips the breaker. In addition, auto run will be added to the State required backup generator.

2. Gutters for the biosolid waste tanks and Effluent UV tank have rotted through. The gutters on the main building need to be cleaned. Perhaps the crew can do this.

3. Valves for storage tanks to the SBR tanks. Found that the valves have been sitting on the dirt and in water for many years and need to be replaced. We don't have any "as built" drawings for this system. A contractor is preparing a bid for this project.

4. Grating replacement. The grates over the Biosolid waste tank should be replaced. They are very heavy and the hinges are failing. These grates sit over a 12' deep tank. By reconfiguring how the grates open and reducing the size of the portion that requires opening safety is increased. Brian will get bids for this project. The other option is to replace all four tanks which will cost quite a bit more.

5. Stairs. When it rains the steps get muddy and slippery. This project has been brought up a number of times but not completed. A drain at the top of the steps keeping water off the steps is needed. Our crew may be able to do this work.

6. Water hydrants. We do not have an efficient way to clean out the tanks except with a very long garden hose. Adding 5 freeze proof hydrants would aid in the cleaning process. No bids at this time.

7. Roof over the SBR tanks would control the negative impact of heavy rain in the effluent. A concrete curb with some stairs (currently using rocks to step up) around the Effluent UV Tank would increase safety as muddy rain water flows down the hill and also causes erosion around the tank. No bids yet.

8. New Storage Tank. Add a 15,000-gallon storage tank. We changed driver hours (4 – 10-hour days each) to help spread out filling the tanks. At times the tanks get full and dumping

has to stop. With an extra tank we could resume 8-hour days. Another option might be retrofitting our SBR tanks with membrane technology that would then run 24/7, or when needed. We might want to investigate this option going forward.

Jeremy asked about the usage of the 2<sup>nd</sup> SBR tank. Brian explained that it is very difficult to keep the “bug” numbers up to process the effluence because the main septic tanks are holding most of the “food” and that does not come down to the WWTP. An Engineer would need to be hired to determine how much carbon would need to be added to process an additional tank.

Kubota has a membrane system and is doing a number of retrofits of SBR systems. They have been doing a number of these systems in the North West. Brian stated that he might get the Regional Manager to come talk to us about their system as a long-range goal. At some point we will need to go away from the SBR system as they are not capable of producing the appropriate effluent. The State uses the membrane systems in a number of their State Parks. Brian feels this is definitely something we should look into.

Brian also noted that a number of SBR’s put a filtering system before the UV tank. This helps keep additional solids filtered out by back washing additional solids back to the SBR tank. This is a band aid at this time.

Stan asked about the solids tanks that the homeowner is responsible for. Brian stated that there is very little that comes through. He talked about a plant in Yelm that added grinders and some smaller lines through the neighborhood that grind up the solids and send them to the plant. This might be another possibility.

#### **IV. Approval of Minutes for February 23, 2021 Board Meeting.**

**Motion 1 – Lisa Krupp moved to approve the minutes for the February 23, 2021 Board Meeting. Sandi Allen seconded. Approved 7/0.**

#### **V. Treasurer’s Report (see attached)**

Lisa stated that the report focuses on what we might need to address as By-Law changes. The sewer fund is over budget \$9000. Marina fund is fine. We are approximately 67% through the fiscal year. Our operating budget is approximately \$41,000 per month. However, expenses average about \$44,000 per month. We have lost some revenue due to Covid-19 restrictions. This amounts to less than half the overage. By increasing the operating assessment, we can avoid spending down the balance in the general fund. The down payment was made to begin the replacement of the docks. Expenses have exceeded income for the Sewer Fund. A \$3 per pump out is proposed to get the fund out of the hole and keep it in the black. There were some unplanned repair expenses to the Capital Fund. \$50,000 for the Marina dock project, \$14,000 for a water project, and \$11,000 for the replacement of the leaking shop roof. There is a need to increase the assessment to the Capital Fund in order to build the reserve fund.

There was discussion about the ramifications of Proclamation 20-51.11 and how that affected our ability to collect fines. Our Bookkeeper, Pam, has been contacting owners that owe a considerable amount and has gotten some response for folks.

Discussion about what increase to the Capital Fund might cover. The termite damage to the Clubhouse was discussed. About \$25,000 has been budgeted for that work. Lisa noted that a \$5 per month increase would generate about enough to JUST meet our current \$45,000 per month in expenses. This does not leave any room for unexpected repairs.

#### **VI. Committee and Board Member Reports**

**a. Roads and Storm Water** – Marv reported that it is time to get the amount of footage for this year’s upcoming road paving. Marv and Bill looked at some damage to the bioswale on Lookout Dr where there is parking in the bioswale causing damage. A letter will be sent to the owner, with picture, regarding their responsibility to reseed that area.

**b. Parks and Recreation** – Jeremy reports that the hinges and springs on the upper gate still need to be adjusted. The signs for the parking lots and stickers have arrived. The form for sticker assignment has added verbiage reenforcing the fact that members must accompany guests to the park as per our Rules and Regulations. Cost for additional stickers and replacement guest passes was discussed.

**c. Water/Wastewater** - Patricia reports that the request for the electrical work at the WWTP that Brian Gibson spoke about earlier, to be completed by Caliber Electric, totals \$5,454.57.

**Motion 2 – Bill moved that we approve the PO for the robust amount of electrical work needed at the WWTP not to exceed \$6,000 from Capital Reserve. Marv Harris seconded. Approved 7/0.**

The work on the water line from SIR to Whitecap has been completed. Ascend roof has been difficult to get information about where we are on the schedule to get the shop roof replaced. Maybe the scheduler will call me back tomorrow. John is checking to find out the schedule to get the work done on the Jolly Drain Way project. It was to be completed in March. We continue to run on one well. Well #2. The chlorine pump needed to be replaced on well #2. They seem to be lasting only about 6 – 8 months. John stated that he tried to repair it but was unable to. A pump from the shelf was installed. When Liqui-Vision was here inspecting the water tower they noted that the deposits at the bottom should be addressed and cleaned out this year. We are still waiting for pictures from them to send to the DoH to complete our Sanitary Survey. There are 22 more meter setters and meters to be installed. 2 on Island were started last week. They still need to be completed. The remaining meters are in difficult locations and will be labor intensive to complete. John suggested that we might want to consider hiring a Service Plumber that could do all the prep work as well as the assembly of the meters and meter setters. This would keep the crew available to do the regular work they are scheduled to do. The Back hoe is down. Waiting for a part to be shipped from Texas. The older truck is not back from Olympic Service as of noon today. Matt Barnhart contacted me today to say that he is starting to look for long term funding for our large projects.

**d. Marina** – Continuing to work on B dock next week and then A dock the following week. This year is the 3<sup>rd</sup> and final year to bring 18 foot slips up to parity with what other boaters are paying per foot.

**Motion 3 – Sandi Allen moved to raise the 18’ slip fee to \$54 per month or \$594 per year (54X12=648) to bring them to parity with all other slips so all slips are charged at \$3 per foot. Jeremy Madden seconded.** Discussion regarding empty 18 foot slips. Sandi stated that historically there have been many empty 18 foot slips that could now be flipped to longer length fingers. Stan asked that if we raise the rates for the smaller slips will we lose income because people won’t renew those spots? An example was given about how low our rates are compared to surrounding marina charges. Sandi mentioned that some boats are too long. This is another issue that needs to be addressed. Sandi stated that the increase is from \$2.75 per foot to \$3.00 per foot as the final step of a 3-year plan. **Approved 7/0.**

**e. Architecture** – There was a committee meeting on March 19<sup>th</sup>. There are a good number of follow up calls and letters that need to be sent out. People seem to be doing what they feel like doing and not following the rules. These problems are both compliance and new building issues. Things that are noted include fences and decks being built where they aren’t supposed to be as well as septic tanks being placed improperly. It appears that people are not following the permitting process. Marv indicated that there are a number of leaking septic tanks in new building properties. This would be the builder’s problem. The minutes that are taken at an Architecture Committee Meeting should be forwarded so they are included in the Board packets. Marcia Rugg is the person that takes notes. She should send the finalized notes to Member Services to be included to the monthly Board packet. There are 9 new houses and 4 more are to come. This is no longer a seasonal neighborhood.

**VII. New Business.**

**a. WWTP repair voted on previously.** No further action needed.

**b. Proposed Operating and Capital Budgets** – Working with Pam to reformat the charts to explain the need for increases to the assessments. Lisa asked our lawyer if we could increase the Assessment for the slide lots from \$50 to \$100. The answer was yes, we can. Lisa will write up a By-Law change.

**VIII. Old Business –**

**a. By-Law Proposals** – We should have a special meeting to approve the changes to forward to the membership. Standardizing the format was reviewed. Stan will be happy to drop all the proposals on to the form. Jeremy reviewed his proposal regarding conflict of interest. He wants to make sure that disclosing a conflict of interest be in a written format presented to the Board. Stan has a concern that being too specific opens a Pandora’s Box. Bill summed it up as “no kickbacks.” Bill feels that the problem is calling people out when there is a conflict of interest.

**IX. Unfinished Business**

**a. Printer/Copier** - We average about 5000 B&W copies a month and 200 color copies a month. The machine we have is aging out and it is difficult to find parts for it. Our current contract covers parts, toner, and other printer supplies except paper and staples. We are charged .0149 per page for B&W and .099 for color. We pay \$37.25 a month for this service. We can purchase

a refurbished machine for \$2750 plus tax that has low usage, 200,000 copies on a machine that is built to copy 1,000,000. It would last us until we could no longer get parts for it. Its from a business that replaces their machines every 3 years as a best business practice. They have been a very good vendor.

**Motion 4 – Lisa Krupp moved that we purchase the refurbished copier as described for no more than \$3200. Bill Allen seconded. Approved 7/0.**

**Motion 5 – At 8:45pm Jeremy Madden moved that we go into Executive Session. Patricia Olive seconded. Approved 7/0.**

**Motion 6 – At 8:53pm Bill Allen moved that we return to regular session. Sandi Allen seconded. Approved 7/0.**

**There will be a Special Meeting on March 31, 2021 at 6:00pm to review and finalize the By-Law changes.**

**Motion 7 – At 8:57 Jeremy Madden moved that the meeting be adjourned. Bill Allen seconded. Approved 7/0**

Respectfully submitted,

A handwritten signature in black ink that reads "Patricia Olive". The signature is written in a cursive, flowing style.

Patricia Olive, CBHA Secretary  
Water and Wastewater Trustee

**Treasurer's Report  
March 23, 2021**

**I. Balance Sheet as of February 28, 2021**

**Operating Funds**

General	\$292,298
Marina	\$107,290
Sewer	\$ -9,124
<b>Total</b>	<b>\$469,957</b>

**DNR Security Deposits**

Marina lease	\$ 13,271
Sewer outfall lease	\$ 1,510
<b>Total</b>	<b>\$ 14,782</b>

**Capital Funds (combined)**

<b>Total</b>	<b>\$507,503</b>
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<b>Total Cash</b>	<b>\$912,850</b>
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**II. Profit and Loss Budget vs. Actual Accrual Basis July through February 28, 2021**

**General Fund:** Through February, we are 8 months, 67%, through the fiscal year. Operating expenses in the general fund total 80% of the budgeted amount. While personnel costs are low (55%) due to not having a manager, contractual services and parts and supplies are considerably over budget. The total operating budget, \$495,546 averages to about \$41,000/month. Our current expenses average about \$44,000/month. It was planned that the balance in the general fund in June would carry us through this fiscal year, knowing that the current assessment would not cover expenses. The budgeted income is inaccurate now due to not being able to rent the clubhouse (\$1500) or collect member finance charges (\$11,000) so with 4 months left in the fiscal year, I expect we will exceed income by about \$40,000. It is prudent to keep a balance in the general fund to cover about 3 months of expenses which in our case would be about \$150,000. Thus, I feel it is wise to increase the operating assessment for fiscal year 2021-22 and avoid spending down the balance in the general fund.

**Marina Fund:** The downpayment on the current construction has been paid. The balance of the payment will come from the capital reserve fund and the marina fund.

**Sewer Fund:** Expenses have exceeded income recently, with the fund showing \$-6,056 balance. The \$3 increase to the pump-out charge beginning April 1 is necessary to get this fund out of the hole and keep it in the black.

**Capital Fund:** The two capital fund assessments total about \$220,000. It is always our intent to save money in order to increase the reserve balance. This year, unexpected repairs will not allow that to occur. Total expenditures to date are \$144,000. Expenditures to come include \$50,000 for the marina repairs, \$14,000 for the Jolly Drainway water project, and \$11,000 for the shop building roof. It is likely that rather than adding to the reserve fund this year, we will be needing \$5,000-\$10,000 for the remaining projects. The combined capital assessment will need to be increased for the next fiscal year in order to build the reserve fund.