

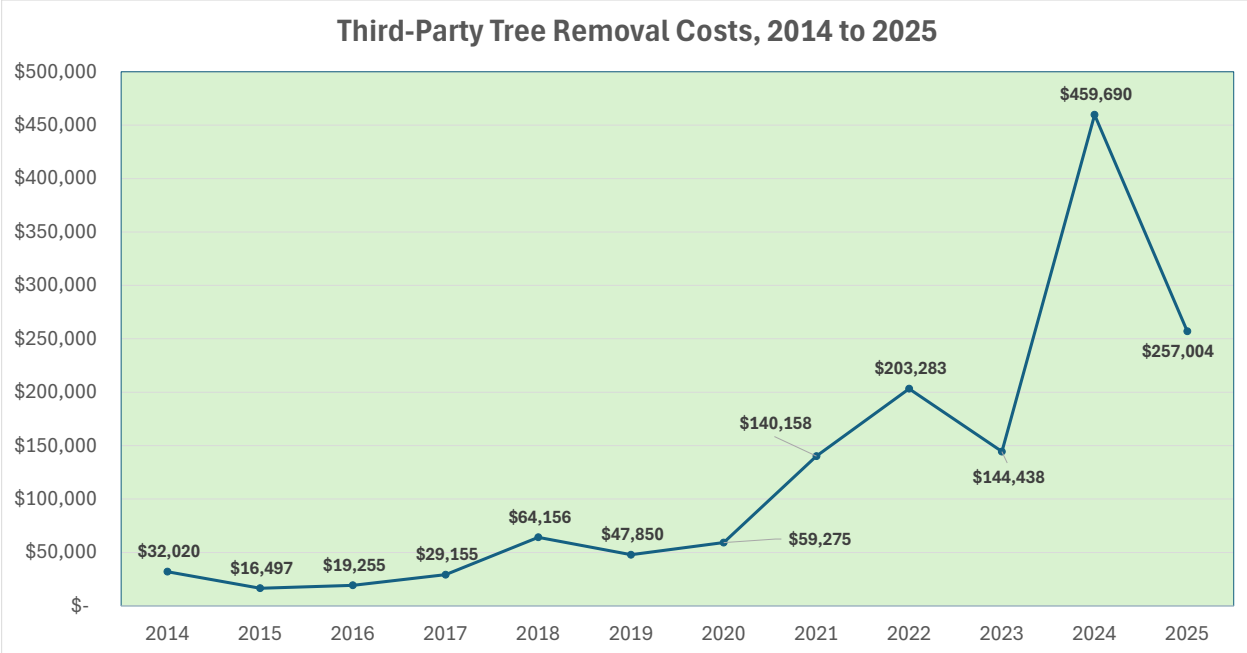
General Manager’s Report – December 2025

December weather challenged residents and staff as we managed major rains and several wind events. The Association’s investment in drainage improvements delivered significant value as volumes of rain approaching those of the 2021 flood were managed without major damage or disruption. Warmer temperatures meant no snow or ice, although Maintenance has equipment and supplies ready to keep the roadways safe in winter weather. Staff are working through year-end activities and preparing for another busy and successful year in 2026.

Hazardous Tree Management

In 2025, an enormous amount of SVCA’s resources were spent on the management and removal of hazardous trees. A hazardous tree is defined by SVCA as one which has both a high risk of falling and the potential to cause injury to people or damage to property if it fell. Because the Association owns timbered land throughout the Association, many of our trees are located near homes or areas where people gather. Because of the age of the timber in the Association, many of the trees are both very large and nearing the end of their life cycle. The combination of these factors has created a growing need to remove trees that are identified as a hazard.

The chart below shows the amount of money that SVCA spent between 2014 and 2025 on the removal of trees by third party vendors.



As you can see, costs were relatively static until 2018, then escalated rapidly in 2021, with the bomb cyclone event of 2024 driving the spend on tree removal to almost half a million dollars in that year.

As significant as these numbers are, they represent only a portion of the resources spent on trees. The tables below give us insight into the number of trees removed by SVCA staff and residents.

SVCA Hazard Tree Activity				
	2022*	2023	2024	2025
Tree Requests Identified/Received	113	118	244	170
Tree Requests Resolved by SVCA Maintenance Team	76	74	155	104
Hazard Trees Evaluated by Certified Arborist	NA	NA	5	19
Hazard Trees Resolved by Outside Contractor	33	39	78	63
Pending High Risk Trees	0	0	0	1

Notes:

*2022 data started 4/22.

Requests are by site, some sites have multiple trees

Not all tree requests result in the identification of a hazardous tree

Resident Hazard Tree Activity			
	2023	2024	2025
Tree removal requests submitted	58	90	68
Requests granted	40	75	61
Permits issued	NA	NA	54

As you can see, SVCA staff removed more trees than third party vendors in each of the years reported (we do not have data for earlier years). Staff handles the removal of trees that are smaller and less dangerous than the ones removed by outside vendors since we lack the equipment and training needed to safely remove the more challenging trees. That said, the level of activity is much higher, indicating that the amount spent by SVCA on this activity would increase if internal costs were factored in.

The number of tree removal requests submitted by residents is also growing, indicating that tree maintenance is a growing burden for residents as well.

To put the cost of hazardous trees into perspective, the 2026 budget includes \$250,000 for tree removal. The dues increase requested for 2026 will result in about \$400,000 of additional assessment revenue for the Association. As you can see, this single portion of the cost of hazardous trees is more than half of that amount.

2025 Capital Projects Status

CRRRF Projects	Approved Budget	Status
<u>Facilities:</u>		
Barn 8 Refurbishment	\$ 843,555	Paused
Turfcare Building Remodel	\$ 125,446	In Progress
Clubhouse HVAC	\$ 169,928	In Progress
Lake Louise Slide Gate Phases 1 & 2	\$ 71,786	Complete
Marina Signage	\$ 15,000	Complete
Gate 2 Signage	\$ 20,000	Complete
Welcome Center Painting	\$ 7,611	Complete
Asphalt Cart Path Repairs	\$ 54,080	Complete
Clubhouse Water Heater Replacement	\$ 11,587	Complete
<u>Equipment:</u>		
Computer Replacements	\$ 13,680	Complete
Golf Course Fairway Aerator	\$ 57,495	Complete
Golf Course Trailer	\$ 17,843	Complete
Golf Course Fairway Top-Dresser	\$ 50,592	Complete
Maintenance Zero-Turn Mower	\$ 21,146	Complete
AV Projector & Screen	\$ 4,784	Complete
Total Budgeted	\$ 640,978	
<u>Roads Projects</u>		
Design/Permits for 2026 Projects	\$ 41,888	In Progress
Fast Response- Drainage Issues	\$ 91,936	In Progress
On-Call Engineering	\$ 44,559	In Progress
Potholes & Minor Road Repairs	\$ 37,856	In Progress
Street Signs & Pavement Markings	\$ 31,805	In Progress
Area Z Access Bridge/Culvert #4 Replacement	\$ 1,219,468	In Progress
Total Budgeted	\$ 1,467,512	

Notes on Projects in Process

- Turfcare Building Remodel – Construction is underway and is expected to be complete in January 2026.
- Clubhouse HVAC – The project is being issued for bidding and construction is planned for Winter 2025 / Spring 2026.
- Lake Louise Slide Gate Phases 1 & 2 – Construction was completed in the first week of December. Water levels are returning to normal.
- Design /Permits for 2026 Projects – Design is underway and permit applications are expected to be submitted to Whatcom County in January 2026. Projects will be issued for bidding during the winter, and construction will occur during summer 2026.
- Fast Response / On-Call/ Potholes – Projects are completed as needs arise; this work is ongoing.
- Street Signs & Pavement Markings – Pavement markings are complete and street sign materials are being purchased as needed to replace existing signage.
- Area Z Access Bridge / Culvert #4 Replacement – Design and permitting is ongoing with Whatcom County. Construction is planned for summer 2026.

Administration

Activity Summary

- Prepared parliamentary training and supporting materials for Board Orientation.
- Updated materials in board reference manuals.
- Requested legal opinions concerning required WUCIOA governance changes and discussed options for becoming compliant.
- Continued to update website; removed out of date content and streamlined current pages.
- Continued developing Standard Operating Procedures (SOPs) to reflect current processes.
- Rolled out new computers to all departments.
- Began updating network hardware and firewalls to simplify network maintenance and prepare for moving servers to Azure.
- Renewed service agreement with LGIT, for continued support of our technology platforms.
- Reviewed active SVCA construction projects to ensure permits and payments are up to date.
- Began outreach to new security guard companies to address ongoing reporting issues with Pacific Security.
- Prepared and delivered security services request for proposal to local and regional security companies.
- Employment offer to new Member Services team member was accepted; new employee will start onboarding on January 5.
- Researched online anti-harassment training for board and committee members; the goal is to extend training to employees also.
- Began implementation of online learning management system to support role-specific training for board and committee members, as well as staff.
- Organized and held holiday lunch for staff.

Successes

- Review of current construction projects identified almost \$30,000 of unbilled revenue.

Planned Work

- Establish 2026 schedule for board consideration of capital requests, approvals, and budget.
- Continue updating website with current content and information.
- Continue updating SOPs.

Recreation

Activity Summary

- Held 3rd Annual Tree Lighting on December 6th; more than a hundred community members participated.
- Planned January events calendar.
- Marina renewal mailing scheduled to be sent out Wednesday, January 7th.
- Quotes for new Cardio Equipment were obtained.
- Working on obtaining quotes for new Strength Equipment.

Successes

- New tables & chairs purchased for the Community Center lobby thanks to a grant from the Sudden Valley Women's Group.

Maintenance

Activity Summary

- Installed Christmas lights and Christmas tree at the Rec Center.

- Removed tree from over the road on Black Bear Court.
- Replaced several street signs.
- Completed seasonal street sweeping.
- Adjusted outdoor lighting for the winter season at the Adult Center.
- Painted walls and installed new flooring in future archive storage room.
- Installed new snowplow and sander on OP-30.
- Installed a new sander on OP-28.
- Installed a two-way radio in OP-30.
- Replaced the headlights on SP-6.
- Repaired the seat adjuster on SP-6.
- Installed studded snow tires on OP-24 and SP-6.
- Installed anti-ice brine tank on OP-24.
- Installed snowplow and sander on OP-21 and Kubota UTV..
- Assembled new storage cabinets for archive room.
- Unclogged several catch basins and culverts.
- Closed and winterized bathrooms at AM/PM Park.
- Repaired road shoulder on Berry Wood Place.
- Removed a fallen tree from the road shoulder on Basin View Circle.
- Cleared gutters at the Clubhouse and Turfcare buildings.
- Removed fallen tree from the road shoulder and drainage ditch on Holly View Way.
- Replaced the intake filter, cleaned battery terminals, and winterized the vac-trailer.
- Cleared debris from the flat roof at Barn 8.
- Prepared for potential flood event; filled sandbags, organized traffic control signs, ensured pumps and hoses are in order.
- Drainage maintenance during atmospheric river to keep culverts and catch basins clear and flowing.
- Placed sandbags at Rec Center to prevent potential flooding.
- Investigated and resolved water intrusion issue at the Clubhouse.
- Repaired door latch in the Sunshine room at the Rec Center.
- Repaired damaged section of Lake Louise Trail.
- Maintenance staff responded to numerous reports of trees over the roadway during strong wind events. Trees were removed from roadways with minimal disruption to traffic.
- Removed a helium ballon that was caught in a ceiling fan at the Dance Barn.
- Repair of a urinal at the Rec Center is in progress - Parts on order.
- Removed temporary speed bump on Windward Drive.
- Replaced light in Women's restroom at the Marina.
- Repaired discharge hose on brine tank.
- Repaired potholes at Area Z entrance.
- Exterior lighting repairs at Clubhouse, Marina, and Adult Center.

Successes

- The maintenance department is well equipped and prepared to respond to weather events. Staff are engaged, supplies are stocked, and equipment is ready if needed.
- The road drainage work SVCA has done over the past several years has really paid off. With record rainfall, only minor flooding occurred.

Planned Work

- Complete renovation of new archive room.
- Replace door to Archive room.
- Gutter cleaning at all facilities.
- Perform service on OP-25.
- Service and make repairs on OP-22.
- Drainage improvements at areas identified during recent storm.

Golf

Activity Summary

- Had good weather for 4th Winter Series event on December 6th.
- Early payment membership sales are ahead of 2024.
- Met with two area courses (North Bellingham and Shuksan) to discuss collaborative marketing ideas aimed at the greater Seattle and Vancouver market.
- Collected bids for a capital request related to the replacement of a new range cart and picker.
- Reached out to several area golf courses to discuss 2025 season in review.
- Promoted and planned for our 5th Winter Series event scheduled for January 3rd.

Successes

- November 2025 revenue exceeded 2024 by \$8K.
- Prepaid membership sales for 2026 remain strong and currently up nearly 18% compared to 2025.
- December revenue has exceeded budget and 2024 revenue.

Planned Work

- Deactivate handicap service to members who haven't renewed membership by year end.
- Identify cart repair list for Greg and Bill and plan annual cart maintenance schedule.
- Contact previous outside tournament organizers to start rebooking for the 2026 season.
- Review membership records to ensure accuracy ahead of the start of the 2026 season.
- Meet with the Golf Club to review 2025 and plan the 2026 agenda.
- The golf course was re-rated for handicap purposes this Fall. We will begin all the necessary processes for changes in January. This includes updating new score cards for 2026.
- Execute a successful Winter Series event on January 3rd.

Turf Care

Activity Summary

- Golf course conditioning is well into fall/winter operations. Golf course general maintenance activities continue as we work around the weather.
- All rough and surrounding out of play areas have been aerated to improve winter drainage.
- Renovation work on Turfcare building well under way. Electrical, plumbing and drywall completed as well as new rollup door installed. Waiting on electrical final then we can start closing in the walls.
- Irrigation system sprinkler clearing work continues.
- Deep tine aerated #6-7-17-18 fairways.
- Lake Louise dam project is complete. Turfcare now monitoring daily and changing gate positions as the weather dictates.
- Irrigation system sprinkler clearing work continues.
- Continuous tree branch and debris cleanup throughout the course.

- Working on 3 new forward tee box installs.

Successes

- Fall/winter crew size is in good shape for expectation of course conditions.

Planned Work

- Continue general conditioning.
- Aerating and sand topdressing wet areas and approaches.
- Continue working on draft 2026 Capital equipment replacement documents.
- Fairway deep tinning 4-5” to begin after rough areas are completed.