

Minutes approved at Annual Meeting Nov. 20, 2020



**Rocky Point Heights Community Club
Annual Meeting Minutes
May 8, 2019**

Open Meeting: Alan

Alan Marsh opened the meeting at 7:06 pm

Pledge of Allegiance led by Alan Marsh

Trustee Member Attendees:

Alan Marsh (President), Bob Snead (Vice President), Dwight Perkins (Treasurer), Jack Baker (Secretary), Darrell Macke (Trustee) and Patricia Gordon (Trustee)

Resident Member Attendees:

	Name	Address
1	Linda Macke-Darrell	975 Karen Ann Dr.
2	Amy Perkins-Dwight	521 Island View Drive
3	Jon & Ardith Arnold	557 Island View Dr.
4	Nancy Snead-Bob	669 Island View Dr.
5	Karen Baker-Jack	985 Rocky Terrace
6	Alan Marsh	936 Karen Ann
7	Chuck Gaines	991 Camrose Ct.
8	Chris & Christine Buchanan	965 Rocky Terrace
9	Gary & Stacy Johnson	945 Karen Ann Dr.
10	Sally Fitterer	915 Karen Ann Dr.
11	Kate Kappel	543 Island View Dr.
12	Dennis & Joanne Johnsen	549 Island View Drive
13	Carlos & Maggie Veliz	527 Island View Drive
14	Harold Beyea & Anne Pan	953 Karen Ann Dr.
15	Susanna Ma	686 Island View Drive
16	Doug & Ruth Fries	533 Island View Drive
17	Gordon Bowman	910 Vicky Place
18	Bryan Milligan	975 Rocky Terrace
19	Patricia Gordon	920 Vicky Place.
20	Fakhereddine Berrada	916 Vicky Place
21	Darla Tiner	520 Island View Drive
22	Max Bettman	675 Island View Drive

Resident Member Proxy:

	Name	Address
1	Charles Pratt & Joanna Dobbs	985 Camrose Court
2	Dwight Lawseth	910 Valerie Drive
3	Brian Wiedmann	Lot 15
4	Eun Seog Hur	694 Island View Drive
5	Virginia Wootten	430 Island View Drive
6	Eugen & Gabriela Istrate	903 Karen Ann Drive
7	Andrew & Sandra Campion	924 Karen Ann Drive
8	David Lundstrom	484 Island View Drive
9	Lawrence & Jill Erwin	939 Karen Ann Drive
10	M & Penny Abdollmohammadi	979 Karen Ann Drive

Introduction of Board of Trustees

Jack Baker introduced the current Board of Trustees.

Alan Marsh – Asked attendees to introduce themselves

Approval of Minutes from last year: Jack

Minutes of the May 5, 2018 Annual Meeting were provided to people as they entered the meeting room. After a brief review period Dwight Perkins motioned to suspend reading the minutes, Nancy Snead seconded the motion and the motion was approved by vote. The minutes from the May 5, 2018 board meeting were approved. Motion by Nancy Snead, second by Max Bettman. Minutes were approved by vote.

Call for additional agenda items: Alan

Jon Arnold asked to speak about the effort to revise the percentage of homeowners required to change the Covenants.

Harold Beyea asked to address a section missing in the Covenants related to building height.

Stacey Johnson wants to discuss expected water pressure.

Committee Reports:

Combined Water Service – Jack Baker

Jack asked Patricia Gorman to express her opposing views about what is provided and/or limited by Combined Water Service.

Patricia stated except for her all the current Board members are in favor of replacing the existing water infrastructure. Patricia said she had not been allowed to be on the Water Maintenance Committee even though she has degrees and experience related to gardening and irrigation and understands about pipes. She said no one has been able to provide any reason there is a need to replace the existing water lines. She said we do not need new water lines. The forty year is a middle of a ninety-year suggestion for replacing a water system.

Patricia then stated the 8,000 gallon per month limit set by Combined Water Service is not supported by the State. The limit is set by CWS nobody else on the Island has these limits or penalties for using water.

Patricia then started expressing opinions about a need to replace the current Board that will enforce the Covenants. Patricia was asked to remain on topic and asked to yield the floor.

Jack gave the following Combined Water Service report:

- Pump #2 was replaced last September at a cost of \$20975.55. This is the largest of our four pumps and the discharge pipe was galvanized and the bottom lengths corroded. The pipe was replaced using Schedule 120 pvc.

- Pump #1 was replaced in March. The invoice for replacement has not been submitted.
- King Water started replacing water meters CWS is covering the cost because having accurate water meters is a benefit to all CWS members.
- Fire Hydrant flushing the hydrant at the intersection of Valerie and Island View was flushed last year King Water plans to flush other hydrants and flush point this spring.
- The CWS president and I attended an event sponsored by the Camano Island Water Systems. The event consisted of round table discussions based on preset situations. Most of the attendees were from various water districts on Camano Island. Each of the eleven tables had a different situation to which they were to report their decisions by identifying the size and scope of their issue, providing a remedy, timetable and cost. There was a panel of resources that offered help in resolving issues. The panel consisted of bank representative, County and State officials, engineers and water system operators.
- One of the items discussed was what different water systems charged for water. One that stuck in my mind charges a flat rate for 250 gallons/day and a progressive increase in cost starting at \$1.00 per gallon over the 250 gallons used in any one day. Plus, they have covenants that allow them to turn off water to any house found watering their grass.
- The CWS president sent a letter to Alan as the RPHCC president as a follow up to the previous letter to RPHCC asking what they intend to do with our aging water system.
- The May billing mail included a CWS Summer Notice & Reminder to conserve water.

Water Maintenance Committee – Jack Baker

Jack asked Patricia Gorman to express her opposing views related to the Water Maintenance Committee.

Patricia said there has been no reason stated for why we need a new system. In brief Patricia said if we have steel pipe it rusts, and we may have lower pressure. Instead of replace repair using pvc pipe. Patricia said her cousin, who designed our system, does not think we need to replace our water lines.

Jack gave the following Water Maintenance Committee report:

Proud to announce the Water Maintenance Committee members:

Bob Snead – project management, software development, computer & communication skills.

Chuck Pratt – Stanwood library manager, research, member of CWS Board

Carlos Veliz – Political lobbyist, business strategist, owned mechanical design firms.

Bryan Milligan – City of Marysville senior construction inspector, designed and installed pipelines, owned a construction company.

Jack Baker – On site construction representative for a major Consulting Engineering firm worked with pumps and piping from chemical feed pumps with tubing to 120" ID Concrete and one project of 100 miles of 64-Inch concrete cylinder pipe installed in one year.

- **Chuck Pratt and I met with the Marysville librarian most familiar with the program they have that lists thousands of available grants.** The program allows one to set parameters to narrow down grants that apply to their situation. There were **no grants listed** that applied to updating water infrastructures unless there was an emergency such as earthquake that destroyed the system or a health hazard.
- I contacted the **Washington Association of Sewer and Water Districts asking for possible grants.** This association has a Summary of Grant and Loan Programs for Drinking Water and Wastewater Projects. Of the 19 agencies listed there were four that I thought might be applicable to our system requirements. **Both through the research I have done so far and what I learned at the Camano Island**

Water Systems meeting it appears our best bet is to start an application to the U S Department of Agriculture assistance for Rural Communities.

- I have reviewed **the USDA RD application** and visited with the local representative in the past. The application is a lengthy process that **may take as much as two years**. The application requires the applicant to prove they have sought funding from three local lending institutions and there was either no loans available or the cost was too high. **The application also requires public meetings** with those for whom the loan will apply, **a pre-engineering report and possibly environmental impact statements, a geological report and a lot of organizational documents** including Articles of Incorporation, By Laws, Non-Profit corporation documents, water system operating permits and more.
- **Greg Cane the engineer of record** for CWS who has been involved with the design and operations of both RPH and Brentwood water systems and the development of the CWS system is **retiring and closing his business in June of 2020**. Greg has suggested three options for engineering requirements if we proceed with the USDA RD application.
 - Option A: Cane Engineering will work with RPHCC to prepare the USDA application and work through the process until the funds are secured. RPHCC would then need to hire an engineering firm to help with design and construction.
 - Option B: Cane Engineering would work with RPHCC to prepare the application and prepare the design. RPHCC would need to hire an engineering firm for the construction portion of the project.
 - Option C: RPHCC might want to hire a different engineering firm to do all the work from application through construction. Cane Engineering would assist in transferring all information to the new firm and be available for questions and support.

I have studied the phased construction process suggested by Cane Engineering. I want to spend more time reviewing my thoughts with the Water Maintenance Committee to see if they agree with my approach. I do not think we need to replace any of the pvc pipe. I think we should install new 6-inch pipe from the intersection at Valerie and Island View to the RPH storage tank and replace the 4-inch AC pipe. If the committee agrees I will request permission to start the process. REGARDLESS if the USDA-RD loan is the option chosen or not the RPHCC members will be informed of what and when action will be taken.

If the 4-inch AC pipe has a major failure repairs will require turning water off to Fifty (50) plus residents on Vicky Place, lower Island View, all of James Way and Camrose. (Map Exhibit - A)

Greg Cane provided a preliminary estimate of not to exceed \$24,000 which includes \$7400 for an environmental report, \$4600 for an archeologist report if necessary and \$4600 for loan application assistance if desired.

I think it is time to start this process and will take the necessary steps required by our governing documents to get approval.

Cost estimate to replace all pipe in 2017 was \$1,236,128 (Greg Cane estimate - Exhibit B) (Water Main Break Rates March 2018 report Exhibit - C)

Treasurer Report – Dwight Perkins

Dwight presented the attached 2019 Budget and explained it included a \$24,000 Water Reserve Expense line item for Engineering. The line item is for the pre-engineering report required for the USDA-RD loan application. The Reserve for Infrastructure had a 2010 balance forward of \$50,000 and through 2018 was at \$261,164.62. Carlos Veliz made a motion to accept the 2019 Budget, Jack Baker seconded

the motion. Patricia Gordon moved to amend the motion by removing the \$24,000 water reserve expense. There was no second to Patricia's motion. The budget was voted and approved as submitted. Dwight provided a copy of the RPHCC Balance Sheet as of April 30, 2019 with total Liabilities and Equity of \$267,003.29. (Balance sheet As of April 30, 2019 and the Proposed Budget - Exhibit D & E)

Building/Design Committee – Darrell Macke

Darrell explained when homeowners do not keep their lawns mowed, they are asked in a polite manner to take care of the issue. For clutter and junk in yards a harder approach is taken in which a covenant violation letter is sent certified mail. If the violation is not corrected within a month a second letter is sent including a fine associated with the violation. Patricia that Darrell is a nice person, but some lawns go 2 to 3 months without being mowed. Patricia stated other violations that were not being addressed and stated the only Board member who should be re-elected was Bob Snead, the rest of the Board of Directors should be replaced.

Darrell explained the published Rules and Regulations method for filing a complaint. 1) File a signed, dated written report to the Board identifying the Covenant that is being violated with photographs if available. 2) The Board will review the complaint and if they agree there is a violation a certified letter will be sent to the responsible landowner. The letter will clearly identify the violation, allow a month to have the violation corrected before fines will be assessed and extend an offer for a hearing if the landowner wants to contest the violation or request additional time to correct the violation.

Welcome Committee – Jack Baker

- Christine Buchanan or Joanna Dobbs and Jack visited with the following five new neighbors
 - Robert Hammer 979 Camrose Court
 - Kirk Packard 956 James Way
 - Pamela Jones was not ready for all the info. Said come back later
 - Aaron & Rebecca Wheeler / Jacque Nybo 939 James Way
 - Amanda Dexter at 515 Island View more due to a water leak issue she is dealing with. We offered at the time of our visit to return whenever she desires to explain the Welcome Packet.
- The Welcome Packet information is being installed on the new rockypointheights.org web site. The Restrictive Covenants, By Laws and Rules and Regulations are already posted. When the project is completed, I will ask permission of the Board to send a memo to all members and renters explaining what is available.

Publicity Committee – Bob Snead

Bob stated the Publicity Committee was reinstated after last year. After review and acceptance from the RPHCC Board information is sent to RPHCC members in the form of mailings, Newsletters and/or a website. Rockypointheights.org is under construction and in a future version will include a member's only section requiring an approval of membership and a log in. The web site currently includes copies of the RPHCC Covenants, By-Laws and Rules & Regulations. There is also a Contact Form that will be submitted to the current RPHCC President.

The intent is to publish four newsletters each year. The last newsletter was mailed hard copy because it announced this annual meeting. Future newsletters will be emailed to those with email addresses using the Mail Chimp service. CAUTION if you have a gmail account the newsletter may go directly into your "promotions" folder.

New Business: Alan

Jon Arnold explained that last year he tried to get a revision to lower the percent of homeowners required to make a Covenant revision from 75%. To make this revision required approval of 75% of the then current homeowners or 51 members. 36 homeowners voted, or 54% instead of the required 75%. Jon is concerned the Covenants as written need to be updated and without homeowner participation this will not happen.

Harold Beyea stated there is an incomplete statement in the Covenants that would explain how to apply for a Covenant variance. Bob Snead offered to meet with Harold to explain what Bob did to file a variance to make it legally binding to the property involved.

Stacey Johnson asked what she could do because they have very low water pressure at their home. Jon Arnold offered the use of his pressure gauge to confirm the water pressure.

Patricia Gordon made a motion that the RPHCC Board cannot move forward replacing the water system without a vote of the membership and a 75% approval. Harold Beyea made a second to the motion. The vote was 2 for and all others opposed. The motion was not approved.

Presentation of Trustee Nominations – Bob Snead

Bob introduced the Nominating Committee that he chaired, Jon Arnold, David Lundstrom and Jack Baker. Bob wrote a charter for the committee and sought candidates to fill 5 of the 7 trustees on the Board. Board trustees have staggered terms some with a two-year commitment others three years. Briefly the job description of the Board of Trustees is to enforce the covenants and provide maintenance and upkeep oversight of the water system.

Voting on Trustee Nominations – Bob Snead

Ballots were provided one per household showing the six candidates. Bob explained each household could vote up to five of the candidates but did not have to vote for five. Ballots were collected and processed by Jon Arnold. (The five candidates chosen are Gordon Bowman, Darrell Macke, Dwight Perkins, Bob Snead and Carlos Veliz)

Meeting Adjournment

Harold Beyea moved to adjourn; Linda Macke made the second the vote passed, and the meeting was adjourned at 9:08 pm.

RPHCC 2019-05-08
Map Exhibit A

D

Phase I

CONNECT TO
COMBINED
WATER SYSTEM
6" PIPE

Phase III

C

47,000 GALLON
STORAGE TANK

Phase II

ROCKY
POINT

HEIGHTS
COMMUNITY
CLUB

WELL 3

WELL 2
RPHCC

B

PRESSURE
REDUCING
STATION

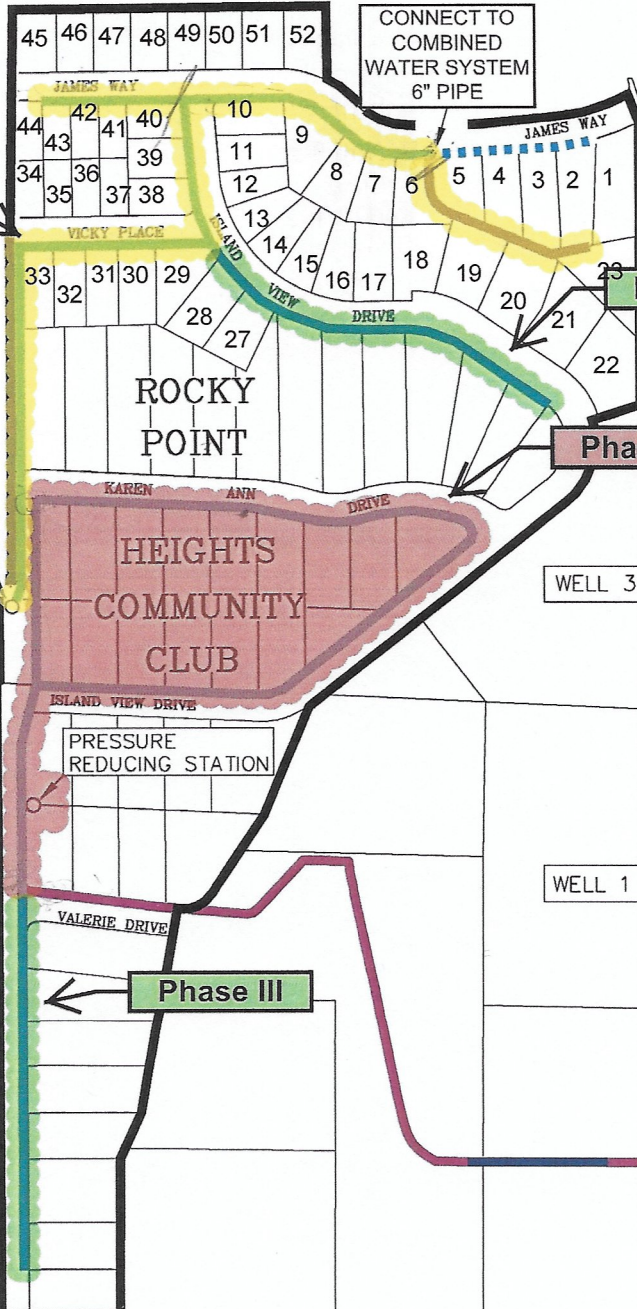
WELL 1

BRENTWOOD

A

WATER SERVICE AREA BOUNDARY

Phase III



Rocky Point Heights Community Club - Capital Facilities Replacement Review - 2017

Water System Component	Replacement Cost - Construction	Replacement Cost - Total ⁽¹⁾	Current Year	Year Installed	Component Age	Expected Life ⁽²⁾	Years to Replacement (Theoretical)	Years to Replacement (For Analysis)	Number of Households	Require Household Year
Combined Water System Well 2: 6" Dia X 205 Ft Deep	14,350	19,373	2017	1995	22	35	13	13	87	
Combined Water System Well 2: Pump - 7.5 Hp	15,300	20,655	2017	2008	9	15	6	6	87	
2" Pipe HDPE to Replace 2" PVC - 500 Ft	35,000	47,250	2017	1970	47	75	28	28	87	
6" Pipe (PVC/HDPE) to Replace 4" Transit Pipe - 2,110 Ft	246,870	333,275	2017	1970	47	45	-2	10	87	
6" Pipe (PVC/HDPE) to Replace 3" PVC - 910 Ft	106,470	143,735	2017	1970	47	75	28	28	87	
6" Pipe (PVC/HDPE) to Replace 2" PVC - 3,980 Ft	465,660	628,641	2017	1970	47	75	28	28	87	
3" PRV Station - In Vault - Replace with 4" / 1.5" PRVs in Vault	32,000	43,200	2017	1997	20	35	15	15	87	
Totals	\$915,650	\$1,236,128								

Notes:

(1) Total Cost reflects additional 35% for engineering, archaeological and environmental review / mitigation, permitting, construction administration, attorney's fees and contingencies.

(2) See Enclosure E-4

5.2. Effects of Age

The basic survey asked respondents to break down the failures into the decade when they were installed. Some of the respondents did not know the age of the failed pipes and they were not included in the results. Figure 26 illustrates the percentage of failures of each pipe material based on the decade of installation. For example, asbestos cement (AC) pipe had 60% of the breaks from pipe installed in the 1960's, 28% in the 1970's, and 12% of the breaks in pipes installed in the 1980's. Note that the largest percentage of failures is usually not in the oldest pipes (AC being an exception), which has several possible causes. One important cause is the amount of pipe present in a given age range. As the older pipe is replaced there is less available to fail. Also, cast iron and ductile pipe wall thickness has decreased over the years which can affect time to failure. The results in Figure 26 are also related to when a pipe material was introduced or removed from the market. AC pipe has not been installed in the USA and Canada in the past 25 years, and thus, all AC pipe failures date from the 1980's and earlier. Little cast iron pipe has been installed since the 1980's and that is reflected in Figure 26. Widespread ductile iron and PVC pipe production in the USA did not start until about 1970, so we should expect to see a small failure percentage for both DI and PVC installed in the 1960's and none in the 1950's and earlier.

Most of the failure versus age distributions in Figure 26 seem to be quasi bell-shaped (again, asbestos cement pipe failures are an exception). It would appear the AC pipe installed in the 1960's may be near its end of life and utilities may want to consider planning for rapid replacement of that pipe. Cast iron pipe shows the most uniform failure distribution and does not give much guidance on which pipe age needs replacement first.

5.3. Target Replacement Break Rate

The detailed survey asked participants if they utilized a target break rate at which pipe replacement was implemented. Only 28% of the respondents said that they had a specific value. The average response was a target rate of 11 breaks/(100 miles)/year. Most respondents commented that they do not have a specific target break rate. However, break rates are a very important factor when locations for critical services are considered and when roads are being reconstructed. Although Figure 26 provides some insight to when pipe needs to be replaced, the most appropriate metric to making this decision should come from looking at break rates at sections of pipe with a similar age and material.

5.4. Most Common Failure Age and Mode

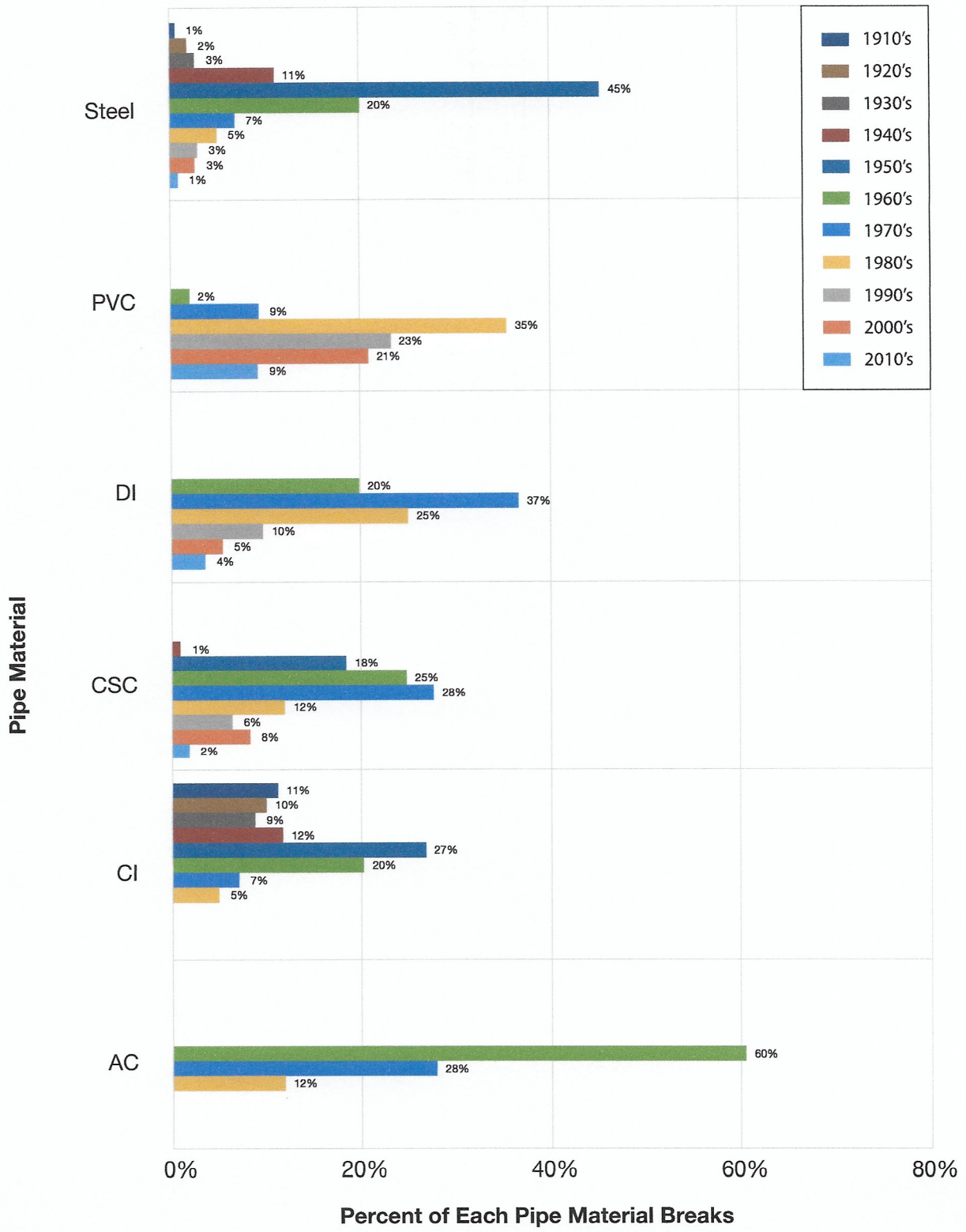
The detailed survey asked the participants the typical pipe age of most water main failures. The average response was 50 years with a range from 10 to 100 years. In 2012 the average age of failing water mains was reported as 47 years. Given the qualitative nature of this question, the typical age of a failing water main has not changed significantly over the past six years.

The detailed survey requested participants to select the most common failure mode from the following: corrosion, bell split, circumferential crack, longitudinal crack, leakage at joints, fatigue, or other. Figure 27 illustrates that 56% of the respondents identified a circumferential crack as the most common followed by corrosion at 28%. These are the typical failure modes of CI and AC pipe.

An alternate approach to examine the failure modes is by using those reported in the basic survey. Participants were asked to provide a cause of failure from the following list; circumferential crack, longitudinal crack, corrosion (internal or external), bell splitting, rock impingement, other, or unknown. Where multiple failures occurred, multiple causes were given, and each was given equal weight. Figure 28 illustrates the percentage of each failure mode with unknown responses ignored. Again, the top two failure modes are circumferential cracks followed by corrosion.

RPHCC 2019-05-08
 March 2018 Water Main Break Rates
 Exhibit C-2

FIGURE 26: PERCENT OF FAILURES PER DECADE OF INSTALLED PIPE MATERIAL



Balance Sheet

As of April 30, 2019

Apr 30, 19

ASSETS

Current Assets

Checking/Savings

Checking Heritage Bank 41,910.69

Money Market 2475 Heritage Bank 14,533.59

Total Checking/Savings 56,444.28

Accounts Receivable

Accounts Receivable -613.39

Total Accounts Receivable -613.39

Other Current Assets

CD #8648 50,115.64

CD #8747 100,369.54

CD# 2392 16,437.48

CD# 3796 26,678.28

CD# 4043 6,888.69

CD# 5114 10,682.77

Total Other Current Assets 211,172.40

Total Current Assets 267,003.29

TOTAL ASSETS 267,003.29

LIABILITIES & EQUITY

Equity

Opening Bal Equity -9.91

Unrestrict (retained earnings) 258,186.98

Net Income 8,826.22

Total Equity 267,003.29

TOTAL LIABILITIES & EQUITY 267,003.29

RPHCC 2019-05-08
2019 Proposed Budget
Exhibit E

Rocky Point Heights Comm Club
2010 Through 2018

Dwight Perkins 360-387-6784

RESERVE FOR INFRASTRUCTURE

	2010	2011	2012	2013	2014	2015	2016	2017	2018	Life To Date 2018	2019 Budget
Water Reserve Income											
2010 Balance Forward	\$50,000.00									\$50,000.00	
87 Properties at \$200 per Year		\$17,400.00	\$17,400.00	\$30,450.00	\$30,450.00	\$30,450.00	\$30,450.00	\$30,450.00	\$30,450.00	\$34,800.00	\$30,450.00
87 Properties at \$350 per Year		\$17,400.00	\$17,400.00	\$30,450.00	\$30,450.00	\$30,450.00	\$30,450.00	\$30,450.00	\$30,450.00	\$182,700.00	
Total Assessed		\$545.64	\$264.78	\$192.43	\$221.55	\$203.76	\$223.16	\$325.41	\$587.10	\$2,563.83	\$1,000.00
Interest & Dividends		\$17,945.64	\$17,664.78	\$30,642.43	\$30,671.55	\$30,653.76	\$30,673.16	\$30,775.41	\$31,037.10	\$270,063.83	\$31,450.00
Total Reserve Income											
Water Reserve Expense											
Written Off/Uncollectable					\$238.32					\$238.32	
Maintenance & Repairs		\$367.53		\$3,285.59			\$810.10	\$3,285.75		\$7,748.97	\$24,000.00
Engineering				\$911.92						\$911.92	
Total Reserve Expense											
		\$367.53	\$825.00	\$4,197.51	\$238.32	\$810.10	\$810.10	\$3,285.75		\$8,899.21	\$24,000.00
Reserve Income less Expense											
	\$50,000.00	\$17,578.11	\$17,664.78	\$26,444.92	\$30,433.23	\$30,653.76	\$29,863.06	\$27,489.66	\$31,037.10	\$261,164.62	\$7,450.00

RPHCC OPERATIONS BUDGET

Operating Revenues											
2010 Balance Forward	\$33,266.64									\$33,266.64	
Property Transfers @\$200		\$600.00	\$600.00	\$2,200.00	\$2,200.00	\$1,000.00	\$1,600.00	\$1,800.00	\$1,800.00	\$11,800.00	\$1,000.00
Fees & Fines		\$30.00	\$225.00	\$1,787.55	\$1,896.00	\$250.00	\$340.00	\$715.00	\$5,191.00	\$10,434.55	\$1,500.00
Total Available for Operations											
	\$33,266.64	\$630.00	\$825.00	\$3,987.55	\$4,096.00	\$1,250.00	\$1,940.00	\$2,515.00	\$6,991.00	\$55,501.19	\$2,500.00
Operating Expense											
Office & Misc Expenses		\$652.70	\$761.71	\$1,034.54	\$1,284.05	\$195.36	\$383.97	\$518.38	\$547.88	\$5,378.59	\$1,200.00
Accounting Services		\$1,976.73	\$3,859.91	\$4,465.66	\$2,171.39	\$673.75	\$700.00	\$638.75	\$982.00	\$15,468.19	\$1,000.00
Insurance		\$1,015.00	\$1,293.00	\$2,782.67	\$2,495.00	\$2,514.00	\$2,528.00	\$2,553.00	\$2,632.00	\$17,812.67	\$2,650.00
Attorney				\$882.00	\$2,692.60	\$1,632.50	\$221.25		\$1,035.00	\$6,463.35	\$3,000.00
Mowing		\$1,009.17	\$777.21	\$565.24	\$282.64	\$176.64			\$98.28	\$2,810.90	\$600.00
Utilities		\$75.25	\$91.25	\$107.37	\$93.10	\$94.05	\$95.26	\$97.58	\$98.28	\$752.14	\$100.00
Total Operating Expenditures											
		\$4,728.85	\$6,783.08	\$9,837.48	\$9,018.78	\$5,286.30	\$3,928.48	\$3,807.71	\$5,295.16	\$48,685.84	\$8,550.00
Operating Revenue less Expense											
		\$4,098.85	\$5,958.08	\$5,849.93	\$4,922.78	\$4,036.30	\$1,988.48	\$1,292.71	\$1,395.84	\$6,815.35	\$6,050.00