

MINUTES OF THE ANNUAL MEETING OF THE OWNERS, SUDDEN VALLEY COMMUNITY ASSOCIATION, HELD ON SATURDAY, NOVEMBER 5, 2005 AT 1:00 P.M. IN THE DANCE BARN, SUDDEN VALLEY, BELLINGHAM, WA

I. CALL TO ORDER:

The meeting was called to order by the President of Sudden Valley Community Association, Charles Rendina, at 1:10 p.m.

Board Member, Mac Carter, moved to amend the Agenda sequence in order to allow the Report of the City of Sudden Valley Committee to follow the Report of the Treasurer. Treasurer Lance Hillengass added a friendly amendment to move Agenda Item 10 to the first item under Agenda Item VIII, Reports. There was no objection.

II. INTRODUCTION OF PARLIAMENTARIAN

President Rendina introduced Ann McCartney, who acted as the Parliamentarian of the Annual Meeting in accordance with SVCA Bylaws.

III. CERTIFICATION OF QUORUM:

President Rendina reported the minimum requirements for a quorum had been met by the presence of 50 or more members in good standing.

IV. PROOF OF NOTICE OF MEETING:

Secretary, Dee Spreitzer, verified that, in accordance with the Bylaws of SVCA, Notice of the Meeting was given by mail to each property owner 30 days prior to the meeting. (Attached)

V. ELECTION OF BOARD OF DIRECTORS:

A. Introduction of Candidates

President Rendina presented the names of the three board candidates for the three vacant positions to the Board of Directors: Naomi Bunis, Barbara Audley and Kalene Drummond. Each candidate gave a two-minute presentation.

B. Voting Process

There being three open board positions and three candidates, and there being no objection, the election of Barbara Audley, Naomi Bunis and Kalene Drummond to the Board of Directors was declared by acclamation.

VI. NOMINATIONS & ELECTION OF THE N&E COMMITTEE MEMBERS:

A. Nominations from the Floor

The following candidates were nominated from the floor: Sarah Johnson, Scott Theile, Leslie McRoberts, and Russ Harlan.

B. Voting Process

Community members were asked to write their choice on the ballots. At this time, Naomi Bunis stated that no one who is related to a Board member can sit on the N&E Committee. Sarah Johnson is the spouse of Board member Warren Johnson and, therefore, cannot accept a position on the N&E Committee. It was then pointed out that N&E Committee Member, Bill Audley, would have to resign his position on the committee because his spouse, Barbara Audley, is now a member of the Board of Directors. As a result, there being three candidates for three open positions, the election of Leslie McRoberts, Scott Thiele and Russ Harlan was declared by acclamation.

VII. NEW BUSINESS:

1. Issue No. 1: Resolution of the SVCA for Revenue Ruling 70-604 Election Applying Excess Income to the Following Year's Assessments and IRC 2888 Applying Allocations to Reserve Accounts.

A. Discussion*

Treasurer, Lance Hillengass, brought the proposal forward for discussion..

B. Voting Process

The ballots were marked and collected for counting by the Nominations and Elections Committee.

2. Issue No. 2: 2006Budget

A. Discussion*

Treasurer Lance Hillengass brought the proposal forward for discussion.

B. Voting Process

The ballots were marked and collected for counting by the Nominations and Elections Committee.

3. Issue No. 3: Special Assessment

A. Discussion*

Treasurer Lance Hillengass brought the proposal forward for discussion

B. Voting Process

The ballots were marked and collected for counting by the Nominations and Elections Committee

VIII. TREASURER'S REPORT (Report attached)

IX. REPORTS:

1. Sudden Valley Community Plan (Report attached)

Board Vice President and Community Plan Committee Chair, Dan Marantette, presented the committee report. He presented an overview of the function and goals of the Committee and stated that, due to the building moratorium, the focus had been redirected towards public relations, and the formation of a scientific team to address the issue of the water quality of Lake Whatcom.

2. City of Sudden Valley (Report attached)

Board member and City of Sudden Valley Committee Chair Roger Bull presented the committee report.

X. PRESIDENT'S REPORT:

President Charles Rendina reported that he began the year hoping to move forward with the Community Plan. He said his personal goals were to come to grips with whether or not we should sell off our lots, and to come up with some uses for Area Z and the Campground. However, the moratorium affected the members of the Board of Directors and they had to gauge what the community wanted and to determine the truth about the water quality of Lake Whatcom. We needed to take stock of what Sudden Valley does in order to be environmentally responsible. Mr. Rendina stated he spent four months attending meetings, but most of the work was done by other volunteers, in particular, the Science Task Team. They performed an analysis of what was going on with Lake Whatcom and came up with real solutions.

He said that the Task Team, largely through the efforts of Mac Carter, Kalene Drummond, Naomi Bunis, Dee Spreitzer and a host of volunteers, was able to come up with ideas about what it was that we do here that is right and that is so different from the perceptions the County and the City of Bellingham have of Sudden Valley. They have not done a fraction of what Sudden Valley has done to be environmentally responsible.

Other issues this past year included snow removal and the post office project. Mr. Rendina reported that has asked the General Manager to develop a snow removal and response plan. There were long debates regarding the post office project which led to the Special Assessment on the ballot.

Mr. Rendina concluded his report by thanking board members and committee members for their service to the community. He added that they give a tremendous amount of their time and receive no compensation and that he is profoundly grateful to them.

XI. GENERAL MANAGER'S REPORT:

General Manager Steve Grieser reported that, upon review of this year's events, he is convinced that the Membership and the Association are better off today than they were a year ago. He attributed this to the following factors:

Our property values are rising steadily.

We are in a very good financial situation and, although we have not met all our projected goals, overall, our revenues are up and our expenses are down.

The staff has remained stable. A consistent staff helps maintain good relationships with the members of the community. In addition, a good relationship has been maintained with the Sudden Valley committees and the Board of Directors. Despite some differences, we have come together on some very important issues this year.

We continue to make improvements to our buildings and common areas. We have installed a major access control security system, replacing the old metal keys with access cards that provides greater security and enables us to track the usage of our facilities.

We have upgraded Channel 10 equipment and we are working with the Communications Committee to make improvements in our programming. Future plans include video presentations for the membership.

All the guard rails on our bridges and over the major culverts throughout the Valley have been replaced. There has been ongoing maintenance and repairs to our buildings. All the buildings are aging and as a result, maintenance of the plumbing, electrical and heating systems must be an ongoing process.

The mailbox project has been a massive undertaking, and includes a large number of changes of street names and physical addresses.

Plans for the coming year include construction of a unisex restroom with handicap facilities in the Dance Barn and a major remodel of the restrooms downstairs. There will be additional dry storage spaces at the Marina, both swimming pools will be resurfaced, work will commence on a trail system to provide a safe way for pedestrians to walk to commercial areas, and the Golf Course will have upgraded practice facilities.

Mr. Grieser stated SVCA faces challenges in the future and some decisions will have to be made. Our expenses continue to rise while our revenues remain relatively stable and, although he sees some opportunity for additional income, if we want to continue with our plans, we may have to look at dues.

He concluded by saying that with the support and cooperation of the Board, staff and membership, we will be able to meet the goals we've set and the challenges that lay ahead.

XII. PROPERTY OWNER COMMENTS:

The following property owners had comments or questions:

James Huthert, 8 Westbrook Court, Marlene Harlan, 5 North Point Place, South, Leslie McRoberts, 2 Fairway Circle, Penny Carter, 64 Marigold Drive, Shawn Messiter, 75 Grand View Lane, Roy Colbert, 2A Austin Falls Court, Lou Manrique, 10 Plum Lane.

XIII. ANNOUNCEMENTS/UNOFFICIAL ELECTION RESULTS:

Nominations and Elections Committee member, Dave Scott presented the results to the Secretary who announced the results of the voting as follows:

Issue #1 – Resolution of the SVCA for Revenue Ruling 70-604 Election
Applying Excess Income to the Following Year's Assessments:

YES	396
NO	17

PASSED

Issue #2 – 2006 Budget:

YES	390
NO	60

PASSED

Issue #3 – Special Assessment:

YES	327
NO	124

PASSED 73%

XIV. ADJOURNMENT:

There being no further business, the meeting was adjourned at 3:40 p.m.

Board Approved _____ / date _____