

Qualchan Hills Homeowners Association Board of Directors Meeting
Monday, December 5, 2016
Minutes
Upper Room Yoke's Grocery Store

1. Call to Order 6 PM
2. Introductions
 - a. Board Members: Willie Masten - President, Ann Franks - Vice President, Dan Skindzier – Secretary, Warren Franks - Arc Chair
 - b. WEB Properties: Bill Butler & Eric Lundin
3. Minutes from Oct 24 Board meeting were approved via email.
4. Old Business
 - a. Financial Update Eric Lundin
 - i. YTD Income as of 11/30/2016 - \$103,716.78 Actual, \$96,345.00 Budget, \$7,171.78 Variance.
 - ii. YTD Expenses as of 11/30/2016 - \$100,552.37 Actual, \$99,204.00 Budget, \$1,348.37 Variance.
 - iii. Account Balances as of 11/30/2016
 1. Operating Account - \$780.71
 2. Reserve Account - \$32,141.52
 3. Savings Account - \$1,483.03
 4. Park Account - \$5,703.95
 5. Total - \$40,109.21
 - b. 912 – 918 Unapproved Excavation Update – As of Friday, the homeowner's landscaper had promised it would be done on Saturday, 12/3/2016. The work was not completed and the Board instructed WEB Properties to send a courtesy notice giving them two weeks to complete the work.
5. New Business
 - a. Persimmon Woods Dues Review – Three CC&R's are relevant to Persimmon Woods responsibility to reimburse Qualchan Hills.

Section 14.5 of the CC&R's requires Persimmon Woods to pay 83.30% of total Qualchan Hills Expenses for snow removal, street lighting, & street maintenance & repairs for Kip Lane. Since 2011, the HOA has incurred \$18,337.86 in expenses, of which Persimmon Woods should have reimbursed \$15,275.44.

Section 14.6 of the CC&R's requires Persimmon Woods to pay 67% of total Qualchan Hills Expenses for maintenance & repairs of the sewer, water system facilities underlying Kip Lane, including water billing. Since 2011, the HOA has incurred \$-0- in expenses that should have been reimbursed.

Section 14.7 of the CC&R's requires Persimmon Woods to pay a fraction of total Qualchan Hills expenses for the maintenance & repairs of all roadways, walkways, trails, & unimproved common open spaces (excluding any improved recreational facilities in Qualchan Hills). The fraction is calculated as the number of homes in Persimmon where construction has begun divided by the total number of lots in Qualchan Hills and Persimmon woods. Using 52 homes in Persimmon woods and 96 homes in Qualchan Hills, this would be $52 / 148(96+52)$ or 35%. The total amount reimbursed to Qualchan Hills is not to exceed \$3.00 per home per month. Since 2011, Qualchan Hills has incurred \$84,164.14 in expenses, \$29,571.18 is reimbursable.

The total amount potentially recoverable by Qualchan Hills from Persimmon Woods is potentially \$44,846.62. The Board of Directors asked WEB Properties to have a letter to Persimmon Woods drafted explaining their responsibility to them. This will be drafted and sent after the new year.

- b. Review of 2017 Annual Meeting Agenda – A draft of the 2017 annual agenda was handed out. Several edits were suggested, and the final version will be approved at the special meeting on January 9th.
 - c. Review of RCW 64.38.025 and effect on 2017 Budget Approval– RCW 64.38.025 has several requirements in it regarding the approval of a budget. Other than pass-through expenses which include snow plowing on the private streets, and utilities expenses, there are \$42,873.00 in expenses anticipated in 2017. Current funding levels of \$23.00/home are not adequate as \$37.00/home is required. The Board instructed WEB Properties to provide a budget for review in early January that increases dues to \$45.00/home. This will be presented to the Homeowners at the Annual Meeting, and proxies will be sent afterwards.
6. Open Forum –
Willie and Dan will need to review their files for the agreements with Overlook Place and Overlook in order to review why these HOA's pay dues to Qualchan Hills, and if they are paying enough or too much.

A question about when Ann's election to the Board came up. Dan will research the issue and report to the Board.

There is one open spot for election at the Annual Meeting. Karen Wilson may be interested in serving on the Board, Willie will reach out to her to see if she would like to serve.

- 7. Adjournment at 7:58 PM