

PSA Annual Membership Meeting
July 8, 2000 2:00pm
Picnic Hut

Present (According to attendance roster): Bob Hay 1-022, Tim Sayan(1-019,1-020,1-025,1-026,1-027,1-028,2-235,2-236,2-238) Bob Johnson (2-039), Bob & Cathy Waite (1-038), Dee Ann Kline(1-077), Ron Moon(2-242, 2-243), Helen & George Derezes (1-018), John & Jan Roney(2-014,2-225), Vera Carter(2-057, 2-058), George & Veanne Young (2-001), Tom & Pat Brookshire (1-014), Gary & Merrisue Steinman (2-054,2-203,2-204), Maida Bowers (1-036), John Kinsella (1-041), Ross & Teresa Bullinger (2-027), L.Z. DeSpain (2-233), Bob & Judy Laphorne (2-029,2-030), Jean & John Moore,(1-024) Lauren & Ron Turpen (1-002), Dave Turpen(1-053), Pete Ferrero(1-079), Whitehead (1-104), Anne Purcell, Jeff Purcell(2-231), Al Morris (2- 219), Rosalin Meek (1-109,1-110), Harold Holm (1-021), James Sims(2-052), Harriet and Les Dooly (2-049),Bettie & Jim Cook (1-060), Steve Capatch (44), Jim Capatch (1-047), Ruth Strauss (2-218), Jerry Devers (2-015), William Kirkland(1-073,1-080), Dianne Baxter (1-124), Charles & Bonnie Killingen(2-205,2-033), Mack & Judy Oberg (1-100), Rick & Gatam Galvin (220), Kevin Miller (1-081), Steven Schoos (2-040), Don Miller (1-057,1-058), Al Persson (1-043), Jamie & Marilynne Ross (2-220), Dick Raymond (2-210), Pat Workman (1-062), Alex DuClos(1-075-076), Bev Greene (1-083), Doug Taft (1-049), Jerry & Connie Scherer(1-085), Bob & Dorothy Miller (1-118), (J.M. Avon)(52), Ed & Theresa Collins (2-032), Ryan Sorenson (1-052), Michael Watson (2-200), Gregg & Karen Matsch (1-010), Bob Miller (1-099,1-082), Lew Anderson (2-211,2-036), Lula Reed(2-018), Bill Cook(trust) (2-228), Archie & Valerie Cook (2-229 & 2-230), Dean & Sue Graves (2-009), Eileen Allen (2-239), Jack & Doris Fisher (1-101,1-102), Angie Miller (1-058), Joe & Barb Bordeaux (2-206,2-207), Gene Vandermolten (2-246), Jean & Bob Sevey (1-061), Betty Lamberto (1-040), Owen B. Craighead (2-007,2-008), Virginia Franks (1-059), Lee & Sharon Laswell (1-087,1-088), Julie & Kim Ekholm(Myrtheal) (88), Gordon Ness (2-223), Sam Brown (2-055), Mary Hancock (1-108), Lee Rice (1-011), Joe Fritsch (1-004), Johnson (1-003), Norm Coselman (2-209), Marilyn Blomquist (1-008), Al Bystrom (1-009),Helen Kinne (1-033), Mark & Sheryl Bertolin (2-208), Linda & Jeff Hunter (2-224), Daryl Stephens (1-051), Perry Wynn (1-054), Larry Pazaski (1-023,2-234).

Agenda:

1. Call to Order at 2:09 pm
2. Approval of minutes-from July 10, 1999 meeting (Read aloud by board secretary)

Comments and Questions:

Anderson, L.: Asked that the minutes be read aloud.

(Note: The board secretary did not read the financial report, but referred the lot owners to the handout).

Ferrero, P.:- Noted there are 187 lots in the association. Needed 37 lot-owner votes to conduct business last year. According to the 1999 minutes, there was no quorum last year. Any business that took place last year that needed a 20% quorum would not be

legitimate. This also raises questions as to the legitimacy of people elected last year. Not having a quorum would invalidate the 1999 election of the board.

Board Response: By-laws require a quorum of 1/10 of members except for election of the board.

Steinman,G: Stated that he signed a proxy vote over last year and it was not counted.

Strauss: Noted he was at last years meeting although it was not listed in the minutes. This would put the meeting at a quorum.

Franks,K: Asked that the board answer the question.

Motion:

Anderson, L.: Move to remove entire board and elect a new board.

Miller, K.: Second

Moon,R.: Cited Roberts Rules of order and move the motion to New Business agenda
Item: Election of Officers

Motion:

Bystrom,A: Move to accept minutes as noted

Sims,J: Second

Majority passed by voice.

Comments and Questions:

Johnson,M.: Asked that minutes include the name and lot number of attendees, and if the name is ineligible, it be indicated in the minutes.

3. Financial Report by John Roney, CPA standing in for Board Treasurer, John Vitzthum.

Budge variances:

A. Income was greater than budgeted. Several back payments came in. Board also collected \$551 in assessed fees and fines from non-payment of dues.

B. Office expense is \$1400 over budget. The bulk of this is from printing and mailing costs to keep members informed. Several newsletters as well as information about the Supporting Rules were mailed since the last annual meeting.

C. Payroll is under budget. The 1999 budget included salary to employ a fill-in person on caretaker's day off. This person was not hired.

D. \$1,000 more was spent on the water system than was budgeted. \$750 was to replace a blow-off valve. A water line on the hill was replaced. Both were unplanned expenses.

E. Interest income was greater than budgeted. There was a good rate on CDs.

F. Summary: Last year budget was expected to have a surplus of \$500. \$7718 was actually transferred to savings.

Comments and Questions:

Anderson, N.: Questioned why money spent on the lagoon project as this was not in the budget. Questioned why the board did not adhere strictly to the budget.

Board Response: The board decided to begin the permitting process for the lagoon. This was a pay as you go activity. It was not budgeted but it was spent from money saved elsewhere in the budget. John Roney reminded the community that the budget is a working document.

Law Anderson: Questioned why \$7718 to water savings, rather than using this money for the repairs on the water system.

Roney, J. It doesn't matter where the money comes from, it has to show up as an expense.

Majority agreed to accept the financial report. (No move or second).

Comments and Questions:

Franks, K: Money was spent on the lagoon project before the project was approved. Why did this happen?

Collins, E. Stated that we voted at the 1999 annual meeting not to spend any money on the lagoon project until the entire community made the decision to do so.

Dugaw, R: Has the permit for the dredging of the lagoon been requested and denied?

Board Response: The discussion on dredging of the lagoon will be deferred to the agenda item later in the meeting.

4. Facilities Report: Bob Waite

At the annual work party, the frames of the bathroom doors were replaced and the brush around the lagoon was removed. The replacement of the rest of the boat moorage fingers was put on hold until a decision is made about the lagoon.

The facilities report was accepted. (no move or second).

5. Water Report: Jack Fisher

Jack thanked everyone who helped over the past year and with the work party.

The pump house was redone. The Dept of Ecology will put a ban on brush burning next year. Jack is looking for ways to help owners clear brush after this ban goes into effect.

We are facing new water tests for elements such as pesticides and radon. This will result in higher costs of water testing. Jack is applying for exemptions on the basis that we are not an agricultural community.

Comments and Questions:

(unidentified): How often must the tests be taken?

Fisher, J: Some are yearly, some monthly, some every three years.

Green, B: Thanked Jack for taking care of the wells. Jack noted that George Young is a great helper.

Motion

Sim, J: Accept water report.

Roney, J: Second

Majority passed

6. Old Business

a. Lagoon Project Report: Bob Hay

The board was looking at four projects this year: repairing the hut, constructing an office, dredging the lagoon, the milfoil project. The board decided to prioritize the lagoon project as the number one project. It has not been serviced for 25-30 years and some members are refusing to put their boats in. Don Jordan (board member who has since moved from the area) offered his services for doing the paperwork and getting the work going. Don is a retired engineer who is licensed to do surveys. We had to spend money to get the permitting process underway. The permitting for the Army Corp of Engineers is being held until we submit a plan for the dredging. The Mason County permit was held up because of some of the questions that arose at the commissioners meeting in regard to milfoil and the number of cubic yards that would be removed. Because of the question on the numbers, we are required to hire an engineer to verify the number of cubic yards of silt to be removed. The milfoil issue has already been taken care of. Cathy Hamill, with Washington State Environmental Dept wrote a letter which was submitted to the county. At the June board meeting, the board decided to reconstruct the culvert. The lagoon cannot be dredged until the culvert has been fixed. The Army Corp of Engineers feels that reconstructing the culvert might help clear the lagoon. Last fall, before beginning work on the permits, we received two estimates for the lagoon work (not including the culvert)/ The low estimate was \$20,000 and high was \$50,000. We cannot ask for firm bids until the permits are finalized.

Comments and Questions:

Johnson, B: The permitting work done by him and Don Jordan probably saved \$2,500 in design and engineering costs. The Corp of Engineer wants a concrete culvert. It will be covered by a bridge. If the project is hired out, the cost will be \$20,000. If we do the work ourselves, cost is estimated at \$7000-\$8000.

Roney, J Where would money come from? Answer: Unrestricted savings.

Anderson, N.: If we don't know the costs, why did we go for the permit?

Board Answer: The permitting process is "pay as you go". We need to know what is required before the work is put out to bid. We do not know what is required until the bidding process is complete. There are many agencies to be worked through.

Franks, K: Does not agree that we can't get a bid without getting a permit. He states he has a bid for \$86,000. If the soil is contaminated, it could cost up to \$400,000. He recommends that we take this project slowly and save the money to do it.

Dugaw, R. Questions why are we going forward if the lotowners have not made the decision to do so.

Moon, R: The board is taking the project one step at a time to get everything in order so that we can start talking seriously with bidders. When we get firm bids, the community will be the first to know.

Franks, V: How long are the permits good?

Answer: Some permits are good from 1-5 years. The permits that we asked for were good for 1-2 years. However, once the process is started, there is the possibility of extending them. Also, if the project is done in stages, then the culvert is to be done first and they specified that if we submit for a permit and don't go through with it, it will be very difficult to get another one.

Sayan, T: The scope of work is defined when the request for bid is put together.

Pazaski, L: Everyone who runs a household or business needs to analyze a cost/benefit ratio. In 30 years, the impact of how government controls shorelines has increased. The lagoon is becoming an expensive piece of property. Perhaps the cost of the lagoon is exceeding the benefit. Noted that there are 15 boats in the moorage today.

Whitehead: How many slips are rented?

Roney, J: 38. This brings in \$3,500 in revenue.

Miller, D: Remarked that he has used the lagoon for years. Just watched a big inboard coming in and it did not have problems. Believes that the community should vote today on whether or not to proceed. Favors the idea of going ahead and getting the permits.

Winn: Agrees with Mr. Miller.

Morris, A. Takes the opposite approach of what he has been hearing. Bought a new boat and launched it in the park three years ago. The propellor hit water. Three years ago he also got one of the last slips available. The number of boats moored will naturally vary from year to year. Each of us has a vested interest in this community. If we don't take care in improving our community properties, we will all suffer. Property values will probably drift.. Eventually we may end up with the lagoon being declared a wetlands. The \$220-250 it will cost each household on a one time basis is well spent.

Fritch, J: Member of Paradise Estates for 38 years, and has wanted the lagoon filled for the last 35 years. Also, this is the third culvert to be put in. Recommends we put the culvert and lagoon on hold until we are guaranteed it will work.

Franks, K: Rich Dugaw asked why the county refused the permit. It has not been refused, but just postponed. Franks has an associates degree in civil engineering and likes math. He has estimated the need for the removal of 3,630 cubics yds in 1.5acres.

Johnson, B: Believes Mr. Franks estimates are overstated and the area to be removed is 0.91 acres constituting 2211 cubic yards wet volume. That would equal 1570 cubic yards of soil.

Sherlott, C: Is it necessary to dredge the whole lagoon or just sections of the lagoon?

Hay, B: That may come out in the bidding process, where the contractors will include different proposals.

Sayan, T: Commented that the only place he has had a boat hit is at the launch. Another alternative would be to fill in the lagoon and use it for dry storage of boats.

Dugaw,R: Asked for an explanation of where the material will be put when it is dredged out

Hay, B: If it is clean and there is excess it can go to landfill. If it is contaminated, there would be extra costs. The presence or absence of contamination will not be known until the soil is tested.

Johnson, B. The soil has to be tested. If it is tested and certified clean, it will be put in the park up by the fence and a berm installed. If there is excess certified soil it could go to the Mason County or Kitsap County Landfill or be hauled away by a private contractor. If the soil is contaminated it must be hauled away be Mason County Landfill, Kitsap County Landfill or a private contractor.

Kinne, H.: Suggests getting more information before we decide to proceed.

Motion:

Kinne, H: Move to table the lagoon project to 2006.

Anderson, L: Second

Discussion:

Anderson, L: The only reason he agrees is because the permits are good for 2-5 years. Permit expenses have worked out to about \$5 per lot. 5 years will give us plenty of time to make a complete decision.

Miller, D.: Asked for clarification about whether or not the motion includes the work on the culvert.

Kinne, H: Clarified that it also includes the reconstruction of the culvert.

Strauss,J: If the soil is contaminated, the state will not let it sit there. If the motion is tabled, it is not going to get any easier. Shoreline Management Act gets stricter every year.

DuClos,A: Can the EPA take a sample to determine if the soil is contaminated.

Board Answer: The Dept of Ecology suggested waiting until permits are received and then get the soil test.

Dooly, L: Owned property here for 30 year and the lake was clear enough to drink water from lake springs. That is how fast things change. If we don't keep this facility up, the homes/cabins are worth nothing. What we have that is unique is the lagoon, the park and the facilities. Appreciates the work of the Board of Directors and is concerned with the nitpicking that is going on today.

Moon, R: Sat on board of equalization in Grays Harbor County for 5 years and chaired the board for 3 years. He has seen what can happen if property is not maintained. If we don't take care of the property, and we lose it, our property values will decrease.

Roney, J: Has seen a lot of the behind the scenes work of the board. Thanks the board for their effort. We are here deciding whether or not to go forward with the preservation of the property.

Voting Yes	Voting Yes	Voting No	Voting No
Meek, 1-109,1-110	Anderson, 2-037	Roney, (2-014,2-225)	Graves, 2-009
Ness, 2-2-223	Brown, 2-055	Bystrom, 1-0	Craighead, 2-007,2-008
Despain, 233	Sapp, 2-226	Bloomquist, 1-008	Steinman2-054,2-203,2-204
Kinne, 1-033	Strickland,2-035	Sims, 2-052	Miller, 1-118
Franks, 1-059	Schemmp, 56	Carter, 2-057, 2-058	Purcell, 2-231
Fritsch, 1-002	Johnson, 1-092,1-093	Allen, 2-239	Rice, 1-011
Dugaw, 2-217	Johnson, 1-092,1-093	Derezes,1-018	Johnson, 2-039
Miller, 1-057,1-058		Turpen, 1-053	Dooly, 2-049
Miller, K, 1-081		Turpen, 1-002	Young, 2-002
Oberg 1-100		Bullinger, 2-027	Fisher, 1-101,1-102
Ross, 2-220		DuClos, 1-075-076	Hay, 1-022
Hancock, 1-108		Galvin, 220	Kline1-077
Ferro, 1-079		Taft, 1-049	Waite, 1-038
Schoos,2-040		Laswell, 1-087,1-088	Cook, 1-060
Reed, 2-018		Strauss 2- 218	Watson, 2-200
Pazaski, 1-023,2-234		Lamberto, 1-040	Scherer, 85
Collins, 2-032		Johnson, 1-003	Capatch,1-047
Miller, 1-082, 1-099		Myrtheal, 1-088	Turner, 2-241
Kirkland, 1-073,1-080		Brookshire, 1-014	

Voting Yes	Voting Yes	Voting No	Voting No
Anderson, 2-211,2-036		Hoon, 1-067	Morris, 2-219
Raymond, 2-210		Bauer, 36	Workman, 1-062
Killingen (2-205,2-033		Kinsella, 1-041	Persson, 1-043
Bordeaux, 2-206,2-207		Atwood, 1-089	Mastch, 1-010

Motion Defeated

Motion

Roney, J: Move that we get the permits, get the bids, and present that information to the members to decide what to do. The board will make the decision as to how to conduct the vote. Amended to state that the decision will be made at the next general meeting (July, 2001). Amended to require that all information be distributed to the members no later than 45 days before the next annual meeting

Turpen.: Second

Discussion

Anderson, L: Does not want a mail vote.

Consuella: Concerned that if ballots are sent out and not returned, it is counted as a yes vote.

Morris: Can do the vote by proxy.

Amendment:

Cook, V: Move to amend the motion to state that the decision will be made at the next general meeting (July 2001).

Purcell: Second.

Amendment passed.

Amendment:

Strauss, R: Move that all information be distributed to the members no later than 45 days before the next annual meeting.

Johnson, M: Second

Amendment passed

Motion with two amendments passed.

b. Rentals

Hay: The board is proposing that we form a landlord committee to address the rental issues in Paradise Estates. Some proposed options:

1. Grandfather the existing rentals but allow no new rentals. When a grandfathered rental is sold or transferred to new owners, it can no longer be used as a rental.
2. Allow no rentals, period.
3. Leave as is
4. Form a landlord committee to work with PSA Trustees to improve rental issues.

Discussion:

Franks, K: Articles of Incorporation state that this is a non-profit, non-stock organization. Renters have no right inside the park

Turpin, T: Reminded the community that the by-laws say that park is not available to owners of waterfront property. Yet in reality, waterfront are able to use the park.

Hay, B: Recommends that the association look at covenants and make recommendation for changes.

Purcell: Why is rental not a business?

Sayan, T: Rental is not a business according to State of Washington or IRS. The intended use of the property does not change when they are full-time residences.

Pazaski, L: Is flanked on two sides by rental properties. One of the trailers is not even up to code. Neighbors dogs defacate on his property. The intended use of the association is recreation use by families. Does not want to do anything to degrade property. Renters do not share the common goals of Paradise Estates lot owners.

Anderson, N: Agrees with rental aspect. Doesn't it lower property values when we go to sell and tell potential owners that it can't be rented?

Ferrero, P: Can sympathize with people who have problems with neighbors. Call Sheriff or take it up personally with neighbors or property owners. Prefers to have autonomy over his own property.

Allen, E: Interprets the articles of incorporation to read that the corporation (not individual owners) cannot run a business.

Cook, V: Should not blanketly condemn renters as problems. Some property owners also cause as many problems

Fritsch, J: One owner has nine lots.

Fritsch, J: CCR supporting rules say that dogs in the lagoon must be on leash. Sees free running dogs in the park. Hay reported that

Grace, D: Upset with the restrictions that the board is starting to impose. Don't feel that association should dictate to community.

Ross, M: How do you propose to resolve these issues?

Motion:

Ross, M: Move that the board of trustees appoint a committee to thoroughly discuss this issue and give the opportunity for more input from all property owners. The committee will give the plan to the board of trustees to bring to the general meeting next year.

Galvin, R: Second.

Motion Passed

Volunteers for committee:

Theresa Bolinger

Rick Galvin

Marillynn Ross

Eileen Allen

Valerie Cook

Richard Raymond

Jackie Dolgorourky

c. Effectiveness of the new supporting rules to the CCR.

Hay: In general, the people to whom violation notices were sent were very compliant with complying with the request. The board is trying to work with lot owners to assist them in coming to compliance.

Discussion

Galvin,R: Someone asked where does the animosity come from? Why does the lack of a vote create a yes vote? Animosity comes from the board itself in extending covenants without full agreement. These are not rules but actually changes in covenants. The direction of board is taking away private rights. Would like to have another committee review what has happened with regard to supporting rules.

Motion:

Galvin, R. Move to repeal the supporting rules and enact at next general meeting any changes applied to covenants that we all understand.

Ferrero,P: Second.

Discussion:

Strauss,R: What do you mean “covenants that we all understand.”

Galvin,R: Motion is correct

Young,G:Resign my position on the board.

Johnson, B: Resign my position on the board.

Hay, R: Resign my position on the board.

Hay,R: New rules have helped to clean up the neighborhood so that it looks a lot better. Rules have been used with good intentions. Rules can also be changed.

Motion passed.

b. Eagle Project

Tim Sayan asked permission to construct a big toy play area in the park. This will be his Eagle Project. Project should be funded by donations.

Discussion: Community was enthusiastic and encouraged Timmy to go forward with the project.

6. New Business

a. 2000-2004 projects

b. Budget

Proposed Facilities Budget:

1999-2000

Bathroom Doors	\$500
Storage Shelter	\$1,000

2000-2001

Dredge Lagoon	\$20-\$45,000
Moorage Fingers	\$1,000

2001-2002
Picnic Hut/Office \$20,000

2002-2003
New Ski Dock \$2,000

2003-2004
Reroof Bathrooms \$500
New Picnic Tables \$1,000

Discussion:

Anderson,L: Interest shows a reduction of \$3,200 for next year.

Roney,J: We had planned to put in the culvert but this will not be done this year.

Budgeted less for water, utilities than was spent. (Budget was incorrect)

Budgeted more for office expenses (Plan to do more member mailings).

Money was added to pursue culvert/lagoon project.

??? Asked that the board consider a three year insurance

Motion

Anderson,L: Move to accept budget.

Purcell: Second

Discussion

Franks,V: Are water tanks insured against fire?

Response: No

c. Election of Trustees

Nominated and Number of Votes

Pete Ferrero	27
Karl Franks	17
Nate Anderson	6
Rick Galvin	42
Ron Moon	38
Bob Waite	39
Dee Ann Kline	45
Ed Collins	28
Jack Fisher	42
Seabie Sapp	17
Lew Anderson	17
Dean Graves	24
Kevin Miller	22
Bob A. Miller	26
Dean Graves	24

Discussion:

Kline, D.

Thanked Bob Hay for all his hard work as president. Commented about the number of hours he spent on PSA work and observed that she has never seen a voluntary board member as involved with the work of the office.

7. Adjournment at 6:20pm