

Oct 18, 2014 – Board Meeting Notes taken by Karen Shaak

Board members in attendance - Fred, Suzy, Steve, Ed, Dustin, Chris, and Kurt by phone

Speaker's forum – members in the audience

Dennis Eagan

Dennis said he was a member of the Pool Ops and Safety committee and contested that the meetings should not have been combined with the Pool Maintenance and Improvement committee due to the checks and balances intended by keeping these committees separate. Dennis said he was never invited to a meeting and was concerned about the way the committees were operated. Ed apologized and Suzy snickered and blamed it on Harry Lynam. This was clearly a breach in operating and endorsed by the board. Earlier in the year Dan Jones made a recommendation that the committees not be combined for this reason but collusion seemed to be preferred to ensure the pool could be opened regardless of safety concerns.

Maria Chamberlain

Maria asked a question in reference to the Treasurer not sending the Treasurers report with the annual meeting package. She requested the membership be sent the report as is required by the bylaws. Steve said no, he wasn't going to send it – he claimed it was a mistake that it wasn't sent and he had no plans to rectify the problem. Members could ask him for the required report if they want it (how about that, he's giving us the finger instead of doing his job).

Maria asked about the increase of 20% that the board is planning on levying without a membership vote. The bylaws clearly state that the board can increase the membership dues from time-to-time by an amount of less than 10% (but, not 20%). Maria encouraged the board to send a ballot to the membership and volunteered to help stuff envelopes. She contends the board can afford to spend \$200 to send a ballot for the increase in dues since it spent \$20-30k to operate the pool for just a few weeks. Ed responded and contends that the board can override the membership vote to correct the lack of increase in dues that the members did not approve. This is simply false, there is no precedent for over-riding a membership vote, and this is malfeasance.

Maria contends that Ed is misinterpreting the bylaws. She contends that the board is increasing the dues for a prior board and over-riding a membership vote and it is not lawful. Ed contends a membership vote is not required and he became irritated that Maria was asking him to adhere to the bylaws. Ed said he simply doesn't have time to explain to Maria why she is wrong and got really pissed off because she kept asking him to adhere to the bylaws.

Fred and Chis both looked at the floor while this conflict ensued. Both of them are clearly disturbed by the conflict between the board and the bylaws and the unlawful position the board has taken to over-ride the member vote. Or, something was really interesting on the floor?

Minutes of the September meeting were discussed – Ed contended that Dustin's attachment of the standing rules were not correct. The minutes with attachment are not accepted as stated. Only the minutes without the standing rule changes are accepted. Dustin started to object to Ed's contention of the standing rules notation. This is the first time we've ever seen Ed stand up to Dustin, usually he tows the line and does what Dustin says.

VP Report

Suzy had no report – and there was much rejoicing.

Treasurer's Report

Steve Morrow provided the annual meeting Treasurer's report that was not sent to the membership with the mailing. He said that the accounting firm has been calling people to get payments and collected some back dues. He indicated

that the accounting firm said that lots of members complained that nobody has been answering the pool phone when they called about invoices. Picking up phone calls once a week must have been too taxing for this team. Maybe they could have avoided the animosity they caused with all of the collections talk by simply answering the phone.

Steve described how he suffered long and hard to combine old accounts. He created his own ledger – so much for the accounting firm. We have Steve’s accounting firm and the Water District accounting firm we are paying. Which set of reports are the real reports. Hopefully a new Treasurer is in place for the next term and the two sets of books can be eliminated.

Committee reports:

Grounds – Nate Palmer described he did road work and someone cleaned up debris in the lake

Long range planning – Dustin said he held no meetings again, no big surprise.

Pool – no meetings or information from Suzy. Ed said everything is winterized. Ed will report on the anti-siphon valve winterization when it occurs.

Warrants

Warrants were circulated for invoice payment for a total of ~\$9,000.

Of note:

- Whidbey Water Accounting submitted a bill for \$2,000. They agreed to a fee of \$200 for accounting charges, the remainder of the bill was for the voter’s packet - \$1800 to stuff envelopes and print inserts. This is three times the amount the club generally pays for this mailing.
- A warrant for \$950 was approved for legal consultation. The Club paid Paul Neumiller (attorney) to evaluate and recommend that the current contract with the King family remains with no change and that they should be required to be members. For anyone who doesn’t know what this is about; the club negotiated with the King’s in bad faith requiring them to become a member of the homeowners association. There was no homeowners association and the requirement for them to join was simply false. Prior to this mandate as an HOA the King family were Associate members. The King family owns Lower Byrd Road; it is a private road that does not belong to the Club. The agreement includes a provision for the Club to use the road. I imagine this privilege of road usage may go away and members will need to use Keystone to visit the clubhouse. Seems reasonable to me.

Wilber vs Fredericks:

There is a hearing planned for motion for summary judgment – new date appears to be Nov 10th or it may be Oct 24th. Ed says the club will post the date on the website. Dustin (former plaintiff and now board member) has been negotiating with Bob Wilbur (remaining plaintiff) to propose a settlement. Can you imagine – plaintiff v plaintiff to propose a settlement? Who represents you; NOBODY. I would expect that the Club (Dustin) agreed with the Plaintiff (Bob) that the pool must last forever and the members should have no say in in the costs that will be spectacular and you had better pay. And there will be public flogging and caning on every other Tuesday for their enjoyment.

Lake Issues (Ed Delahanty reporting)

Ed says the algae are no longer a problem in the lake due to the cooler weather. Ed believes it isn’t necessary to control at this time but suggests the Club watch it to see what happens in the future. There are some chemicals that are allowed by the state if it becomes a problem.

The widgeon grass doesn't appear to be as prevalent. Ed suggests the Club install a filter fence in front of the drain culvert to keep it clear.

Mike King and Chad Nichols have submitted documents requesting a change in the design and elevation of the tide gate. Lowering to 6-7" the gate will comply with the FEMA regulation. Ed agreed that this is the current situation- the bottom is about 6" higher than regulation. Ed thinks the request needs more examination before the Club makes any changes. We've been examining this for years and years. Ed believes every summer the lake drops as it dries out and it as low as possible right now. He punted the issue of tide gate repair to the next board. In addition, he indicated that the drain pipe should be inspected. Ed said he spoke with John Klassell and they discussed the video inspection of 7-8 years ago and there was suspicion that the pipe may be in bad shape and suggested it should also be addressed by the next board. So, the net is there will be no action taken on the lake repair by this board. The pool was more important.

Maria Chamberlain

Maria encouraged the board to make a decision about the lake issues during this session. She indicated that the board has had this issue all year and is kicking the can down the road to the next board without making progress. She said that due to the height limitations of the lake required by the FEMA regulation and club could be responsible for flood damage to member homes. Homeowners on the lake with flood insurance have coverage that is limited by the required maintenance of the lake level. Ed agreed with Maria that this is a real issue and flood damage could occur as a result of the lake level. Ed says he doesn't have time to deal with this so the next board is on the hook for fixing the problem. He says it will take a long time to meet with the county, maybe 6 weeks so he isn't taking action. Lake owners should be aware that the board is aware of the potential liability they may incur by not repairing the tide gate on club property.

Member forum

Sue Corliss

1/ Asked about property donation – asked location of the property someone wanted to donate to the club in lieu of paying dues. Ed said that nobody at the meeting adjoins the property in question.

2/ Asked about the membership meeting protocol for submitting a question or motion. Sue asked if she should bring motions to the meeting or send them in advance. It is not required to send member motions to the board in advance of the meeting.

Maria Chamberlain

Suggested the Club maybe could buy the member property in question and make it a community garden. Ed suggested that it would be better to sell it and use it for dues re-payment. If Maria had suggested making it a second swimming pool it would have been met with rousing approval.

Maria encouraged the board to consider sending a bill for the additional increase or a membership ballot instead of hiding it in the budget. She indicated that raising the dues above the amount allowed (10%) is against the bylaws. She reminded the board that by being secretive it agitates the membership and causes negative action. They like to talk about the animosity and this is a good example of the root cause – secret behavior. Ed didn't seem to care; he just wants more money for the pool.

An argument occurred when Jeanne questioned the board's ability to raise the dues for a prior board. She didn't really understand how the board could say one thing one minute and something else the next. She questioned whether a double increase was legal for the board to levy. Ed said he would post something to make it crystal clear that it was legal to over-ride the membership vote (I can't wait for this one). The board wants to raise the dues at all costs. He

claims there is no blame being placed but it is just this board's right to override the current membership vote. The bylaws do not enable the board to over-ride the membership vote. This has NEVER happened in the past.

Sue Corliss

Sue said she had no problem with an increase. She said she feels there should be a reserve instead of pool spending. She asked why the board felt it could override the membership vote and asked why they weren't asking the membership to vote for an increase as the bylaws allow. She said, "Why, if you feel so strongly about an increase not ask member to vote for one". Why be covert and sneaky about slipping in the increase – let membership decide and approve. She asked if they were afraid of asking the membership for a vote.

Suzy tried some double-talk to confuse Sue and tell her what she thought. Sue dismissed her comments as they made no sense to anyone. Dustin jumped in and said it was board's discretion to over-ride the member vote and raise the dues and he rambled about why it wasn't mailed to the membership as a vote per the bylaws. He said the board simply delayed their decision in billing and that is why we are all confused. Nice try Dustin, we aren't confused this is simply not a legal action. The board cannot override the membership vote.

Suzy and Ed both said it was their prerogative to increase the dues for the prior year regardless of how the membership voted. Folks, do not vote for these folks – they do not honor your vote. They are not worthy of your money or another term.

Steve Morrow said in a very condescending manner that he'll explain the dues increase that enables the board to override the membership vote on the website. He contended it was a short year so therefore it is someone else's fault that things are a mess. He said some mumbo-jumbo that had nothing to do with raising the dues to over-ride the membership vote. He also blamed the restraining order for the mess this board was in; it also made no sense because Steve loves the restraining order.

Sheri Byers spoke about her memories of the pool. She said she simply doesn't understand why members don't want the pool. She wanted to know if this has been going on for ten years (she moved away and just returned). THE ANSWER IS YES, the pool has been voted down by the membership several times. Ed danced around the answer never telling her the truth. Ed claimed that members approved a HOA. He tacitly blamed Roger Close for ruining the plans to be an HOA by filing suit that it was not legal – the court said it was not legal. He made no mention of other issues that occurred in within the 10 years when she was away from ACBC. Ed also described the judge saying that everyone must be a member and can't opt out. Ed says that off the record that there is no simple way to collect dues if members choose not to pay. He said it has been a challenge and this board has decided to lower the hammer on members by saying they will be sent to collection. Dustin encouraged Sheri to read the Close rulings closely. Suzy encouraged her to tell all of her friends to pay up because they must be members. Steve indicated the rulings were very clear and was amazed that the membership did not understand it. 87 homeowners have not paid. Wait till you send the forced pool assessment – I predict 300+ will not pay!

A member contended the Club paid the WIWD \$2000k to collect past due accounts and that it was too much money. Steve spoke of all of their fabulous services. Just a month ago the board was so proud of the good deal they got from Whidbey Water for accounting at \$200 per month. There is a large difference between \$200 and \$2000 – this is a deal we'll all need to watch. The club cannot afford a \$20,000 bookkeeping service.

Russ Chamberlain asked if there was a vote of the membership to become an HOA. He'd lived here for 10 years and didn't remember ever receiving such a vote. Dustin claims a vote went to the membership in 2007. I received an option to Opt Out of the club right about then.

Maria Chamberlain

Maria informed Sheri that Judge Hancock indicated as part of his Close ruling that the Articles of Incorporation may not have been amended correctly – not a legal vote in '87. But, that he wasn't asked to rule on that as part of the Close decision. If that is true ACBC is an opt-in Club.

Ed Delahanty

Ed commented that there will be security along with registered parliamentarians at the annual meeting. The club hired a private firm to provide security as well.