

Approved: 3/22/2022

**Solana Community Association
Solana Courtyards Homeowners Association
Solana Estate Lots Homeowners Association
Minutes of the 02/17/22 Combined Board Meeting
Solana Clubhouse**

Call to Order

The meeting was called to order at 10:04 AM.

Roll Call

Board members present included:

Solana Community Association Board:

Joe Pancoast
Sherry Hansen
Daryl Ness
Bruce Emery

Solana Courtyards HOA Board:

Mark Kady
Sherry Hansen
Bruce Emery
Bruce Fryxell

Solana Estate Lots HOA Board:

Joe Pancoast
Lizbeth Harper
Bruce Emery
Anne-Marie Moreault

There being at least three members present from each Association Board, a quorum was present for the conduct of business.

Proof of Notice of Meeting

The Secretary noted that adequate notice was issued for the meeting on February 11, 2022 and the notice with a list of recipients would be kept with the records of the Associations.

Adoption of Minutes

The Boards considered the draft Minutes of the November 2, 2021 meeting of the combined Boards of Directors, and the draft Minutes of the December 22, 2021 meeting of the Estate Lots Board. It was noted the former contains minutes of the Executive Session, which would not be published in any approved minutes, but would be retained with the records of the Associations. After discussion, it was moved and seconded to approve both minutes as submitted, which passed unanimously.

Officers' and Committees' Reports

Joe Pancoast reported that a break-in occurred at the pool house. The filter valve had been tampered with (left on back-flow). It was discovered that the power panel for the Clubhouse heat pumps was located in the pool house. He indicated a new pool cover and reel system was on order and would likely arrive in four to six weeks. As of February 8th, there were four Courtyard accounts not fully paid and two Estate Lot accounts not paid, and one Estate Lot account that was over-paid. Joe also noted that Joe Sylvia had offered to volunteer to monitor and replace street bollard lightbulbs.

Ann Marie Moreault indicated that the Clubhouse Committee had been working on the removal of old, unneeded items in the Clubhouse (broken exercise equipment, etc.). The Committee was also pursuing replacements for the pool furniture within the limited budget. She noted that the Clubhouse tables, chairs and other furniture was in need of replacing. There is also need for interior painting and replacement of the carpet. Priorities will need to be set what is handled next.

Unfinished Business

No Unfinished business for discussion.

New Business

2021 Reconciliation Report. The Secretary provided a brief description of the reconciliation Report. There was minimal discussion and no questions.

WCA Tracking Report. The Secretary described the Working Capital Assessment Report, which used escrow closing documents to determine the WCA assessments that had been collected. It was noted that several vacant lots had paid the assessment and those lots would be credited to avoid future payments. It was noted that three accounts had been over-charged. It was moved and seconded to reimburse the over-charged lots, which passed unanimously. The Secretary indicated he would expand the report to include the first sales date from the Declarant to a private owner in order to track the point at which each lot became subject to assessments.

Revenue Tracking Report. Joe Pancoast provided a description of the database he assembled detailing all revenue transactions for the Associations. He indicated the data had been checked against the account records with Wells Fargo and determined it to be accurate. He also indicated that the new management software being implemented by Western Sky Management will significantly improve expense and revenue reporting in the future.

Draft 2022 Budget. The Secretary noted that bids were still needed for the Arbor repair project, which should be forthcoming in a day or two. Also, the estimate relied on for the door latch repair was based on a rough-estimate provided by Glass Services last year. Billing for the one door latch that was completed has not yet been received, but is expected over the next few weeks. The Boards will be notified once this information is received. The Board agreed to amend the 2022 Budget by e-vote should the actual bid amounts differ significantly from the estimates contained in the current draft.

The Secretary noted that the current three-year CPI used by the Associations for determining inflation rate was at 3.73%--due primarily to a significant jump in inflation in 2021. Western Sky Management is seeking a 50% increase in the price for their services, which is expected given the significant increase in work generated from Solana. Joe also noted that the fire alarm system in the Clubhouse has to be replaced due to damage sustained from an electrical surge late last year. Joe will ask the insurance company if the damage to the alarm system can be reimbursed through a claim.

The Board considered the request for audit by an independent CPA that was submitted in 2021. The Secretary noted that RCW 64.38.045(3) requires that Associations with assessments greater than \$50,000 per year shall have an audit completed annually, unless the audit is opposed by 67% of the votes present at a meeting with a quorum. The Secretary provided information that supported that the Community Association and Courtyards HOA both surpassed the assessment threshold in 2020, 2021, and will likely do so in 2022. However, to perform the needed work, an audit would be necessary for all three associations. The cost quoted by the CPA is \$2,125 per year per association. Western Sky Management would also charge \$2,000 for assisting in the audit. Therefore, the total cost would be \$8,375 per audit year. It was suggested that, to bring the Associations into compliance, a vote of the membership would have to be conducted at the annual meeting for each of the three audit years in which the threshold was reached. It was also noted that other associations typically appoint an audit committee to review and report on the Associations' financial documents and forego the cost of hiring an independent CPA.

Following discussion, it was moved and seconded to approve the Draft 2022 Budget as presented, including Sheets 1 through 4, which passed unanimously. A second motion was made and seconded to recommend to the Association membership at the Annual Meeting the establishment of a Resident Audit Committee to audit the fiscal year 2022, as an option to an audit by an independent CPA. The motion was approved.

Election of Board Members. The Secretary noted that the following Board positions would be up for re-election this year:

- Joe Pancoast, Solana Community Association
- Mark Pekar, Solana Estate Lots Association
- Lizbeth Harper, Solana Estate Lots Association

All other board positions were still in term.

Annual Meeting Date. The Boards considered a date and time for the Annual Meeting. After discussion, it was moved and seconded to hold the meeting on Tuesday, March 8, 2022 at 6:30 PM online via the Zoom App. The motion was approved.

Non-Agenda Discussion Items

Bruce Fryxell noted that all propane bills should now be adjusted according to the new terms with Ferrelgas for those with connections to the community LPG system.

Adjournment

The meeting of the Community and Courtyards Boards was adjourned at 11:59 AM. The Estate Lots Board continued with discussion.

Vacant Lot Maintenance Letters. The Estate Lots Board Considered the content of letters to vacant lot owners concerning lot maintenance requirements. The Secretary noted that the letters should be general in nature, but include specific expectations for the unique conditions on each lot to achieve compliance with the Vacant Lot Maintenance Policy. The letters will include timelines for compliance and allow for the Association to have the work completed at the owners' expense if compliance is not forthcoming. The Secretary will prepare drafts of the letters for review by the Board members before mailing. It was noted that the Community Association should be required to have the slope along Tract H to be string-trimmed to match the efforts required of vacant lot owners.

The Estate Lots Board meeting was adjourned at 12:30 PM.

Respectfully Submitted,



Bruce Emery, Solana Secretary