

**Fawn Lake Maintenance Commission
General Board Meeting Minutes
MTA Gymnasium - Shelton, WA
2022-10-01 8:30am**



APPROVED

Roll Call for Quorum - Bill Kysor

- Trustees Present - Bill Kysor, Larry "Mat" Matincheck, Steve Jacobson, Dale Radcliff, Heather Tremblay, Terry Wright, Jessica Pense, Mike Ricchio
- Trustees Absent - Justine Akehurst (medical leave), Bill Knight. Motion made to excuse Justine and Bill from the meeting. Motion passed.

Announcements - Bill Kysor

- Announcement of Linda resigning - Bill stepping in
- Had a meeting a week ago - bylaw changes reviewed by attorney - reviewed at last meeting - voted on - Steve now treasurer, never had one before - only budget and out planning. Makes sure we file taxes - we cannot have those admissions continue
- Secretary on the board - Justine filled - Jessica taking notes and getting set up on tech - slide show for today in Justine's absence.
- Corporate Secretary and Treasurer positions are now positions on the board - higher level of responsibility - higher level of documentation and fiduciary oversight - accountability of the board to make sure they are operating according to the plan we have - any changes would be escalated to the board for review.
- Reading of the 6 proposed by-law changes
 - Language change -sec position as an officer of the board
 - Change to put in a treasurer and remove budget committee- ensure taxes are filed - official officer position
 - Change to the language - remove membership cards pg 3 - obsolete language - kept section vacant for future changes - so we don't have to renumber in the future
 - New language - remove fishing cards - need fishing licenses - but no fishing cards distributed by the office - never hand them out and do not enforce - no longer needed
 - Caretaker liaison and watchperson - no longer a position now - caretaker used to watch the gate. Clean up bylaws - modernize
 - Change RV permits - doesn't change that RVs need to be in the same condition as homes - but changes the RV permits - they were selectively issued and enforced - they were not changed - very labor intensive to check on permits and licensing of RVs - was not adding value to the community - records were not kept - removed from the bylaws - that the permit is not required
 - Need all changes to be reviewed by attorney

Approval of Minutes - Bill Kysor

- Full listing of the minutes 2022-09-19 meeting are available up front for review and to take home at the front/entrance.
- Minutes were not approved, will be approved at the 2022-10-17 meeting

Vice President Report - Bill Kysor

- Need approved minutes for bank
- Attorney & ADP for Heather Tremblay

- Approval of board to move around \$500K to the reserve fund per quick books - in the bank - but we need to put in the internal records correctly - had the vote to move funds now ahead of Dec - kept enough to make sure we could cover bills now - December - then will keep \$50k for safety and coverage in checking until next dues period
- Question about special assessments vs. reserve study: Health of HOA shouldn't require special assessments - if we have to go that route - would be 2K - bylaws only have \$250 for special assessments annually - we are restricted - would only bring in about \$100K per year - community members have expressed concern that they could not afford that kind of hit per year (up to 2K)
- Highlight maintenance technician and skills required
 - A lot goes on that requires skill - painting, road repair, plumbing, landscaping, electrical work
 - A lot of work done behind the scenes by Jerry and Don
 - Pictures of improvements and repairs completed by Jerry and Don
 - By office - we can see out of the camera now - better security
 - Road tree trimming and clean up
 - Tree by office had grown into the gutter system - removed
 - Recycling - aluminum cans - money to flag for community events
 - Road painting - speed bumps and lane lines
- We have 8 community parks and several docks to maintain - its a lot during the summer
- Maintaining the fencing
- Building maintenance, cabana, water towers - want to make sure they are kept up to date
- Vehicle repairs - we have 2 master mechanics - they are auto repair guys - they keep us updated and able to not have them hauled to a maintenance shop
- Snow and debris removal
- Minor damage and spillway maintenance - making sure it doesn't get clogged up
- Painting, electrical and plumbing
- Most don't see what they are doing - behind the scenes - hard to replace Don and Jerry

Treasurer - Steve Jacobson

- Form (slide) says how much cash we have in the bank - \$371,123
 - 50k in checking at the end of the year
 - Remaining money moved to savings - then vote to change savings to reserves - that money can then only be spent on updating and repairing assets of the community
- We are putting together a budget for next year - hasn't been done in 5 years - so we can operate for next year.
 - Initial numbers \$338,000 - operating dollars only
 - Recommend we do an audit which we have not done since 2016 so we can verify that the ways that we are handling cash are correct
 - Multiply our dues - approx \$356,000 - leaving about 4k going into reserves
 - Why is budget so much higher?
 - Deferred maintenance - need to bring things up to where they need to be
- We have updated the reserve study -
 - Lists all of our assets - roads, water, buildings, etc in a list
 - Packet of about 100 pages
 - Estimates costs of each asset - adds 3% inflation each year
 - Inflation - raises more over the next couple of years
 - Estimates life expectancy - eg. water tower
 - Built in 1960s
 - 50-70 yrs lifetime

- As the asset gets older - cost of usage gets calculated - added together - how much it would cost to bring everything up to 100%
- Income needed calculated
 - Example - see slide - AC water pipe
 - We are looking at taking pipe out, getting it tested, and determining the life left - so we don't just rip it out prematurely
- Fully funded: \$5,729,000
 - Reserve addition: \$230,000 over 30 years will give us a fully funded reserve fund
 - Paint a picture of what we need to do to keep the community viable in the future - to keep the water safe, roads in good condition.
 - \$230,000 - looking at about \$450 increase in dues to get us fully funded
 - We need to come up with a plan to improve funding to do that - thought - we need to increase dues significantly - we are using all dues collecting to operate - additional dues would go into reserve funding
 - \$200/year addition - gives about \$100K for reserves per year - step our way there
- Printouts on the back table - what we are spending, what we are collecting, any questions - reach out to Steve

Questions:

- When you move money to reserves - wait until EOY - yes
- Tax liability for reserve fund - does money in reserve - earmarked or reserve for failure in community - reason we move funding is to beat tax liability - reserve = non taxable - can borrow out of reserve for special things but needs to be paid back
 - When we spend out of that fund, not taxed on that - yes correct - non taxable
- Why are we going route of raising dues vs having assessment - assessment once the funds are there - the assessment comes off vs dues staying the same regardless of being fully funded - why raise dues rather than assessment
 - Special assessment - HOAs are not good loan receivers - every assessment worsens that - can't prove we have enough money to support our repairs
 - Items in reserves are ongoing expenses - not a one time thing
 - Water goes back on the reserve study after repaired/replace - just less until it becomes viable expense
- Dues should cover operational expenses - assessment - financial liability
 - Means we would not get a loan
 - We don't have enough funding for the special assessment - would not get a loan
- \$430 issue over 30 years to get reserve fully funded
 - \$230K in the bank every year from now on to keep up with inflation
- Loans - homeowners that want to buy or repair - impacted by this?
 - impact value the home and impact the ability to get a loan on the home?
- Grant possibilities? Budget diff than grant - but have we looked into getting a grant for the larger items - could reserves be adjusted
 - Yes - because whatever we repair or replace comes off the list
- April general membership meeting - savings being renamed for reserves - why hasn't been done?
 - Trying to finalize the tax situation - get clarification from attorney and CPA how to handle
 - Doesn't matter when - just before Dec 31st

Trustee-at-Large - Mike Ricchio

- Former budget and out planning - while in the role he looked into our tax situation
- We no longer owe 40K in taxes

- Recap - accounting firm took a narrow view of some expenses we were indicating or exempt - concerned the water system - while not wrong it was narrow and conservative for HOAs
 - Engaged an attorney to research the issue - legal advice that went through the IRS sections - concluded while not wrong, it wasn't the best interpretation for our situation - we engaged another CPA firm
 - They got the attorney advice - they looked at taxes for last 5 years, had not been filed - they filed and concluded that we did not owe the money that the previous firm said we did
 - They viewed as expenses not income - the first group decided that was income - we are non profit - if we don't designate as reserve - it is taxable
 - We are current in our taxes and have no liability
 - Made changes in our accounts to reflect amounts appropriately - it is not income - it is reserve dollars and properly labeled as such
- My role in the future is to assist with legal questions for the board - he is still a licensed attorney in WA - floating committees to assist. Steve Whitehouse is great - but charges \$ - if we can decide at a lower level and save money - happy to help with that.
- We are in good shape tax wise and made changes for moving forward

Communications - Bill Kysor

- HOA contracts - misconception that you move in and can do what you want
 - Covenants and bylaws
 - When people buy into the community you sign a contract with the HOA that you will abide by the rules of the association - there are limits to what you can do - they are in the bylaws
 - Other things want to change - need to change the bylaws
 - If they bylaws don't say it - you can probably do it
 - Current submissions around how we can control that - legal review
 - Some HOAs are super strict - moss growing in sidewalk - fine - but we don't want to go to that extent
 - Be reasonable but be considerate

Question:

- Political signs - certain amount of time prior to elections - 60-90 days then come down after elections
 - RCWs - provisions - how long
 - Nothing currently in the bylaws
 - Only thing we have in there is for sale signs, no trespassing - all have to be a certain size
 - Our bylaws only have 3-4 things on the sign
 - One person has already submitted on that - need legal review

Building Committee. - Bill Kysor

- New homes update - see slides [Slide Deck shown at meeting]

By-Laws - Mat Matincheck

- Been in the community less than 2 years - assigned the position recently - bylaw book in the office is empty - have nothing for you today
- Need to get with Bill to find out what his responsibilities are
- Nice to serve you - that is what the board is for - have everyone get along - need to put our specific agenda aside and see what bylaws are best for the community
- Hear more from me in the future

Question:

- Operating procedures somewhere - in there it has info on the bylaw job been turned over about 5 times - so it is there somewhere - in a book with the operating procedures
 - Bill - we have them
 - Mat - couldn't find them

Water Systems - Bill Kysor reading notes from Bill Knight

- Quarterly Water Meter Reading
 - Special thanks to Jerry and Renee Dehnert, Cyndi Knight and Greg Schaut for volunteering to read the water meters this month. To read the meters it takes about ten hours and a distance of eight miles of walking to cover our community.
- Water Meter Heads
 - We ordered new water meter heads last June and as a result of supply chain issues, the manufacturer of the meter heads is having problems obtaining the chip for the end points of the meter. They expect it will be several more months before we receive the new meters.
- Water Systems Assistant
 - With the help from Steve Jacobson and Dan Lovell, I am pleased to report that we have hired two Water System Assistants for training. Neal Adams and Troy Henderson will start training on October 8th and are scheduled for a Water Technician class at the end of November.
- AC Pipe Assessment
 - Work continues to locate a Contractor to remove sections of the asbestos concrete pipe and a Laboratory for testing and assessment. It is a specialized service and few contractors perform this work.
- Avoid Broken Water Pipes
 - With the Fall/Winter weather approaching it is time to think about winterizing your water lines. Especially if you are leaving your home for sunny weather or have an irrigation system for your yard.

Community Drain Field - Dale Radcliff

- Not a whole lot to report - every year our bylaws state that the people on the community drain field need to clean their bio filters - required homeowner to notify Dale - he makes sure they get that done
- Bylaws required for community drain field - septic tanks inspected and pumped if inspection shows that pumping is required due to scum and sediment level - we do that every three years - coming up next year August/September - we need to have the inspection done by a certified inspector
 - Dale gets bids to get a discounted rate - not sure where we will land this year - will be a discount - they inspect the tank - fee for inspection - less than if you call and say come inspect - negotiated rate - offer the vendor - the vendor will offer the same to the whole community - sign up in the office
 - Want to take advantage of the rate - will be in the news letter and sign up in the office - saves money on inspection of individual tanks
- In August - we had a meeting of the 27 members on the community drain field - discussed improvements on the back burner - adding laterals (?) onto the drainfield - no decisions on the timeframe - one person looking into grants - might be able to get help financially for that

Questions:

- You are in charge of drain fields and septic system - the one by the tennis courts
 - Bylaws - any community owned septic system - includes that and the cabana
- We have 475 other septic systems within Fawn lake - is anyone keeping track that those are taken care of on a regular basis - still goes into groundwater and lake if they are not kept up
 - County's job - the county sends notifications and reminds you that you should get your systems looked at depending on what kind of system you have - there are maintenance requirements the homeowner should know - responsibility on the homeowner and the county sends a card
 - Certified pumper - comes in - they are required to fill out a card that is sent to the county that is kept on record
 - Inspection and no pump = report to the county
 - If there is an issue - reports in system - pumper stated drain field failing - we can go look on county website - one phone call about that caused them to take action and red tag the house as no occupancy

Business Administration, Community Liaison, and Gate - Heather Tremblay

- Newer to the board - excited to serve - we on the board are all volunteers. There is a lot of work to be done - especially Bill. Appreciate everyone on the board. With Linda stepping down - changes need to be approved for things to move.
- Currently no employee contracts in writing - working on starting there.
- We have done a great job pulling together - but will need to wait until meeting minutes pass.
- Bill - not everything needs things passed - President has clear authority to assign committees - board members can then go about business. Issue is around banks, legal documents and check signing in place. Jessica and Bill are signers and then we will get Heather more in that role.
- Jess jumped in at the last minute to do the slides - brought all of our slides together - to make it look cohesive.
- Community liaison - we are here together in this community - finding ways to work together makes a huge difference - outsourcing = higher dues. So many places have monthly dues - fortunate to have what we do here.
 - Facebook group - great place to share pics, give recommendations, give tips, give or sell info, report suspicious activity - keep others alerted to what you see
 - FLAG - thank you team - 4th of July, Movie nights, Halloween - gated community unique on a lake - by olympia and I-5
 - Encouraged to participate in the monthly board meeting - we are looking at publishing the specifics - ways to engage
 - You can submit something you would like talked about - submit to the office 2 weeks in advance
 - Community directory - PDF because full cover - volunteer driven program
 - Pamela Kim - designed - updates every quarter
 - Submit info - you can be included and receive a copy
- November - local detective come in and train us on how to be safer around the house
 - Dusk to dawn motion lights
 - Security cameras
 - Discourage theft
- We have lower burglary rate because of gate - but we have had some reports of small things stolen
- Stay connected with your neighbors - give your neighbor a call - let people know when you are going out of town
- Gate issues - flier - issues inherent with a wireless system - flier in the front and in the office

- Common gate issues
 - Verify old remote is in the system - they didn't download all the codes - if your black remote isn't working - take a coin, and take a look at the 5 digit number and get to Angel - will take 2 mins to correct - also try changing your batteries - this issue is common - if you have a phone, fitbit, iwatch, etc - taking bandwidth - can impact the remote - new remotes use diff technology and are more sensitive, working better
 - 3 digit codes - verify that your code and phone number hasn't been changed - asked Angel to take a log of issues they can't resolve - other than internet phones, there are no more issues - everyone else, we have determined the issue and fixed it - functioning as a cobbled together system
 - Issue common - not getting gate calls - solicitation block on phone - that was the issue - add the gate phone number - it will then work
 - 4 digit code use the '#' before the code
 - Gate delays - using the directory takes a long time - lists a-k and l-z - note on the sign when you pull in - only use directory if there isn't a lot of traffic
- Voicemail number you can call - will not get a call back right away - but is checked regularly

Questions:

- If the office is closed and there is a manufactured home sitting outside - our maintenance are gone, the people are waiting for their home - who do we call
 - We did have a call like that 2 weeks ago - best things to do - if there is something like that, schedule in advance - if we know it is coming, we can prepare and make sure that isn't an issue
 - We are not having the gate arm up anymore - not necessary
- Who is contacted if there is an issue? After hours/weekends/etc
 - people who brought the home out will have to take it back where they got it - we try to accommodate the community - to give notice that roads will be blocked and there will be delays
- There are no go-to numbers for an emergency - times where you can't get ahold of anyone - who do we call if something needs to be done in the community - who do we call
 - Emergency - dire timeline - 911
 - We don't have a security team
 - we could go with an outsourced security - that would be a significant increase in our dues - do we want a team that is available for emergencies - we only have volunteers - none of us have the availability to be on 24/7 - we can look at hiring a team
- Example - fire season - exit out past the water tower - people need to get out
 - No- board is here 24/7
 - We have an open board position
 - If we want all these services - step up or we hire a security force
- volunteer group - work for free - won't publish phone number
 - No - not giving out the boards phone numbers
 - best way to reach the board - contact the office
- Lately she has been sick or on vacation - not having someone's number to relay to the board - its a problem
 - We are creating a system for when she is out sick or on vacation
 - We work full time - we want to help - but we have work and families - just like you
- Would be wonderful to have another group - response team, etc- involve community property - what is the process of reporting that - lets say catastrophic plumbing issue at the cabana

- Getting involved - community directory - FMLworkgroup@gmail.com - interest in community, skills or expertise - board can reach out
 - If office isn't open - post on facebook group - we don't have a board member that has said you can call me at 2am
- What happened to the on call cell phone
 - Not in use
 - we were getting calls - but they were not calls we could actually help with - call a plumber, call the fire department
- We pay taxes to the county - board can't cover all what ifs - call the police and fire department
- What if we need the gate open for emergencies
- Used to have an agreement with Simpson - had keys among people - emergency exit - contact these people to open the gate - map on how to get out - why not redo that
 - New VP of operations - discontinued - told staff not to help people come through their property - we had a backhand agreement

Roads, Parks, and Grounds - Bill Kysor

- 13 brand new homes just this year
 - Empire homes - 5 new homes - construction company that flips homes
 - Review of pictures of new homes in the community including addresses and ownership
 - 261 crescent - SOLD w/new full-time residents
 - 1691 SE Crescent - bringing in a double wide manufactured sometime this week
- Impact of all of these homes
 - Over 3% of the current demand on our roads, water systems, etc
 - Vehicles coming in - stressing our roads and infrastructure
 - Just this year - almost a 4% increase in the number of occupied homes
 - Why Steve talked as much as he did about the reserve study - nice people are here, but more traffic, more demand on the utilities

Lake and Fish - Terry Wright

- Lake lowered on Monday - about 2ft
- How quick it comes back will depend on the rain - can't count on that -
- Not supposed to work on your dock below the high water mark
- Algae - first time seeing it in 25 years - have to have it tested
 - King county health dept - order a testing kit - send it back within 24 hours to get back to their office
 - Ordered kits - got it on Thursday
 - have to put the test kit in an ice pack and ship to KC health dept
 - Lawn fertilizer is partially a cause
 - Killing lake plants
 - Water running off roads
 - Leaking septic tanks
- If test comes back dangerous - we will post around the lake - currently lake is closed - probably done fishing for the year

Questions:

- Fish plants this year
 - once - 2k fish
 - Bass boats - state game law - electric motors only - can't come out with a gas motor even if it is pulled out of the water

- Algae - Is there a plan or remedy in mind to keep the algae from blooming
 - No - not at this time
 - Talked to our aquatic guy - spray = \$30k
 - Tolerate for 6 weeks will go away - it was a swamp
 - Sprayed with a water hose - didn't make a difference
 - Wish we had a better answer
 - SOP - Steve Charles - operating for everyone/position on the board
- Is there anything feeding the lake
 - Underground springs
 - Rainy weather - drains into the lake - brings a lot of things into the lake
- Why fishing license of our lake - talked to fish and game - illegal to capture rainwater in WA state
- Swampy lake on the other side of railroad tracks
 - That is a swamp - no drain from the swamp unless its underground coming into the lake
- Weeds and algae - current plan - spray for lily pads and weeds - and then do nothing
 - No plan yet - would need biologists to come out and do a study
- OK to be in the lake?
 - No - wouldn't fish - pontoons in lake
- When will we know when we can go in there
 - Algae will disappear with rain and cold weather
- Keeps pets out of the lake - can injure them - algae
- Community based around the lake and the lake seems to be not one of the major priorities for recreation and maintenance - would like more attention paid to the lake - algae minimizes the recreational aspect of living here
 - Aeration could help but that would be an investment
- WA dept of ecology - has a section on what remedies could be for getting rid of algae in the lake

Nominations and Elections - Jessica Pense

- Moving to more online for elections and nominations
 - Make sure to update your email & sign up to receive electronic comms from office in the office

Questions:

- Would love to modernize and move more online than just elections
 - Yes - we would too and are working in that direction

Hearing and Ethics - Jan Charles

- Since October of last year - not sure- haven't had a single meeting - because of covid got out of sequence with elections - just like the board - new people in, but years out of sync - April will have 4 positions open that will need to be nominated and elected
- Will call office - and have permission to give number out
- Every remote is assigned to someone - people live in fawn lake - some because they feel safer behind a gate - legal issues, restraining orders, harassment, etc. when there is a queue of 6 people and someone gets in a hurry and starts pushing the remote so they don't have to wait - that they could be letting someone in that we don't want in - that remote is assigned - we can tell who opened the gate - keep that in mind - yes, we get irritated because some don't know how to get in - don't get impatient - not anyone's job to let people in that we don't know - gate there for a reason - please remember that for the safety of everyone

New Business - Bill Kysor

- Terry - been here 22 years - would love to see the gate and entryway cleaned up and spruced up

- Good news - Bill has some info - may be a resident who has created a new call box - already has plans to redo the call box, paint, spruce up signs, etc.
- Budget meeting on October 20th - requires higher dues which people want to object to - hard to get support and money if dues are limited - reserve still considerably underfunded - walking a tight line between money we have, money we need, and what we want to spruce up - won't be cheap to accomplish over the next 20 years
- Option of a cell tower - can bring in thousands every month
 - Up for a community vote- a lot who don't want it - the cell tower we use - why we had to have a special booster on the gate - over by the casino - problems with the gate update
- Looking at the dues increase - a lot on a limited income - \$400 raise in dues - would create a lot of people who could not pay - lets not kill the people trying to survive - look at a reasonable amount over time
 - Tough call - we have been able to build up - but if we had to replace pipe tomorrow we are \$700K short - we get it, we understand, neighbors in that situation - what can we afford going forward - poorly funded for the last 50 years
- By-law question - last updated 1/16/2020 - only 2 members on the board left - thought we had to update when changes were made and submitted to the state - is this the last one we sent to the state?
 - Yes - not sure that got on the state file
 - 6 bylaw changes approved
 - 3 submitted by community needs review
 - EOY - attorney go through them, update, submit to state
 - Last several years - bylaws staggered since board didn't meet for a while (covid)
 - In process - all changes have to be reworded, looked at legally, adopt them, then submit to the state
- Come in gate - 20 miles an hour - doesn't say 30-60 mph - asked a couple years ago for additional signs, haven't seen anything. Scooter - against the bylaws - licensed vehicle - get him to stop
 - File a complaint based on bylaws - welcome to do that - would put that person as the responsible person to respond to a hearing and ethics committee - no police or fire, but up to members to file a complaint - then letter would be sent out based on eye witness
 - Speed limits - no way to measure - could put up signs, but will require extra money - things have been neglected - so taken more time for parks and grounds and above payroll budget
- Don't have the right to have board phone and email - but ridiculous to be able to have to go to the office - should have a vp@gmail.com - emails for position to get to the board - to say "there is a tree down..."
 - "You sound like the perfect person to do that" (unattributed)
- A little over a year ago - submitted bylaw changes - board responded - give us exactly what you want it to say. How can we get better and more open communication and feedback?
 - Unfortunately most of us not on the board at that time - can't say what happened/didn't happen

Adjournment - Bill Kysor

- Terry - motion to close meeting, Jess second - all in favor 2022-10-01 11:22am