

**Blue Ribbon Farms Property Owners Association
Annual Meeting March 23, 2019
Minutes**

Board Members Present:

**Mark Cheney, Chairman
Rick Smith, Secretary
Rachel May-Duerst
Janet Oja**

Board Member absent:

**Gunar Clem, Treasurer
Keri McIntyre (in route)**

The annual Blue Ribbon Farms Property Owners Association (“BRFPOA” or “Association”) owner’s meeting was held in the Dungeness School House. Of the over 60 total in attendance, there were 41 voting Owners present and 28 proxies. The Association By-Laws specify that a combination of 25% of the voting Owners and valid proxies constitute a quorum. The BRFPOA presently has 133 Owners on 173 lots. A quorum is 25%, which amounts to 33 Owners or proxies.

For this annual meeting, we had a total of 69 Members and Proxies providing a Valid Quorum

Mark Cheney called the meeting to order at: 14:02

The following topics were discussed:

1. Introductions of new members: Greg Lee, Virginia
2. It has been a busy year for the board. The last three months very busy. We still need volunteers and have one empty chair. Please volunteer. We need more diversity.
3. Purpose of our meeting: Our Association is a non-profit corporation. As long as we act as a corporation, we are protected under its veil. Each of us is a member, simply by being a lot owner.
4. Review of the 2018 meeting minutes by Rick Smith. Minutes approved.
5. Tyler View Road Repair
 - a. There was discussion relating to Tyler View road repair. Gary Gordon will contact everybody to get it organized and set up. If you live on Tyler View, you can contact Gary at GaryGVIP96@gmail.com.
 - b. There is a phrase in the CCR's: Each individual's fee would be based on the number of lots owned and accessed by Maynard and Tyler View.
 - c. Portion of Article IV (of the CC&Rs). Roads – Private and Public
 - i. *“The cost of improving and maintaining these roads shall be shared equally by the owners of all those lots which border these roads and all those lots which have access to a public road over these roads. Improvements and maintenance shall be authorized only with the written approval of the owners of the majority of those lots served by these roads. When such majority approval is given, all owners of lots served by these roads shall be obligated to pay their proportionate*

share based on the number of lots owned, irrespective of the length of road frontage or lot size. Failure to pay such road assessments shall result in forfeiture of the right to use these roads.”

<http://www.blueribbonfarmsassociation.com/legal/covenants.pdf>

6. New Attorney

- a. At the end of January, Mark and Gunar drove into Seattle to meet our new attorney who specializes in HOAs. The former attorney wasn't able to give us a clear way forward for the house on Kitchen-Dick. He mentioned he wasn't interested in dealing with HOA's going forward.
- b. The house on Kitchen-Dick is now in compliance.

7. Board Authority

- a. We now have a better understanding of the Board's responsibilities and authority. Now we understand better what we can do as a Home Owners Association's Board of Directors. We can impose a monetary penalty as a BOD. If the board is going to sue over compliance, it is \$10,000 up front and you may not get the money back. Our new attorney isn't fond of suits within an HOA.
- b. Gary G. mentioned small claims court as an alternative.

8. Short Term Rentals

- a. Short term rentals are different from BnBs: We are asking anyone to disclose who has one. Bob Bagwell has one. Jay Sakas did have one (now sold). Armstrong is listed on Airbnb. Gary G. asked if that is a permitted activity.
- b. Insurance issue: A short term rental is permitted as a "home enterprise". However, our insurance absolutely prohibits flying in to stay at a short term rental. It puts the insurance in a whole different category.
- c. Guests flying in: Can a friend fly in? Yes, you have to invite him, get him familiar with the airport and they must park at your lot. There is no transient parking for airplanes. There is no parking on the runway.

9. Keri McIntyre arrived after being stuck in ferry traffic.

10. Treasurer's Report

- a. There are 173 lots, 133 owners, no unpaid expenses, up to date on all bills, we collected on two of the largest unpaid dues. Right now there are three outstanding. (Soon to be only two outstanding.) We have liens on their property. If you don't pay, we're going to call you first. If you're obviously not caring, then we'll place the lien.

11. Budget

- a. Some of the things for cost control have worked out. Insurance is significantly less. We changed carriers two years ago and saved about \$1000. One insurer got out of the market and they represented 25% of the market. Expect rates to go up next year. Our broker is easy to deal with. We've spent our legal fee allotment for the year. The solar system powering the runway sprinklers breaks even next month.

12. Runway Project (\$35,500)

- a. The last 500 feet is hazardous. We have measured it twice and checked it twice to determine how level it is. Sections of this portion of the runway can be soft to muddy. Some of the resulting ruts can be 4-6" deep. From the air, they are not noticeable.
- b. BOD is not going to pretend to know what to do. We're going to get expert advice and then follow it. In our CCR's we have to maintain the common ground, and that's the runway. Insurance folks are always very interested in the runway. We can fall into the negligence area if we have a problem and we choose not to do anything with it. The insurance company would say, you're negligent and we don't insure negligence. We researched and called many civil engineers.
- c. Runway recommendations
 - i. Part one: Install a "curtain drain" and the water will drain out into the east approach area. De-thatch to improve drainage. Cost for Part one = \$9,000
 - ii. Part two: Remove the sod from that 500 feet. The construction folks won't do the job unless the sod is removed first. Re-slope and bring in dirt of the proper mix. The cost for part two is approximately \$23,000. We received two bids. The "We Dig It" people (recommended by farmers) came in significantly cheaper than their competition.
- d. Options on Runway Repair
 - i. Option 1: Ignore it and do nothing. That puts the HOA at 100% risk. That will create problems with insurance coverage and maintaining the corporate veil. The lawyer says, you're not defensible.
 - ii. Option 2: Two phase approach. Install only the curtain drain. That will have a definite impact. Then we can re-evaluate success. The cost will be \$9,000.
 - iii. Option 3: Do it all as one project. Downsides, sticker shock. It drains our reserves and that leaves us vulnerable. It is possible we may not need this work done to resolve the issue.

13. Budgeting and Reserves:

- a. As stated in the Chairman's letter, raise the \$75 dues for 2020 and then back to \$50 in 2021. We would replenish our reserve. Mark's talked to 9 of the 11 active pilots. Pilots would pay a mandatory runway user's assessment, just like annual dues. The assessment would be for \$200 per person/operator pilot. Mandatory annually.
- b. We don't need both increases. Either pilots pay or all of us pay more. Benefits of pilots is that they pay immediately rather than waiting for 2020.

14. Runway discussion:

- a. The length of our current runway is 1961 feet. We didn't want water on the last 300 feet of the runway bluff (east end) so we quit watering it last year. We also shortened the runway to its current length. The plat drawing shows from Kitchen Dick to the bluff, it was 2,600'.
- b. There was a suggestion to have planes take off to the east and abandon the last 500' of the east end. Use the last 500' only for taxi.
- c. Prevailing winds run west to east and airplanes normally take off and land into the wind. (the other way).
- d. Insurance consideration: If we shut the 500 feet down for 4-6 weeks, we are not covered. If an accident happens, and we don't fix it, we're not covered.
- e. Paul Jones suggested one of the problems relates to the planes are faster now. It was a dirt spit and now it is green. He suggested we are overwatering. However, we do not have the issue in the summer when we are watering. The issue is during the winter months when we do not water.
- f. Another suggestion was that we only have it open April to Sept. Use it at your own risk. – Prefers to spend the money on fire suppression. ---Kathy Jones
- g. Joel (since 2016): I came into this subdivision. I appreciate everything there is about aviation. I agree that we cannot ignore any insurance issues. It's unlike any place we have in this area.
- h. Mark: We have \$38,000. Some of it has been there since 1990. It just sits there. It makes no sense not to spend it to save our liability.
- i. Motion to approve the two stage approach: 1. Curtain Drainage; 2. To reassess and pay for it. A substitute motion. Proceed with the \$9,000 to put the ditch in. The risk is now. Re-assess and then call for another vote.

- j. The reassessment is a Board of Directors responsibility. No other vote is required to complete the 2nd phase repair.
- k. Gary Gordon: It's a diagnostic problem. Is the water coming from the pond or a spring? It is a lot cheaper to determine where the water is coming from.
- l. The engineer says to put in the curtain drain. It should alleviate the problem.
- m. The worst spot is below the septic drain field on the hill. The septic area can contribute to the issue, but the engineers did not see it as the whole problem.
- n. We had the water company out. They don't see extra usage or what they would see if they had a water leak.
- o. Flooding in the valley. There's a bigger problem than we saw in the area. Artesian wells as well.
- p. The airfield is on an environmentally fragile bluff. The Dungeness Irrigation ditch may also be leaking. I don't think the water company knows enough to figure it out. They're not hydrologists.
- q. If there was a leak with the amount of pressure we have in the line, we would notice it. – Rick Smith
- r. Steve Robinson made a motion to do a two-phased approach (as described above in section 12 d ii). Gary seconds, thirds Motion passed: 62 for and 7 against.

15. Assessment on pilots flying on BRF

- a. Proposed mandatory annual assessment of resident users of the runway. Fee set annually by BOD. If you use the runway, you will be assessed.
- b. Discussion: Over the course of time, the pilots have volunteered time and money to maintain the runway. This includes mowing, sprinkler maintenance, etc.
- c. Connie: Being a non-plane owner, we all are liable. We all use the area for \$50. I don't think it should fall solely to the pilots
- d. Nick: I work at the refuge, people do complain about noise.
- e. Motion: Establish a mandatory assessment for all resident pilots. Lot owner will be assessed. It's up to them to collect from their pilot tenants.
- f. Anticipate capping the max fee at 4 x's the normal dues amount.

- g. Motion passed, 67 for and 2 against.

16. Changes needed to the CC&Rs

- a. A lot of things are really dated in the CCR's. We need 2/3 of lots voting to change anything.
- b. BOD can't spend more than \$100 if not budgeted by a vote of the HOA. We'd like to update how we notify folks--\$150 plus 6 hours of time to do a mailing, we'd prefer emailing.

17. Signs on the west end and east end of the runway

- a. The old yellow runway signs from both ends of the runway have been removed. Due to the discussion with our insurance company, we added two new signs of caution for the bluff erosion/falling.

18. Flyer relating to Kitchen Dick-Lotzgesell corner and the park

- a. Connie: There has been "noise" in the county regarding the curve for 10 years. It affects homes in that area. A group on Holgerson road has been actively telling them what's happening. Three phases in a new plan. They want to move the road back in the park, add site for the RV park and removing old growth forest. It means adding a turn lane into the park and changing the curve of Kitchen-Dick to Lotzgesell. Connie et al attended a board meeting. They will start Phase II of the project. It includes moving road back in the park, adding the infrastructure power--big RV's, changing the curve on Kitchen-Dick and Lotzgesell and adding a dedicated turn lane. Mark Ozias is coming to walk around the park. Timeframe: 2020 possibly. Road 2021-2022.
- b. Pat: Info from the road department. Master plan goes back ~10 years. They want to move the road to do that, they applied for a grant and got it funded. It's the county roads department. The curve will also be done at the same time. The names we were given: Rich James= worked with the Park and Feds (360) 417-2290. Director of Public Works: Ross Tyler: (360)-417-2448. Realigning the curve will increase the problem, not decrease the problem. Rumble strips, flashing stop signs, etc.
- c. Sign the petition with your name and address to say you don't approve the road work/park expansion.

19. Motion to approve the 2019 budget as a whole with the runway maintenance dollars to be used in accordance with the 2 phased approach. 64 for and 5 against Motion passed

20. Board of Directors'

- a. BOD meetings are open. Owners can come to observe, but cannot participate in discussions. We've had no takers in two years.

- b. We have had no new members in two years. Any volunteers? We meet ~4 times a year.
- c. Motion to add Marilyn Mason, a member-at-large to serve on the BOD...motion passed
- d. Motion to keep all the current members of the board – Motion passed

21. Picnic will be in late July or August. To be announced...

22. Motion to adjourn: Meeting called at 15:35.