

PSA Annual Meeting

July 9, 2005

2:27 pm

Lot Owners Present:

James Ross: 2-220; George Young 1-002; Jim Sims, 0-52; Robert Johnson, 2-039; John Vitzthum, 1-068; Gena Smith 2-57; Robert Howry, 2-221; Hubert and Suzanne Graves 2-9; Ron and Bev Greene, 1-83; Dee Ann Kline 1-77,78; Rick Galvin & Bill Cook. 228 Archie Cook, 238; John and Tracey Wardean, 2-41, 42; Perry and Rebecca Wynn, 1-29,30; Shawn Etheredge, 2-191; Melissa Reid, 2-246; Jeff and Karen Johnson, 2-011; Larry Pazask, 1-023, 2-234; Ron and Jan Moon 2-242,2-243; Tim Sayan 1-20; John and Jan Roney 2-215; Pat Workman 1-62; Owen Craighead, 2-8; Bruce Karl, 1-54,72; Connie and Jerry Scherer, 1-85; Tom Moore, 1-024; Al and Inge Morris; Lori Grosse, 105; Bob Miller, 1-118; Maida Bowers, 1-35; S. McDougall, 2-213,38; Bettie and Jim Cook, 1-60; Don and Lorraine Glenn, 1-079; Jack Fisher, 1-105,106; Carmen Maletta, 1-13,15,16; Darren Porter, 1-46,47; Nick Stagliano, 240-241; Robert Hay 1-022; Eileen Allen, 2-237; Jeff Brock, 1-084, Helen Kinne 1-33; (not signed in).

Proxy Ballots received from: Seabie and Charleen Sapp, 2-226; Lila Young, 2-002.

1. Call to Order by Ron Moon 2:27pm.
2. Pledge of Allegiance.
3. Approval of minutes of last annual meeting.

Action:

Al Morris: Move to approve minutes of the 2004 annual meeting.

Robert Howry: Second.

Passed by voice vote.

4. State of the Association- Ron Moon.

I want to recognize the contributions from many property owners who worked on fingers and ski dock and appreciate the help everyone has given. We are working hard to try to maintain what we have and keep things under control.

5. Water Committee Report:

Paradise Service Associates Water Report read by Larry Pazaski. (See separate document).

I want to thank Tom Moore who was a valuable source of information. Trails End was recently in a similar situation that we are in now. They have a 40 year old system. They borrowed ¾ million dollars on a 20 yrs note to do an upgrade. Trails end residents pay 26.50/1000cf per resident with add-on charges for high consumption. They also pay \$24/month finance fee and have incorporated a new hook up fee.

I have talked to a water district manager who serves several water districts and he is surprised that we are not metered. We don't have a choice in the utilization of our water

system. We do not own the water. We are allowed so many gallons per minute to pump. I want to praise Jack Fisher for all his work over the years.

Discussion:

Tom Moore, who is with the Mason County Dept of Utilities and Waste Management. I noticed that current plan suggests that we drill another well and this assumes 200 gallon/min. I do not find water rights for drilling. We are currently drawing 170 gal/min. The existing well can be rehabbed, but it could damage the well that is close to it. We need more storage immediately and another well to back up the one that we have. We will not get more water rights because we don't have meters. Meters are about \$100/meter.

Every phase of the water system is in need up substantial upgrade. The water service inventory report is set at maximum 98 connections. That calculation includes using the 2 wells together. If we go over approved connections our permit goes from green to red. We will not be able to get financing or building permits for building in Paradise Estates. We need to take advantage of the situation we have now as we have a time period before regulators step in and take over us. \$25 is a typical water monthly bill for a system with an infrastructure in place to support the system. I recommend we take immediate action to bring the water system into State Compliance.

A. Morris: I encourage members to participate in the changes that the community is going through.

L. Pazaski: JB Engineering has given us two different bids for drilling the well; \$93,970 and \$100,300. We also talked to Washington water system. They gave us a bid, but would not touch the system unless we signed a retainer to take care of the water system. We also have a couple of other drillers to call. We have \$100,000 in reserve funds to start the process.

John Roney: Did you determine what happens with people who have been hooked up for 20 plus years? How have they been counted in the hookups?

L. Pazaski: The County has been tracking since 1992.

Scherer: Would it be prudent to put a temporary moratorium on new building?

L. Pazaski: We are legally obligated to provide water. We cannot hold out until we are ready to build.

Perry Wynn: Can we initiate a fee?

L. Pazaski: That is totally appropriate. The Trails End hook up fee is \$3750. There is a formula for determining new hook up fees.

6. Financial Report: Rick Galvin (See separate document)

2004-2005

- ✓ We saw extra revenue for moorage and boats. The dredging brought renewed confidence in using the lagoon.

- ✓ The CCR fund was a. one time fee. There will be no additional fees collected to finish the project.
- ✓ We decided to take the generator off the list.
- ✓ Costs for the park and moorage were down as we did not have a lot of new activity.
- ✓ Savings increased \$5000 over budget.
- ✓ We continue to put \$7500 into water reserve.

2005-2006.

- ✓ The assessment is \$245 lot. \$20 is a water assessment that will be used to continue to build the fund. We will increase the contribution to the water fund to \$12,000/yr.
- ✓ There is good and bad to the procrastination we have been doing since 1999. The cost of 3rd well has gone up from 60,000 to 100,000. However, we have put 100,000 in reserve that will be spent on the 3rd well.

Water System: We are looking at a 3 or 4 year phase for new piping and water meters at every site. The cost will be 300-400,000. Dues may be \$450 per lot per year during this time. The storage will stay the same and delivery from storage to property will stay the same. Everything else will be new.

Park: As soon as we get through the bid process, we will refinish the basketball court. This will involve grinding the stump, extending the fence, resurfacing the concrete, installing back boards and getting a new tennis net. Please look at the long term plans that Bob Johnson has drawn up for improving facilities and improving the hut.

Wynn: Is there any talk about getting new toys for children?

Galvin: Yes, there is a lot of interest in getting new playground equipment. These are long term plans.

Action

Al Morris: Move we approve the budget as stated.

Bob Johnson: Second.

Passed by voice vote.

7. Facilities Report. John Vitzthum.

We had a nice work party and put in new ski dock and fingers. Please look at the plans that are posted. We can do a lot of it ourselves.

Smith: After the basketball court, what is next?

J. Vitzthum: The fingers are going to be finished. We need to do a bit of cleanup and then order the materials. We will need a couple of work parties. If anyone is interested in helping, let facilities know.

Wynn: Can you put out a sign by road advertising the work parties?

8. Election of trustees

Following were nominated for 5 board positions

Daryl Stephens

Boyd Smith

Perry Wynn

Larry Pazaski

Bob Johnson

John Vitzthum

Shawn Ehtheredge

Action:

Al Morris: Move nominations be closed.

Fisher: Second.

Passed by voice vote.

Voted by ballot:

Larry Pazaski 38

Boyd Smith 37

Perry Wynn 36

Bob Johnson 32

John Vitzthum 26

Daryl Stephens 22

Shawn Ehtheridge 19

9. Vote to change Articles of Incorporation.

Article V, paragraph 22.(d)

Change in bold print.

(d) To make and alter by-laws, not inconsistent with its articles of incorporation or with the laws of this State, for the administration and regulation of the affairs of the corporation, **thereby to further the purposes set forth herein, and the community welfare and the properties within the Paradise Shores Estates development.**

Tally: 38 Yes. No 1

Ballots will be checked before confirmation.

10. Vote to change the By-laws.

Adoption of new set of by-laws as presented to membership. See separate document.

Tally: Passed. Ballots will be checked before confirmation.

New Business

1. **CCR. They do not need to be voted on. We voted last year to revise the CCR.**

Brian Garcia: I have been talking to owners with young families. Can we do something to help keep the park clean? I suggest putting a lock on the gate and giving everyone a key.

Moon: The suggestion will be referred to the board.

Don Glenn: CCR enforcements are very important. A typical way of enforcing CCR is

1. Member has a problem.
2. Property owner writes a letter to president of the Board.
3. Board assigns someone to inspect property/investigate complaint.
4. Resolution is reached.

The last place we lived, we were on receiving end of CCR complaints a couple of times. One neighbor complaining directly to another neighbor can create hard feelings.

Tim Sayan: Trees are supposed to be kept at 30 foot high. That was a dumb idea and is hard to enforce because trees grow more than 30 feet.

R. Moon: There is now a Neighborhood Watch system in Paradise Estates. We are looking for more people who would be willing to be a captain in their area or on their road. Meetings are with the sheriff at the MBC club. Benson Lake has their program going and Mason Lake is still building theirs.

L Pazaski: Last 4th of July a number of unlicensed vehicles, some with underage drivers were on the streets. These are public streets and patrolled by the sheriff. If you have a neighbor who has an unlicensed vehicle, please remind him that they are not legal.

T. Sayan: We shouldn't let them drive in the park.

L. Pazaski: I would like to comment on the value that Al Morris has contributed to the board.

Tracey Wardean: We are new to the area. We did not get a copy of covenants, articles of incorporation or other documents when we moved in. I will volunteer to put a packet together to give to new members.

P.Wynn: I understand Alan is not allowed to attend because he is not a lot owner. I would like his input because he sees what is going on in the park.

A. Morris: Anyone can come but only members can vote.

T. Sayan: I had a problem trying to get into a board meeting last October. I wanted to address an issue to the board.

D. Kline: In the future, dates of all board meetings will be announced at the annual meeting. Everyone will have the information they need to be able to attend.

Adjourned 16:12.