

**PSA Annual Meeting
July 14, 2001 2:00pm
Picnic Hut**

Present: (Signed registration roster) John and Jan Roney, 2-215; Robert Johnson, 2-39; Ron and Jan Moon; Robert Miller, 1-118; Pat Workman, 1-62; Jack Fisher and Doris Fisher, 1-101,102; Tom Gerlach, 2-221; Jerome and Ruth Straus, 2-218; Dee Ann Kline, 1-77,78; Bettie and Jim Cook, 1-60; Harold and Grace Holm, 1-21; Marilyn Blomquist, 1-8; A. Bystrom, 1-9; Jerry and Connie Scherer, 1-85; Jeff Brock, 84; Don and Maggie Foran, 2-43,53; Gary Whitehead, 1-104; Owen Craighead, 1-7, 8; Tim Sayan, 1-20; Alex and Suni Duclos 1-76, Betty Lamberto, 1-40; Maida Bowers, 1-36; Lee Rice, 1-11; Kathy and Bob Waite, 1-038; Gary Whitehead, 1-125; Sharon Hay, 1-22; Virginia Franks, 1-59; Larry Pazaski, 1-023, 2-234; Steve and Gail Capatch, 1-044, 047; George and Veanne Young, 2-1,2; Valerie Cook, 2-230; Helen Kinne, 1-33, Bill Cook, 2-228; Rick Galvin, 2-230.

Agenda:

1. Quorum

Sayan, T.: The bylaws state that the annual meeting needs 10% per quorum. There are a total of 232 lots; Paradise Estates own 4. A member is a person who owns one or more lots. With 185 members 19 need to be present to constitute a quorum. 30 members are singled in.

2. Call to Order: 2:10

3. 2000 Annual Meeting minutes

Action:

Bystrom, A.: Move to Accept

Foran, D.: Second

Minutes approved without reading aloud

4. Reports

Fiscal- Galvin, R. Treasurer's report is in the packet. Nearly 100% of the dues have been collected (\$45,000 out of \$45,200). Interest from the CDs is good.

On the outgoing side, office and mailing costs were kept to a minimum. \$7,500 of savings was transferred into the water reserve.

The water reserve monies go towards a long-term goal of establishing a water savings account of up to \$100,000. These monies will be used in for unexpected events such as a well failure or the need to upgrade the lines. We currently have \$53,919 in that account. Washington State recommends that community water systems have these reserves.

2001-2002 budget is in the packets. There is no increase in dues.

Water- Fisher, J.

Jack Fisher was recognized and commended for 35 years of service to the water system.

Fisher thanked everyone who has helped him: George Young, Bob Miller, Tim Sayan and son, Owen Craighead and all the neighbors who pitched in. The wells and tanks are fine. The earthquake did not hurt the system. We have a good supply of water now, but everyone is being asked to conserve. Water your yards and gardens once a week. Clean around your water boxes so that it can be easily accessed if in need of repair. During the first part of August, the tank will be pressure washed in preparation for painting. Copies of the Consumer Confidence Report are available at this meeting.

Facilities- Waite, B. And Moon, R.

Waite thanked everyone who helped on the work party. The crew put in a new walkway into swim area and spruced up the park. The new basketball hoop will be installed soon. Some of the boat fingers are in poor shape and will be repaired the first week of August.

Moon reported that he had contacted the Dept of Fish and Game to extend lagoon permits. The board hired a hydrologist firm to inspect the lagoon and culvert system. The firm recommended not taking any action on the culvert. Since the inflow is the same level as outflow, they felt that better circulation would not be achieved by reconstructing the culvert. They recommended riprapping the inlet portion and keeping it clean. The permits were modified to remove the culvert from the original plans.

The firm also indicated some other actions to take to limit the silt deposit in the lagoon such as:

1. Let grass grow longer to limit the runoff.
2. Work on the culvert system that comes off from the roadway and the tower to divert these runoffs away from the lagoon.
3. Do some additional plantings around the edge of the lagoon.

The extension and revision of the permit was granted about 2 months ago. The work needs to be done between July 15 and Sept 15 of this year. A soil sample from the lagoon will be tested for toxins or contaminants.

There are some additional problems at the end of the boat launch. Powerloading boats have created a backwash and pushed a hole under the concrete boat launch. We may need to do some riprapping and rock placement. If this action is necessary, we will have to go to Dept of Game and Fisheries for permission.

5. Old business:

1. Lagoon Dredge project

Sayan, T. reviewed the problems we are trying to address:

- a. 40 years of sediment in the lagoon
- b. Power loading of boats creating a hole at the launch area

- c. Sand in the channel
- d. Lack of circulation

Sayan reviewed the options available to the community:

- a. Completely dredge the lagoon

This action would cost about \$200/lot. Dredging the lagoon would clean out most of the sediment. It would remove the gravel pile created by the powerloading, but we would still have to do something to fill the hole that is beginning to undermine the end of the concrete ramp. Dredging would remove the sand from the channel, but could not get close to the rocks or they could be undermined and wind up further into the channel. We do not have enough in reserve to cover the cost of this proposal, so we would have to consider other ways of financing the balance of the project, either a special assessment or a loan.

- b. Crane with a clam shovel

The crane could dig out as much of the sediment as it could reach from shore (60 foot maximum). One contractor proposed digging holes below the Original bottom of the lagoon to collect future sediments and then redeposit sediments he could not reach, that would be stirred up later by boats. The gravel pile in the boat launch area is within reach of the crane. It could also dig the hole back further and fill the hole with quarry rocks to the height of the lagoon bottom, creating a stable bottom that would not be moved by boat propellers. The crane could reach far enough to clean out the sand and sediment at the channel. The rocks at the point could be temporarily removed, the sand dug out and the current rock wall extended around the point, with the base now starting at or below the bottom of the lagoon. This should retain any further erosion of the point into the channel. The crane with the clam shove will cost about \$66 per lot (\$15,000-\$20,000). We have enough in general savings without using our water system reserves to complete this project.

- c. The third option would be to do nothing.

If we choose to do something, our existing permit allows onsite burying of the removed materials. But if we bury the sediment in the park, we create a Significant probability of increasing sedimentation. We may want to haul the sediment to the two well sites.

Sayan feels there is the expertise on the board to oversee whichever project the community decides.

Public Comments:

Cook, J. Doing nothing would be the biggest mistake. We have the money available. It is a property value thing. For \$20,000 and with the money already there, I think it is a good thing.

Sayan, T: If we do nothing at this time, environmental permitting will in all likelihood be more difficult to obtain.

Young, G: Has the board made the decision yet?

Sayan, T: No, we are asking the community to make the decision. Moon has the expertise to oversee the permitting and project.

Moon, R: At the last annual meeting, we were asked to bring options back to this annual meeting. My biggest concern is that if we don't take on the project this year, we will more than likely not have the permits extended. Doing the work now will be good for another 20 years.

Strauss, J. If we do nothing, we could be forced to pay a lot of money to do something. I recommend we proceed with the \$20,000 project.

Shearer, J. When I put my boat in this season, I lost a chunk of rotor at the boat launch.

Pazaski, L. Does the bid include the hauling away of the silt.

Moon, R: The permit only allows us to remove a certain amount of cubic yards.

Pazaski, L. It seems that a lot of money is being spent on removing 18-24 inches of silt that has accumulated over 40 year period. I own lot front property, so I don't use the lagoon for launching. I believe that the costs should be born by the users of the lagoon.

Cook, V. I have waterfront but use the lagoon to launch. I do not feel that we should separate waterfront from upper lots. If we can spend \$20,000 now and have it last 40 years then that is a very good investment.

Brock, J. The lagoon is why we bought our property. If we don't do this, the lot is not worth owning.

Roney, Jan. I agree that we go through with this project. How deep will the whole at the launch be? If there is any possibility of endangerment them we should post signs.

Hay, B. Are the bids a cap? If the soil is contaminated, it will have to hauled to certain sites. This will increase the cost of the project.

Sayan, T. People we have consulted don't feel that anything more than the gasoline, oil, and fuel have gotten into the water. Since gas and oil are lighter than water so should not have contaminated the soil.

Frank, C. I concur with all the positive comments.

Action:

Frank, C. Move that we go with Plan B.

Seconded: (name unknown)

Discussion on the motion

Pataski, L. The action should be contingent upon soil testing.

Young, G. Is the board making the decision or the community?

Moon, R. If you bind us to one certain option, then we would need to come back to the community with any additional changes or expenses. We will do all we can to keep costs in mind.

Roney, J. Option B authorizes the board to spend up to \$20,000.

Duclos, A. I don't think we should limit the board to \$20,000. There are always circumstances that arise.

Cook, V. We elected this board and I have a lot of faith in this board. I think we ought to allow them the leeway to cover contingencies and do it correctly. We have \$30,000 reserve. I believe we should move the cap to \$30,000.

Frank, C. We bring in \$2,000-\$3,000 from boat moorage. That gives another source of funding.

Sayan, T. That goes into general fund. I appreciate the confidence.

Action:

Frank, C. Withdraw original motion.

Action:

Frank, C. Move to go with Plan B and spend up to \$30,000.

Cook, B. Second motion.

32 Yea: Motion passed.

2. Covenant Change Process:

Sayan, T. The board has decided upon a process to change covenants. The next opportunity to implement a change in the covenants/restrictions is January 1, 2007. The board proposes a 2 year process of reviewing covenants, beginning in 2004. The board

will seek input from community members, and bring all proposed changes to the 2006 annual meeting. Each proposed covenant change will be voted on individually.

The board reserves the right to implement rules that cover:

- a. Conduct in the park and access to the boat launch, moorage, swing area, beach and docks.
- b. The use of and access to our water system.
- c. Interpretation of our existing 13 covenants/restrictions.

At each annual meeting, community members may charge the Board to interpret existing covenants, possibly resulting in implementation of rules to support the covenants. The board will seek input from the community members and bring the proposal to the next annual meeting.

The Board recognizes that our association must operate within the bounds of not only Federal, State and County laws, but also our own Articles of Incorporation, which establishes us as an entity in the State of Washington, our Bylaws, which document how we as an association operate, and our Covenants/Restrictions, which are the only PSA rules which impose specific conditions or standards of conduct on members at their lots. That power is only identified in number one of our Covenants/Restrictions and is specially limited in its timing and process. The board has reviewed RCW 64.38 and does not believe it is applicable to PSA. The Board passed the following motion: "The Board will continue to operate in accordance with the existing Articles of Incorporation, Bylaws and Covenants/Restrictions as originally recorded or amended.

Public Discussion:

Roney: Is it the board's intention to enforce the covenants at they currently exist?

Moon R. we will have a committee to study some of the problems that community members bring forward. Need guidance and direction from the property owners.

Shearer, C. In May I addressed the board with a problem with a rental property across from us. We have contacted the county. They are so backlogged that they cannot respond for 6 months. We have contacted the landlord. Is there anything the board can do?

Sayan, T. The Board cannot take any actions that they are not authorized to take.

Moon, R. If you have a problem and send a letter to board, we will send to appropriate agency. The board met earlier this morning and read the letter sent by the Shearer.

Frank, C. I request that the flag in park be taken down, properly disposed of and that a new flag not be displayed until it can be done properly.

Galvin, R. That has been addressed and we are waiting to finish the lagoon project.

6. New Business

1. Election of 5 new board members.

Moon, R. The Board would like to have existing board members whose terms are up (Johnson, Sayan, Vitzthum, and Collins) be reappointed to complete the existing projects. The community will need to elect a member for the resignation of Pete Ferrero.

Hay, S. Nominate Jim Cook. Cook declined.

Craighead, O. Nominate Bob Hay. Hay declined.

Waite, C. Nominate Jeff Brock. Brock agreed to run.

Action:

Cook, V: I move that Brock, Johnson, Sayan, Vitzthum and Collins be appointed to the board.

Strauss, R. Second
Motion passed unanimously.

7. Community Concerns:

Shearer, C. My understanding is that the swimming area is not to have water craft. Last year there was a paddle bot. Al did not know of that rule.

Moon, R. Volunteered to check the rules and inform Al.

Frank, V. There used to be a sign that said no swimming on outside of dock. There seem to be a lot of people swimming outside of boundaries.

Sayan, T. The board will have the facilities committee post signs.

Foran, D. A sign does exist from the other side of the dock. I have several times seen people with Skidoos come very close to children swimming outside the dock. I am asking that everyone be alert to these problems.

Foran, M. Our daughter is a lifeguard. The water level is not high enough to dive into the swimming area- she wants everyone to be aware of that.

Sayan, T. I will have facilities address problem.

Action:

Fisher, J. Move to adjourn

Moon, R. Second.

Passed

Adjourned 3:45 pm.