

# July 23, 2020

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## Agenda

Call to Order: 4:30 pm -- Dawn Kerns, President Sunland Condo Owners Association Board of Directors  
Certification of Quorum: President

Approval of last month's Minutes: Moved/Seconded/Approved Online by majority of the Board  
President's Comments:

Thanks to everyone for your great ideas and your suggestions during our 2021 budget work session. Good team work!

Treasurer's Report: Carol Stults June 30, 2020 Financial Report

- Review of Unit 121 expenditures – possible transfer from Contingent Reserve
- Review of allocations for surplus funds from 2019; to be transferred 12/1/20; Finalize
  - June Cash flow – operational and reserve accounts
  - Budget for 2021 – operational & reserve accounts
  - Update on the 2021 Reserve Study progress

Landscape Report: Richard Streeter

Insurance & Slope Report: Nancy Baer

Architecture & Maintenance Report: Joel Ogden

- Unit 121 update: roof, gutter, French drain, rear deck (& handrail/steps) for 121B
  - Discussion regarding Trex on new Deck projects

### OTHER COMMITTEE REPORTS

Data and Records Committee: Rob Baer

Newsletter Committee: Carol Stults

Welcoming Committee: Patty Lavelly (Not Present)

Emergency Preparedness Committee: Joel Ogden

Nominating Committee: Bren Owens

New Business: Meeting Minutes Approval Discussion

Unfinished Business: Memorial Bricks and Painting of bench/table by Little Library

Date of next meeting: Thursday, August 20, 2020

Owners' questions and comments

ADJOURNMENT Approximately 6:27 pm

Parting Comment by President: *"Q. What time did the man go to the dentist? A. Tooth hurt-y*

# Division 7 Board Meeting

**Agenda: June 18, 2020 from President, Dawn Kerns**

**Call to Order:** by President Dawn Kerns at 4:30 pm at Sunland Ballroom – Small Room

**Attendees:** Dawn Kerns, Richard Streeter, Joel Ogden, Brenda Owens, Carol Stults, Nancy Baer, Teresa Lotzgesell

**Dawn Kerns, President Certification of Quorum:** All board members present, quorum fulfilled.

**President : Approval of last month's minutes: Email Motion to Approve**

06/18/2020 Meeting Notes sent to Division 7 Website administrator Sue Forde 07/15/20

**President's Comments:** Thanks to everyone for your great ideas and your suggestions during our 2021 budget work session. Good team work!

**Treasurer's Report: Carol Stults, May 31, 2020 Financial Report:**

June Finances

Balance Sheets –

- Operation bank balances are slowly going down, with current balance today now down to \$94,115. We have paid some expenses for Unit # 121 out of operations in order to pay the vendors in a timely manner. We will discuss further the #121 expenses and cash flow in a bit. Third quarter dues payments are trickling in – we have received over half of the revenue invoiced.
- Reserve balances remaining the same as May exception for interest paid.

Profit and Loss –

- The P&L is now represented in 2 formats – one for operations and one for reserves. This makes the budget numbers in the Reserve Accounts P&L confusing, you can disregard those. We are now budgeting for 2021 and the reports will make more sense next year, as they will have the budgets separated between operations and reserve P&L.
- The month of July has seen significant expenses to complete the unbudgeted work on #121 – so next month's finances will reflect those expenditures.

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## Cash Flow Reserve Account balances updates

- As of June 30, total reserves in all accounts is \$274,327 with no transactions except for interest paid.
- We will need to transfer the 2019 surplus funds to the allocated Reserve accounts before 12/1/20.

## Aging updates –

- Dues accounts receivable remain at \$1,409 representing only 2 owners in arrears for second quarter. We will follow up with them if we do not receive payments including third quarter dues. We have cleared up all of the minor credits or balances due to incorrect payments. We continue to receive regular payments from owners who have been an issue in the past but now remain in good standing.
- In July, we received \$467.60 payments on the Special Tile Roof assessment
- We also received payment for the resale certificate fee of \$200 in July from the title company for the sale at 108 B/C. This will be credited against the bookkeeper expense charged to us for doing the certificate.

## July Cash flow – through 12/31/2010 – please delete any other cash flow documents that you have as the updated copies you have represent significant changes.

Operations cash flow – First let's turn to 2<sup>nd</sup> page and review the expenditures for unit # 121. Joel will brief you on the status of the work, but we will quickly review the expenditures for now.

Secondly let's review the cash flow front page for operations. As you can see we are in need of using \$22,000 of the Contingency Reserve fund to pay for the unbudgeted emergency work on unit #121 discovered during the pre-painting process.

Reserve Cash flow – turn to the 2<sup>nd</sup> page to see cash status including estimated income and expenses.

Note on the front page that there is a column for current balances, for 2019 Surplus fund allocation, a column for expenses and the estimated Reserve Acct balances as of the end of this year. Note that we are proposing 2 things:

- We need approval to move the \$22,000 in expenses associated with the wood rot on building 121 from Landscape/Maint Contingency Reserve account.

**MOTION: Move to transfer \$22,000 from the Key Bank Contingent Reserve account (set up for emergency expenses not in our operating budget, created in 2019 from \$40,000 in savings) to pay for the wood rot projects for Unit #121. The current balance in this reserve is \$40,222 and the amount approved will be transferred to the operational checking account by the end of July. (Carol Stults) SECOND: Joel Ogden APPROVED**

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- **2019 Surplus Funds transfer** – We also need approval for the 2019 Surplus funds allocation shown.
  - \$50,000 to Comp Roof reserve
  - \$3,500 to Road reserve
  - \$4,800 to Tile Roof reserve
  - \$10,000 Contingent Reserve for Landscape & Maintenance projects
  
- To review: allocations from the 2018 Surplus done in June 2019 (\$45,000) included
  - \$25,000 to comp roof,
  - \$15,000 to Road reserve, and
  - \$4,500 to Tile Roof.

**MOTION:** Move to transfer \$68,300 from 2019 surplus funds to: \$50,000 to Comp Roof reserve , \$3,500 to Road reserve , \$4,800 to Tile Roof reserve, \$10,000 Contingent Reserve for Landscape & Maintenance projects. (Carol Stults)

**SECOND:** Nancy Baer    **APPROVED**

**2021 budget for Operations and Reserve accounts** – The Board met in a working session and has formulated the proposed budget for 2021, and as it stands now, it is balanced without a deficit. We are going to hold on presenting it for approval until the August Board meeting, so we have updated numbers from the completion of the work on unit # 121.

**Reserve Study** – we are finalizing the reserve study for 2021 with Michael Fleming. He is waiting our decision on the surplus funds allocation before completing his final report. We will have another phone call with Michael next Wednesday. He is great to work with and is anxious to assist us as we evaluate our reserve balances vs targeted roof and road work expected. We are also discussing with him narrowing the scope of the Contingent Reserve, although we are not required to do that. There is a meeting with Michael Fleming on the 29<sup>th</sup> this month.

## **Landscape Committee: Richard Streeter**

Richard found the source of the 21,000 gallon a month leak—a clogged valve that was full of adhesive! He replaced the \$1.98 valve and now the leak is fixed! Thank You Richard! Our Landscaper, Jason Ambro has a new employee now and he is trained and now they can get back on the pruning and edging schedule--- playing catch up now.

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There are broken sprinklers now and then, Richard is able to keep ahead of those water issues, now that the system is in good shape after a lot of work last year. The biggest project now is taking care of the French Drain on the south and west side of unit 121--- it will be about 150 feet, 12" deep and 12" wide. We have a bid from AGL for \$1,700.

**MOTION: Since we need approval for Landscaping projects over \$1,500, move to spend \$1,700 with AGL for the French drain at unit #121 on the South and West wall to prevent future water damage being repaired now due to poor drainage. (Richard Streeter) SECOND: Joel Ogden APPROVED**

Remember, that the foundation on unit #121 was at ground level, with lots of dirt, bark right next to the wood surfaces, which promoted the massive wood rot on the unit. Foundations are normally 4-5" above the ground. The precautions made now with the various projects will help to prevent water damage in the future.

Speaking of water, President, Dawn Kerns wanted to highlight a letter we all received from the Sunland Water District (SWD) discussing "after a year of reading the water meters and monitoring consumption, it has become evident that there is a significant volume of water which cannot be traced. There is a large difference between the metered water pumped out of the ground and the metered water at the points of use." They will be installing meters where the irrigation systems exist that are not yet metered, contacting residents affected. This situation could be the result of a variety of issues, for example, a meter installed next to a living unit and an irrigation line was tapped in between the meter and the water main in the street. They will try to discover the source of discrepancies. The billing for the installation of these meters to the Association (Division 7) will be deferred until 2021, so we can plan for this in the budget. Cost of each meter is roughly \$500 per location--- estimate of meters needed are 0-6. SWD will keep us updated moving forward.

## **Architecture & Maintenance Committee: Joel Ogden**

Please refer to the cash flow projection for the unit #121 repairs. To review, the foundation was shallow, with dirt filled almost even, this allowed water too close to the trim boards, deck and sides of the condos--- also a lack of drainage and poor gutters added to the water damage issues. The Trex covered deck had untreated wood for a base, which rotted. The Architecture & Maintenance committee will use Trex for any new deck projects to prolong the life of the deck and reduce maintenance costs of cleaning, drying, staining and the new Trex has an anti-algae treatment. The cost of new decks with Trex vs treated wood is roughly \$300, which can be saved in maintenance costs alone.

**Insurance Report: Nancy Baer:** No report.

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In the meantime, we have been given some old files, Rob arranged for access to the schematics from the water company and shared them with the others-- maps and blueprints that Rob, Joel, Richard and Carol are reviewing to see if we can track where the system is draining down the hill and help Steve with his project. Joel has paper copies as well as some files on a thumb drive, Carol will assist with that project.

**Northside Drainage Report: Nancy Baer:** Looking again at the Northside and trying to find a solution for surface drainage on the flat yards above the slope-- we are trying to find records that give us a roadmap of the piping of the drainage systems and water lines in those backyards. Nancy has been talking to Steve with Olympic Sewer & Drains. He has some powerful equipment that can blow out the water pipes safely to make sure none of them are clogged and adding to the surface water on that side of the street. We are simultaneously working on gutter piping, drainage, looking especially near units that were known to be vulnerable in the past (108, 116, 126). Steve is waiting for repairs on his system, it broke down recently. We are rescheduling that appointment (should only cost a couple hundred dollars).

In the meantime, we have been given some old files, maps and blueprints that Joel, Richard and Carol are reviewing to see if we can track where the system is draining and washing out the soil in the northside backyards and help Steve with his project. Joel has paper copies as well as some files on a thumb drive, Carol will assist with that project.

The issue with doing another erosion study is finding the same points of reference for the new engineer. The old engineering company is no longer in business. It wouldn't be effective to do an apples vs oranges study. A new study would cost roughly \$7,000, and we know there is erosion of the soil from the letter we received from the engineer that came out. We may have more luck with a low tech, low cost solution like replacing the gutter pipes buried that are perforated causing too much water retention to solid pipes (on the surface now) that redirect the storm water over the hill versus soaking into the surface of the yards. Some pipes have been replaced and unclogged and those areas are now dry versus lush green or soggy in the past. Some residents are concerned about drainage (Unit #126) due to some wood posts twisting from water saturation in the back lawns. The pipes that were installed that are not perforated and were left on the surface can be buried replacing the perforated pipes, if that is the solution. Trends change--- 20 years ago the perforated drainage pipes were the norm, now the folly of that feature is known, and we are trying to mitigate the issue with solutions. Olympic Sewer will only clear out and charge us for 4 lines of piping at a cost of approximately \$250 - \$500, a relatively inexpensive solution to a identifying the problem.

## **Data and Records Committee: Rob Baer**

Slow and steady work, Rob is inputting 2017 invoices as well as current ones (2020-2018). Rob has been able to print documents now, and the scanning project is moving along! Rob is about half way done with 2017 records. Thank you Rob!

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## **Newsletter Committee: Carol Stults:**

Working on a newsletter issue next week. The new residents' list will help with delivery of the newsletter as well as the annual meeting voting/ mailing and the next Treasurer for billing. Carol is going to revamp the "Contact Form" that keeps us up to date on residents / owners and their information. Not many current phone numbers or emails--- we also need permission to call and email-- this will help with the voting at our annual meeting.

## **Welcoming Committee: Patty Lavelly (Patty not present)**

## **Emergency Preparedness Committee: Joel Ogden:**

Nothing new! Covid-19 has heightened awareness and preparedness as well! Keep it up!

## **Nominating Committee Update: Brenda Owens**

Bren is meeting with a resident that may run for Treasurer, will be looking over the duties with Bren/ Carol on August 1. Another person is interested in joining the Landscaping Committee and 2 are interested in joining committees (Finance or Board) and Bren will continue those conversations. Bren will need to count ballots at the annual meeting since T is running for Secretary again, she cannot be the ballot counter.

## **New Business:**

Dawn did some research of Roberts Rules of Order and found that we do not need any formal motion with a second and voting from the board for meeting minutes. We will send out the draft for comments, then sent out the final minutes when all changes are made and the Board members can simply vote yay or nay on the final minutes to the Secretary without the need for a motion or second. When conducting email voting, we need members to "Reply All" so everyone can see who made the motion, who seconded the motion and the voting from all members. That should work, thank you!

## **Unfinished Business:**

Dawn brought a cardboard layout for the Memorial Bricks from The Quarry. Dawn and Richard will look at the site where the CERT container was by our division borderline to see if that is a better flat area for installation or by the little library. Joel and Richard (Ambros Landscaping, perhaps) will look at the possibility of removing the concrete supports left by the

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CERT container area, so it is safe for walking again. It will take a bit to remove the concrete, a backhoe will be necessary and some labor. Still need a volunteer to paint the wheel bench and matching table near the Free Library (leg repair needed as well). Once it is painted (using leftover house paint or something special ?) then Debbie volunteered to paint a scenic picture on it. Thank you! Bren may paint the set, she will see!

**NEXT MEETING: Thursday, July 16, 2020 at 4:30 pm (Back meeting room in the Sunland Clubhouse)**

## **Owners' Questions and Comments:**

Q. Richard to Ray Christiansen, is the dip in your back yard, is there a drain there?

A. I don't know (Richard and Joel will take a look).

Q. Ray Christiansen to Joel (Architecture & Maintenance Committee), Why hasn't the paint touch ups been done on the mailbox and trim.

A. Joel will take a look, it was his understanding that the touch ups had been done. Also, there should be a gallon or 2 of trim and base paint at one of the units for touch ups as well. Joel will investigate.

Q. Ray Christiansen to Joel (Architecture & Maintenance Committee), What is the status of the driveway projects, seems like it is taking too long and no response to the request.

A. Joel has has 3-4 bids out to concrete companies, only 1 responded and no serious takers for the projects, which could be as high as \$30,000 - \$40,000 to replace. May be able to patch it ourselves to ensure it is safe. With all of the big projects the committee is working on, we do not have the capacity in our budget for this scope of project at this time. If you want to replace the driveway, an owner may do so at their own expense, of course. Joel will look at a patch solution for now. The problem with the concrete companies, is they are choosing to do NEW construction projects that are very profitable and do not require labor intensive removal and expensive disposal of old driveway materials. We cannot force any company to do a project and we will keep pursuing bids, but right now, just as in 2019, contractors are scarce. 2020 has been a year of repairing projects that should have been done many years ago, we are thankful, we were able to find a good group of contractors to help us with the issues we have had with multiple roof failures and the multiple issues at unit #121. We apologize for any misunderstanding there may have been, we are volunteers working prioritizing the most critical projects --- we just have no new news regarding the projects since we have no bids and most contractors are booked until the end of the year.



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Q. Dawn asked Patty Devogler about submitting a request to SLOA for a new propane tank for a couple fireplaces? She is having trouble getting the fireplace conversions done with a local company.

A. Not sure, you should contact them. Can you use the tank already near your unit, or is it too far away? Need to explore that with SLOA. Division 7 would need a request for that type of project as well, since it affects other units' shared propane tanks or a new one. Please keep us posted on what your final plans are and what the project encompasses regarding the shared tank or a new one--- thank you!

**ADJOURNMENT at approximately 6:27 pm**

## **Board Motions completed via e-mail in JUN - JULY related to this meeting:**

- **July 27, 2020**  
**MOTION: Move to accept the bid from Three Crowns (\$2732.90 with tax) to replace the gutters on unit #121—full bid includes wedges to make sure gutters are level on the fascia (Other bid from Tracy's (\$2468.38 with tax) did not include that feature). (Teresa Lotzgesell) SECOND: Carol Stults APPROVED**

**TYL: 07/28/2020**