

2/20/2021 Hat Island Board Meeting Minutes

President Darla Younce called the Zoom Community meeting to order at 10:31 AM PST.

Present: Darla Younce President, Paula Bafaro Vice President, Kurt Kassahn Treasurer, Erik Smith Trustee, Aimee Chambers Trustee, Dan Jensen Trustee, Udo Gerz Secretary and Kim Gleason, Island Manager

Approve Draft Minutes of the Regular Board Meeting on 01/16/2021

Approve Draft Minutes of the Special Board Meeting on 1/25/2021

Approve Draft Minutes of the Special Board Meeting on 2/1/2021

Approve Draft Minutes of the Special Board Meeting on 2/9/2021

Aimee moved and Paula seconded All in favor

Presidents Report

- The Board has been working with the Finance Committee to see if we can provide health insurance for our full-time employees. A ballot has been sent to all community members in good standing to amend the 2021 budget to add an expense for healthcare insurance for eligible full-time employees with a projected expense of \$25,000 per year. I personally encourage a yes vote so we can make sure our employees have the benefits they deserve this year and for years to come.
- PUD is still in negotiation with the Tulalip Tribes for the location of the substation for our power cable on Tribal property. We are expecting to hear what their decision is on this matter within the next week. Once we hear from them we will send out an update through the office.

ACC REPORT

Over the past several months, the Board of Directors has been working with the current ACC members and legal counsel for the Island to finalize a resolution that includes details related to the appointment and terms of ACC members. In 2010, the community voted to amend HICA's bylaws giving the HICA Board authority to appoint ACC

members. The Bylaw Amendment did not include details regarding the process for making those appointments, the length of any terms or how to fill vacancies.

We wanted additional processes in place to make sure we comply with our governing documents and with applicable law. This is important to not only HICA, but also to the individuals volunteering their time to serve on the ACC. After considerable discussion, we developed a process that includes 6 ACC members. Two of the members will be Board members who are appointed by the Board. The 4 additional members need not be Board Members and serve 6 year terms, referred to in the Resolution as Extended Term Members. Vacancies for Extended Term Members are filled by a nomination process. The remaining ACC Members will nominate one or more members in good standing to fill the vacant ACC position and the Board will review. If the Board rejects the nominee, then the process repeats. The Board would very much like for the current ACC members to continue to serve in those roles.

In addition to specifying a process for appointment of the ACC members, the resolution specifies that the ACC operates as an HICA Committee and that the Bylaw limitations on personal liability apply to ACC members. We wanted to clarify this because our Bylaws say that no Association committee member will be personally liable for so long as they act in good faith and without willful or intentional misconduct. **Concerns about personal liability were raised by one or more of the current ACC members and this resolution is a result of our research and work to try and address those concerns.**

Continuity on the ACC was another significant concern of both the Board and the current ACC members. This is one reason for the 6 year term length. It is also why the resolution calls for staggering of the terms so that not all of them expire in any given year.

This Board Resolution is intended to fill in details that were not included when the Community voted to amend the Bylaws in 2010. It may be that the Community would prefer to amend the Bylaws at some point to adopt alternative procedures and terms for our ACC, and that would be appropriate. But until such time, we believe this current resolution will serve the Community well. From an architectural review standpoint, this resolution has very little impact on the architectural control process. ACC requests will be submitted through the Hat Island office. The ACC will review and make a determination in response to the request. If a member is not satisfied with the ACC's decision, they can appeal to the Board for review, which is no change from the current process. A special thanks to the Board members and ACC members who spent many hours working on this

Erik asked Darla: What powers as Trustee do we have to amend the CC+R's?

Darla states that the Board cannot change the CC+R's.

Erik states again, that the CC+R's are separate issues.

The 2010 vote on changes to the Bylaws are a different issue and the intent was different.

Erik continued: You choose not to ask the insurance company and Ginger who was President and Bill, who was the Vice President then, can attest to that change.

Erik says, there are different ways to accomplish that. When you want to change CC+R's is different then changing the Bylaws.

Erik complaint, is that he did not have enough time and he feels, that he gets pushed for a vote.

Darla explained, that the Board wants to assure, that the ACC is insured.

Erik stated, would you would take that insurance away from other committees, like the finance committee.

Udo chimed in:

We all are aware, that the Bylaws and CC+R's are not saying the same thing.

In June 2020 you, Erik, contacted Jeremy with the question about the insurance for the ACC. I understand you are a lawyer also, but we pay our legal council for this.,

For the information to our community members, since then, with all the back and forth, the community has spent only since December 2020 over \$6000 to our legal counsel.

Erik stated that the process was different and he was made aware by Jeremy of the issue, which was the first for us to hear.

Jeremy drafted a resolution with the background to include the Bylaws and the current Laws.

Bylaws change from 2010, with a 78.6% approval when Ginger was president

Article 6 Section 8

To appoint members of the ACC and to hear and act on appeals to their activities.

Further, if a committee takes action on behalf of the Association, it has to have 2 Board members on the committee. This is a requirement out of the Non-Profit Corporation act, A Washington Law.

The resolution we have today is nearly the same, then the one we had in the summer of 2020. Countless hours and a lot of dollars for legal expenses were spent to try to satisfy some people. This has to stop.

Ginger added a comment because a lot of this goes back to 2010.

She said, that it was never the intent of the board at that time to change the ACC.

The only reason was to have insurance coverage for the ACC.

Darla said, that this is our intent also. Ginger stated, that it is important to keep these committees as separate as possible. If you take something to the ACC and they don't agree, you can go to the Board. This protects the community members.

Darla asked for Kim to put the Ballot from 2010 on the screen.

Kurt said, that there were 3 important points added. One was adding the two Board members acc to the RCW's and the ACC agreed. The next thing he heard from the community was the life time appointments, they (ACC) agreed to term limits.

The third point was that the ACC can appoint and the board approves additional members to the ACC.

These were three big give always by the ACC.

The item we got stuck on was the removal of ACC members, were at one point we were at 5 Board member vote. We think it should be the ACC recommends for removal and

the boards vote on it. He said further, that what you give us to vote on.... Darla interrupted, that what she read was a summary of the resolution.

Arguments between Erik, Kurt and Darla were exchanged, about the resolution and Erik and Kurt felt that it was different then what they saw earlier.

Darla stated, that is what you received 2 days ago.

Erik said, that this is wrong and he quoted, that the board appoints people to the ACC.

Darla said, that this is only if the current ACC members do not sign the resolution.

Udo said to Ginger, that the Bylaw change said to appoint the ACC members and Kim put it up on the screen.

Erik gave another legal explanation, that you cannot change things with the intent of others. He said, that we lose the separation, if the board appoints. Like in the legal system, no separation.

Erik says with this resolution we would lose the separation with this separation and Udo said No.

Argument between Darla and Erik, if you do not want to do this, then you are not covered under the insurance; maybe we have to bring it to the Government committee and they can work on a CC+R change possibly.

Erik still argued, that the board was not transparent to the public. Kurt stated, that the only thing missing was the removal process and with some wiggling it would have been workable. Kurt said, that he believes that this process is not legal.

Dan stated, that he was pulled into this coming to the board.

We pay an attorney, and I am asking myself what we should do.

Our attorney has said multiple times, that we have to adhere to the RCW's and other laws, our bylaws and every judge would not allow the intend of a change.

The message from the vote in 2010 was clear and the CC+R's are from the sixties and we should give this to the governance committee as Darla had said.

Nobody accused the ACC of any kind of misconduct and nobody wanted the ACC members to resign.

Darla asked for a motion and Erik interrupted asking who had read the paper.

He felt this was not right.

Darla asked again and Udo motioned, Paula seconded

Ginger said, that the reason they changed the bylaws was, because it is hard to change the CC+R's and at that time they were told that that was ok for the insurance and that was their intent.

The CC+R's top the Bylaws and whatever you are doing is not legal.

Darla continued with the vote:

Yes: Paula, Aimee, Darla, Dan, Udo

No: Kurt and Erik and he asked if Darla had read the other ACC member mails and they do not agree also.

LEGAL: 02/20/2021

The Supreme Court accepted review of Surowiecki's case in which he challenges HICA's assessments. He is claiming that HICA's assessments are inequitable. HICA is claiming that the trial court was correct in dismissing those claims in their entirety. The Court of Appeals had remanded the case to the trial court for further proceedings. Surowiecki's is asking the Supreme Court to expand the scope of those further proceedings. HICA is asking the Supreme Court to affirm the trial court's prior dismissal and award of fees against the Plaintiffs. The Supreme Court hearing is expected to take place in late May.

HICA's foreclosure action against Surowiecki for unpaid assessments is proceeding in Snohomish County Superior Court. Surowiecki had the option to post a bond to stay the case but declined to do so. Accordingly, HICA will proceed and seek to foreclosure its lien.

Many of you probably received a letter and/or email from Mr. Surowiecki recently. The Board received a copy will provide a response in short order.

Island Manager's Report- 2/20/2021

1 month! 1 month until spring! If you've lived in Washington State long enough you will know that we will get spring and summer teasers making us forget that we are in the middle of winter still....but still...1 month!

A friendly reminder if you have guests coming to your home while you are away that they need to sign in at the office. They will receive a list of guidelines regarding the island and will leave their contact information so we can contact them in case of an emergency. Again, this is only when you are away from your home. Thanks to all who have already been checking in.

Roads and drainage continue to be a challenge in the rainy season. We received some larger rock and have used that to fill in the chronically muddy low spots throughout the island. We will be working on grading roads when the weather improves. Using large equipment on the roads during the rainy season just chews them up and makes a muddy mess. **In 2013 the island had a drainage study done. It had a lot of general recommendations regarding how to improve drainage but nothing detailed enough to direct island staff on how to solve some of our drainage issues. We have now found a civil engineer who will be working with the island to create an actual plan. I have also been alerted by a new owner on the island that in the area of the island known as the Everett View tracts, originally platted in 1907, the existing road is not where it is mapped out to be. We will be bringing out a surveyor to verify where the road should be and to produce a detailed topographical map to help us with our drainage plan.**

Rainy season also means slide season. How I wish this island was made out of rock and not sand and silt, but alas these are the cards we are dealt with. If you live on the bluff how are you catching your rain water? Please take a look at your property and consider what you can do to help make sure that the bluffs near your home are maintained so as to avert rain water that may contribute to slides. There are all sorts of resources about catching roof water and ground water to protect your bluff, some listed on our website. Make sure to check them out.

We have mailed out the budget amendment ballot. You should be receiving it soon. The purpose of the ballot is to add a line item for health care for island employees. Please let us know if you haven't received a ballot and we can email you one.

I'm excited to report that our greenskeeper, Brad Tinius, has asked for a leave of absence to sail solo to Hawaii and back this summer. What an adventure for him! We can't wait to hear all about it. We have

arranged Rick De Fransesco to fill in for him while he's on his adventure.

Please make sure to continue to be safe, social distance and wear your masks. I've heard many residents have been able to receive their Covid-19 vaccines and I'm hopeful that with the vaccines and taking precautions we are on our way to a more looking normal spring and summer on Hat Island. Stay safe out there!

If anybody needs a Covid Vaccination, contact Alice in the office; she has helped many already to get a spot.

Treasurer's REPORT (by Kurt)

- All payables are current and we have added another round of funding to the Capital, Marina and RO reserves.
- Thanks to the Community for continuing to pay you assessments in a timely matter. You have been great! Our operating fund is \$560,943.64 After the second quarter we will evaluate our cash position.
- The Finance Committee has asked for a yearend report and is evaluating staffing pay scale & looking into possible benefit packages. They are also looking to create other reserve funds to better break out our specific needs. Thanks to all on the Finance Committee for their hard work.
- Alan has secured a reduced rate for the Marina Loan, 3.15%
- Detailed P&L and Balance Sheets will be posted on-line for your review.
- All payables are current & we funded another round to Capital, Marina & RO reserves.
 - Capital Reserve: \$390,035.23
 - Cash Reserve: \$258,232.54

- Marina Reserve: \$120,236.03
- RO Reserve: \$88,274.58
- Kim and her staff continue to pursue delinquent accounts which will always be applied to the Marina Loan.

Respectfully,
Kurt Kassahn

Water Committee Report (by Erik and Chris)

Water produced in Jan:

	Jan	YTD
Wells	245,295	245,295
RO	33,200	33,200
Totals	278,495	278,495

During Jan the Wells and the RO performed as expected.

The production from this period was the same as Jan of last year. The water mix was 88% wells and 12% RO.

RO was run sparingly as we are conserving diesel. We do now have a scheduled PUD fuel run which is 2-18 so we will be running the RO more this month.

WATER USE EFFICIENCY GOAL SETTING

1. Goal Setting by board¹: WA State Water Use Efficiency Rules requires new goals every 6 years. This goal setting must occur at a public meeting of the Water System Board (read BOD) with 2 weeks public notice to users. (Highlighted sections of the regulation are attached)

Our last goal statement issued in 2014:²

By 2016 reduce by 15% the average number of connections consuming above the 2nd tier level.

During 2020 only 1% of our hook ups reached the third tier of billing, 10 hook ups exceeded 18,000 gallons in a billing period all of which occurred in the summer quarter. We achieved that goal.

Proposed 2021 - 2027 goals.

Demand Side:

By 2027, reduce by 15% the number of hook ups consuming more than 14,000 GPD (14,000 Gal/qtr).

Accomplish this by:

- a. Lowering the third-tier threshold of our rate structure to 14,000 per quarter. Initially this will be cash positive as perhaps 10-15% of tier II users will move to tier III. In the long run it will be cash negative as customers take steps to reduce quarterly billing. Counteract the loss by increasing the base rate by \$0.003 per Gal to \$.025/gal. (*Estimate \$6.00 per month impact on most consumers bills*)
- b. Educating consumers as to how much savings can be achieved by;
 - i. Replacing toilets with dual flush (25%)
 - ii. Installing flow restrictors on shower heads (up to 50%)
 - iii. Installing hot water recirculation systems or installing Point Of Use water heaters
 - iv. Replacing top load with front load washers (70%)

Supply Side:

¹ Chapter 7, WA DOH Water Use Efficiency Guidebook DOH 331-375 Third Edition Revised January 2017

² 2014 DOH Water loss control plan

By 2022, Improve the accuracy of production accounting to truly measure loss rate.

Accomplish this by:

1. Add/replace telemetry for tanks with auto pump(s) shut off² (Working with Scott Wilson for details)

a. Install new telemetry on both M and G tank using “*line of sight*” radio communications systems that: Monitor and report; current volume, loss rate/fill rate. Loss rate alarm with valve activation. High volume alarm and pump(s) shut off.

c. Shut offs for 5 wells and chemical injection pumps

d. Shut off for RO

e. Central command and control center with internet access for remote monitoring and control via smart phone.

2. Repair/Replace the failed auto shut butterfly valve at M tank (Add bypass/shutoff valves and bypass meter with radio telemetry to allow servicing and enhance leak detection.

Kim stated, that this is very good info and people need to save water. There is a limitation on water hook ups by the county and Kurt added, they are limited.

Udo questioned the capacity of the RO system, can it double? He also asked if the limitation for water hook ups comes from the Health Department (Septic Systems)

Darla asked for a motion to approve the 2021 – 2027 Goals

The motion passed unanimously.

Vessel Report (by Udo)

The Hat Express had some interest, but no sale yet.

In the week from 16. to 18. Feb The **Passenger** Vessel Association’s annual **convention** and expo is held virtually and the Hat Express will be offered at this convention.

We reached out also to other vessel brokers, but the overall result is, as Rob from Pinnacle explained: very slow for ferry vessels. Don Fernandez texted that he has some contact for auctions, with reserve.

We are still continuing to call and hope to find a buyer soon.

The new ferry will have Technicians from Brix Marine 16.-18. Feb to fix several items, which were discovered at and after delivery; these are all warranty items; changed due to WX to 22.-24. FEB

The new ramps have been fabricated and Shane applied non skid material to them.

The ramp for the Hat island side should have been brought to Hat with the PUD barge this week.

We had 2 estimates for the enclosure of the aft section of the ferry; the enclosures should be finished and installed by Mid March.

The stability letter will be coming next week and when the warranty items are completed, Shane will have the USCG inspection done. Radio licensing is done on 22.March 2021.

We believe the new vessel will be in service early to mid March 2021.

Kim is producing some documentation and explanation for the new ferry cooler and bin operation.

Kim added, that the new ramp is on the island.

Changes to the ferry are made as easy as possible, but in the past people were not held accountable to the already existing rules.

Thursday 12-2 and Sunday 12-1 the new ferry will be open in Everett for people to check out the space. She will organize a trip to Hat for the new boat, so islanders can check it also out.

A question came up about golf clubs and garbage, which Kim will address.

We are thinking about a monthly cargo run, maybe small appliances, garden material etc..

The sale price for the Hat Express was addressed and if no action, we can lower next month; Kurt felt that \$299,000 would be an ok price. (March Board Meeting)

Marina Report (by Udo)

The Marina Committee Chair has updated the Marina Handbook with new marina rates and some clarifying wording

4 a Definitions

“Derelict vessel” implies that the vessel's owner is known, can be located, and ~~exerts~~ relinquishes control of a vessel

5. AUTHORIZATION TO ADMINISTER REGULATIONS AND PROCEDURES

- a. The Harbor Master HIC Management may request persons violating these regulations to leave the Marina.

12. DIMENSIONAL CONSIDERATIONS

- a. Berthage will be assigned with regards to the vessel’s overall length, beam, and operational characteristics. The overall length of a vessel shall be the measurement from the extreme point of the bow to the extreme point on the stern including any protrusions and attachments. This includes anchor sprits, swim steps, kicker motors, and tenders carried on the vessel.

Owners are allowed to purchase moorage to any slip that can accommodate their vessels overall length according to the previous paragraph. How Hat Island Marina slips are sized; Considering the Marina has a limited number of slips and they are not assigned to a specific owner the slip is sized based on the length of the finger dock, piling extension and in conjunction with the amount of space in the alley available for maneuvering. Example; “D” dock even number fingers with piling extension is actually 28’ however the slips are rated for 30’ vessels. The reasoning for this is the alley for “D” dock is adequate for a 30’ vessel to maneuver in and out safely and there are no docks to the north.

Because Marina moorage rates are based on the slip size a vessel can fit into and not the actual length of the vessel this method of slip sizing allows us to accommodate popular vessel sizes where the Marina has no docks with that specific finger length available, otherwise an owner may be required to purchase a slip larger than their vessel.

13. Moorage Rules

moorage agreement “MARINA USE AGREEMENT”

- I. Users of Boat Rental Agencies or Boating Clubs must present all documentation providing proof of coverages for all liabilities as listed for members who own their vessels outlined in Section 13/a.

Guest moorage is on a space available basis. ~~and guest boats will require the Harbor Masters approval for “Holiday Weekends” prior to mooring.~~ Guest moorage is not available during “Holiday Weekends”.

Moorage Permits - A member (Lot or Homeowner) may purchase a Secondary annual/monthly/daily moorage permit as long as the member adheres to the following conditions.

- NOTE: There may be only one Primary and one Secondary vessel per lot, regardless how many owners a lot may have.
- All secondary vessels must be removed during Holiday weekends.
- If marina reaches capacity at any point, all secondary vessels must be removed.
- Owners with Annual moorage permits using vessels from Boating Clubs or Rental boats to access the marina must have Primary or Secondary designated on their pass.
- **Absentee Owner Exception;** Owners must have Annual Moorage and may to leave their vessels within the Hat Island Marina while they are physically not on the island for a period of time not to exceed the schedule defined below. Owners must designate another resident who will be on the island during their absence who will be responsible for ensuring the proper moorage of the vessel & be an emergency contact for the Harbor Master. The HICA assumes no responsibility for damages due to winds or seas caused by improperly secured vessels.
 1. Maximum number of days allowed is ~~14~~ 7 days each for “High” season and 14 days for “Low” season (as defined by the ferry schedule), totaling ~~60~~ 21 days per calendar year.
 - a. An Owner can be absent for ~~30~~ the maximum days straight for the season or any combination of days as long as it does not exceed ~~30~~ the maximum days for the specific season.
 - b. An Owner can only have consecutive days season to season with advance approval of the Hat Island Office.

Vote on Marina Regulations and Rates as published.

Paula motioned and Kurt seconded; All voted YES

Golf Report – (Darla Younce for Bruce Kolpak)

All committee members from 2020 have agreed to continue on for 2021. The members are Darla Younce (board chair), Bruce Kolpack (community chair), Brad Tinius (greenskeeper), Shirley Allen, Larry Bender, Joe Ebner, Jerry Near and Cheryl Pettersen. The Committee conducted a Zoom meeting on February 11th.

Most of the Committee's budget suggestions presented to the Board of Trustees last October were adopted. The Board has yet to take action on the Committee's request for part-time greenskeeper help during the high season.

The extraordinarily wet winter has been a maintenance challenge. The greens mower is showing signs of aging and a replacement should soon be considered. A couple of tree trimming and cleanup days are being planned, but are currently on hold pending better visibility of future COVID restrictions.

The Committee is also working on a plan for additional course marshals, and is considering new community golf tournaments outside of those conducted by the Yacht Club. More information will be forthcoming as we get into the spring season.

Community input

Dear Board members,

The issue is the pavilion has been wrapped with tarps and left up for months.

When can we expect this situation to be put right?

The Church made an agreement to use the cover due to the Covid 19 however now seems to taken over the space

The agreement was that the tarps were to be neatly bundled and tied at the corners, this has yet to happen, regrettably.

We are very tired of looking at this untidy mess so that church services can be held for an hour on Sunday. The agreement was different from what has happened and should be honored.

Everyone has a right to use the pavilion and enjoy a cover from the rain with a view of the water that is no longer available.

Please address this ASAP as several attempts have been made to resolve this prior to my having to contact the Board regarding this issue

Thank you and best regards,

Don Fernandez

D-17 & B-39

MANAGER'S Comments- I have been in contact with the members of the group who donated the curtains to the community. They have made repeated attempts to rectify the situation but much needed alteration is going to be required to get the

curtains to the point that they are as described they would be in the email received by the board some time ago. My last communication with the group is that they hope to get the curtains fitted when they take them down in the spring.

The Board agreed to allow the curtains to remain up until the first day of Spring 2021 and would re-visit the request next fall, **but that they will need to come more in line with their initial request before we would allow the curtains back next fall or winter.**

B. Island Manager: I have received a request to consider opening up the playground. Playgrounds are open in Everett; Erik and Udo said it is o.k. Question about the Phases of reopening came up and Kim will try to get clarification Dan and Erik asked also about effect on Marina and Ferry, for guests should be Looked into

C. February 18, 2021 / Petition to allow chicken on the island

Hat Island Board of Trustees.

The ACC has declined to approve this petition. I wish to appeal this decision to the board. Many more owners than have signed have expressed their desire to allow hens on the island. Since collecting signatures electronically is very time consuming, I submitted the originals from owners that were physically on the island. If more signatures would be a determining factor then these additional signatures will be submitted.

Thank You for considering this matter.

Sincerely,
Rick and Kristine Bennett

Erik stated, that the CC+R's state no poultry and that this has to be done by division Dan classified chicken as Pet's and Kurt said that it has to be a detailed description of the How and What

Ariane(A005) stated that the board can give exceptions to the CC+R's.

Erik stated, that the ACC could make exceptions, but he feels that this rather should be done per division and Darla added, that we need to have further details.

This issue should go to the governance committee.

Aimee pointed out, that dogs are supposed to be on a leash, but are most of the time not by some.

D. FEEDBACK ON HEALTHCARE-

Thank you for today's email. It's always nice to get the updates and I think healthcare for Island staff is a must!

Absolutely! Yes! But do a special assessment vote. With 500+/- paying properties and no dues increases in the past three years it should pass. A one-time payment of \$50 per property would bring in the \$25,000.

Yes, it's about time!

Yes on healthcare!

I'm happy to pay for healthcare for our fabulous staff!

Yes on healthcare.

I'm all for healthcare for the staff. Happy to pay for that!

Definitely! They need and deserve it!

Yes on Healthcare!

Healthcare! Yes!

I don't support healthcare for staff. They can go to Apple care like I do.

Sharon Meadows:

Concerned about the PUD and Tribe process and giving a lot to the tribe; she alerted Paula in December during the meeting via text not to give land away.

PUD cannot give our land away.

Darla talked about the meetings with the PUD and Tribe and that the tribe would like to see a gesture. The PUD explores also other options for the mainland side.

Sharon stated, that we are paying extra for the cable.

Question about the kiosk came up: Darla stated that it would be a sign like the seal sign in marina. Sharon stated we cannot have signs.

Aimee pointed out, that it should show the historical side of the Tribe and Hat island and Kurt added that would be no problem.

Darla pointed out, that the cable is a big deal.

Bill Townsend:

Bill stated that he opposes the resolution.

This has an adverse effect on property rights and he said, wake up what these guys are doing, they are doing it in private

Darla disagreed with Bill's comment.

Wendy Wilson:

She said, that Erik was cut off very rude and she had never seen anything like that and Erik should be able to say, what he wanted to address.

Erik stated, that the board should follow rules and that the board is not doing it right, all for the change of light in a day.

Wendy asked what is going on and Erik stated, that the sessions should always be public and accused the board of doing everything wrong.

Paula responded that this whole process with the ACC started last summer and we are doing the same thing over and over again. We should not waste any more many on this and **should not waste any more time and money on this. Our lawyer told us the matter should have been settled in 10 to 15 minutes and it has been 8 months.** The Board is not doing anything shady! She expressed, that she is on the ACC also!

Tom Oday:

The problem is, that we should set the ACC up as a different committee, because the resolution can be changed. He stated further, that the resolution moves the ACC away from the CC+R's.

Sharon Meadows:

This resolution has only voted on by the board.

Scott Holte:

Scott explained the Non-Corporation Act again, with 2 Board members being required to be on this committee. This is different then other committees, because this committee (ACC)acts on behalf of the Community.

If the ACC is supposed to be under the umbrella(insurance) of the Community, it has to comply with the law. CC+R changes have to be done by Division.

Kurt:

Main question was always the insurability of the ACC. The ACC made compromises and only the removal of a member was the open item.

Paula: I trust the lawyer, whom we are paying for his guidance

Dan stated again, that CC+R's are per division and what would happen, if one Division makes a change to the CC+R's?

Erik said again, that the CC+R's prevail and

Udo explained again, the way how we ended up at this point. Our legal counsel wrote up the resolution after hours of discussion.

The subject of Chicken was addressed again by Kurt and he said we should have a working session to develop Policies for this change.

we should have a working session to develop policies for this change, which separate divisions can work from, should they choose to bring to a vote to change their CC&Rs?

Motion to go to Executive session at 12:47 PM PST

Paula moved and Aimee seconded; All in favor.

Return to open session at 14:05 PM PST

Darla made a rollcall and everybody present.

She announced:

- the Board will present meeting agendas in the future earlier with an end date for Board input; the new public format will include more details in each report category.

- There will be a working session with Board, ACC and Governance committee to establish a policy for chicken; no date has been set yet it will be an open forum, but there-will be no community input

- The Board will ask the Safety committee to address the Burn Regulations on Hat Island

Nothing further and Kurt motioned and Erik seconded to adjourn at 14:08 PM PST

All in favor

Respectfully submitted

Udo Gerz

These minutes are not intended to be a verbatim report, but do include all actions taken by the Board of Trustees.