



**Scott Lake Maintenance Company
Homeowners' Association Annual Meeting
December 5, 2020 | 10:00 AM**

**Due to public health concerns and pursuant to the Governor's Safe Start Proclamation,
this meeting will be conducted remotely**

This meeting may be attended using the following methods: Video Connection via Zoom/Telephone Dial-In

**Scott Lake property owners may register to attend this meeting by contacting the Scott Lake Maintenance Company
at (360) 352-4787 or office@scottlake.net**

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|---|---------------------------------------|
| 1. Call to Order, Welcome, and Introductions | <i>President Suzanne Fromme</i> |
| 2. Meeting Overview – Procedures and Guidelines | <i>Caitlin Magee, Exec. Secretary</i> |
| 3. Minutes of the May 18, 2019 Annual Meeting ACTION REQUESTED | <i>President Suzanne Fromme</i> |
| 4. President's Message | <i>President Suzanne Fromme</i> |
| 5. Executive Secretary's Message | <i>Caitlin Magee, Exec. Secretary</i> |
| 6. Property Owner Comment: Non-Agenda Topics | |
| 7. Water System & Water System Plan Update REPORT | <i>Caitlin Magee, Exec. Secretary</i> |
| a. Property Owner Comment: Water System | |
| 8. Financial Report ACTION REQUESTED | <i>Treasurer Ruth Elder</i> |
| a. Proposed Special Assessment | |
| b. Proposed 2020-2021 Budget | |
| c. Property Owner Comment: Financial Report | |
| 9. 2021 SLMC Annual Meeting: Saturday, May 8, 2021 10:00 AM | |
| *all meetings will be conducted remotely until further notice* | |
| 10. Adjourn | <i>President Suzanne Fromme</i> |

Scott Lake Maintenance Company

Minutes of the Annual Meeting

May 18, 2019

The meeting was called to order by David Peeler, President. Board members Suzanne Fromme, Tracy Miller, Cathy Hirschhorn, Nathan Reitz, Ben Snyder, David Tracy and Daryl Hirschhorn were also present. The draft minutes from 2018 Annual Meeting were reviewed by Suanne Fromme, Secretary, and she identified corrections and changes that were made to the minutes prior to this meeting. The minutes were approved as presented.

Introductions were made by the members of the Board of Trustees and the Executive Secretary.

President Peeler turned the meeting over to Fire Chief Russ Kaleiwahea. He said the Scott Lake fire station was staffed 33% of the time over the past year. There will be a ballot in August that will contain a measure on their maintenance and operations budget. If it passes, they will continue their current level of service which equals any of the cities on response time. If it fails, Russ will be forced to begin layoffs and station closures. This election will require a super majority of 60% plus 1. Russ has been in conversations with the Fire Marshall who is considering a burn ban, but not a ban on fireworks in rural Thurston County.

Cathy Hirschhorn encouraged residents to contact the County Commissioners about a ban on fireworks. Maria Peeler suggested attending their meetings. President Peeler said we are 8 inches below normal rain levels. Annette Hoffman volunteered to write up a petition and a letter to go to the County Commissioners.

Mike Willis, Executive Secretary, reported on the 2018-2019 Budget which ended in the black with revenues exceeding expenditures. He also reported on the company's Cash & Investments mostly held in Heritage Bank. He also presented a proposed budget for 2019-2020 which contained dedicated funding for the Extra Duty Contract with the Thurston County Sheriff for the first time. The 2019-2020 Budget was approved by the Board of Trustees.

Dave Tracy said they had to resubmit permits for the docks due to changes made by Thurston County.

President Peeler went to a list of Capital Improvement projects. Replacement of the docks and the repair of the footbridge are both underway. A new generator capable of automation is being considered to replace the current manual generator on Champion Drive. Security fencing for well field is being worked on. The property has been surveyed. There have been three attempted break-ins of the buildings on the well field. There has been engineering work done on the project to replace the water lines on the courts. The Water System Plan needs an update to get current costs for all the components of the water system.

Annette Hoffman asked about how much leaking on the courts. President Peeler said the water system had an 18% rate last year.

CORRESPONDENCE: Willis read a letter from Misti Peuning who is in favor of a fenced dog park. She asked if we can fairly survey the community for interest.

PRESIDENT'S MESSAGE President Peeler mentioned the LED lights for the streets and the Community Center. He mentioned the automated generator being considered on Champion Drive. He was a member of the Water Committee that worked very hard on delinquent accounts and made lots of progress. There are some new homes and new water connections. The Park Committee has worked on the facilities. There are new rules for the Water System, Community Center and Park. President Peeler said he will be stepping down but will continue serving on the Board if re-elected.

ARCHITECTURAL: Daryl Hirschhorn reported the approval of three garages, two manufactured homes, one new home and two storage buildings in the past year. We attempt to maintain the same building standards as Thurston County.

PARK: Dave Tracy is working on the docks and footbridge. The safety material for under the swings is coming. It comes from a supplier located in Longview. Dave is lowering the swings for smaller kids. The replacement of the Big Toy may be \$20,000 if replaced by a similar structure. Reservations for the Park Shelter are now being taken at a rental cost of \$50.00. Boats and jet skis coming off the lake are seriously eroding the shoreline. Ask them to please use the ramp. Maria Peeler wants more control on jet skis. There are noise and safety issues to be considered. President Peeler suggested meeting with the new county commissioner regarding jet skis. Lawrence Jacobson asked for a practice board at the tennis court. Dave Tracy said he had been told about his request by Mike Willis. Dave's concern is about tagging. Other people are asking about other uses of that area.

SECURITY: Nathan Reitz reported on the following criminal activity for the Scott Lake community. He reported 18 arrests, 37 assaults, 29 burglaries, 18 thefts, 3 vandalism incidents and 135 other contacts over the past year. Cathy Hirschhorn said the Extra Duty contract has been great. The deputies see and hear things that will bring them back out again.

WATER: Scott Lake Maintenance is in an annual contract with Clearwater Utility. Still feeling things out. We know that the date for one billing was wrong. The due date is the 20th of each month. It is due in their office by that date and it is delinquent if it is not. It is essential that Scott Lake Maintenance maintains compliance with all federal, state and county requirements for a public water system or it will be taken over. We flush the water system twice a year to keep the water lines clear.

COMMUNITY CENTER: There are new rules for rentals and the revised cost is \$100.00 for all rentals. The new rules were made available as a handout. A comparison was done before setting the new rental rate and it is still low.

PROPERTY COMPLIANCE: Cathy Hirschhorn sees improvements throughout the community. Thurston County Compliance and the Health Department have not been good at providing assistance. Cathy and Tom Culleton had a meeting with Rob Barnes, Legislative Assistant to State Representative Drew MacEwen. The meeting was about property compliance and the current level of assistance from Thurston County. Tom and Cathy learned that Thurston County is reorganizing its program for property compliance. They expect to be more consistent with better communication as a result.

Cathy also expressed concern about comments made on Facebook. Half truths are not helpful when they are inaccurate.

BUDGET & FINANCE: The operating budget is stable from year to year. It is clear, however, there is not enough in reserves for all the capital improvements. President Peeler said the Board may be asking for an increase in reserves.

WEB: Nathan Reitz said the web site has 300 to 400 visitors a month. People are switching to mobile devices. He will be working on that to be more compatible. The new rules for the Water System, Park and Community Center are on the site. The minutes for Board meetings are not available on the Web. The person who was on the Board who did redacted versions is no longer on the Board. Copies of the minutes are available at the office.

CLUBS: There is a new HERS Club with Janis Snyder taking the lead. Janis said the club's launch date is July 10, 2019. This is a Scott Lake women's club and Janis has many projects planned.

A new resident asked about contact information. A revised "new resident" packet is being worked on.

Annette Hoffman asked when will Manke be working on their next crop. No one had any information. Ken Miller harvested the land he bought last year and he replanted.

Heather Highmiller had a life-threatening emergency during a power outage. She stressed get to know your neighbors. Fortunately, her land line worked and EMT service is great. Check on your neighbors during outages and severe storms.

The Community Center is open during outages. The rules have changed.

Ed Pester asked about the cost of billing through Clearwater Utility. Willis responded it is \$5.00 plus change per billing. President Peeler responded it is not that much. Ed asked if it would be cheaper to bring it back. President Peeler assured Ed that they are talking about that.

The results of the election were reported by Mike Willis with the vote count as follows;

Cathy Hirschhorn	32
Tracy Miller	32
David Peeler	30
Ben Snyder	29

Write In

Ruth Elder	4
David Tracy	3
Mark Fromme	1

Mike Pierce asked which positions will be two-year terms and which will be three-year terms? The voters deserve to know. Tracy Miller agreed to accept a two-year term and Ben Snyder was elected to replace Maurice Ball.

Betsy Pierce asked if the executive secretary position was advertised within the community? The position was not advertised, and Tom Culleton was hired in Executive Session.

There being no further business, the meeting was adjourned at 12:15 PM.



Scott Lake Maintenance Company
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November 13, 2020

Dear Scott Lake Neighbors:

The Scott Lake Maintenance Company's proposed budget for 2020-2021 is enclosed. This proposed budget was adopted by the Board of Trustees on October 15, 2020 and is being sent in accordance with Revised Code of Washington 64.90.525. This budget and special assessment will be presented for property owners to consider ratification at the 2020 Annual Meeting on Saturday, December 5, 2020. This may likely be the first budget that you have received from the Scott Lake Maintenance Company in this manner.

Scott Lake Maintenance Company is a homeowners' association that owns and operates community facilities, such as the water system and community parks. Our water system infrastructure was built in the 1970's. Most of the water system components are substantially beyond their useful life. Unfortunately, this has led to an increasing number of emergency repairs and system disruptions. Two years ago, the Board of Trustees began a series of water system maintenance projects involving the replacement of valves to assist with future water system repairs. The Board is currently in the process of updating the Water System Plan including a rate study and a reserve study. The rate study and reserve study will allow the Board to establish financial goals and set rates at an appropriate level to ensure adequate funding for ongoing operations and maintenance.

The costs for emergency repairs to the water system have been significantly more than the Board had anticipated. As a result, the Board finds that it is necessary to utilize a reserve allocation of \$300,000 for the 2020-2021 budget. The use of reserve funds requires the Board to provide notice to each property owner and to adopt a repayment schedule not to exceed twenty-four months. Pursuant to Revised Code of Washington 64.90.540, notice is hereby given that \$300,000 is being withdrawn from the Reserve Fund. The resulting deficiency in reserve funding on a per unit basis is \$438.72. The repayment plan will require the owner of each lot to pay a special assessment of \$18.28 per month for a period of 24 months beginning in January 2021.

We understand that there is never a good time to impose a special assessment or increase expenses. Unfortunately, the current water rates and homeowners' association assessments are not adequate to fund the necessary replacement of system components. The Board has no choice but to make these water system repairs and improvements to ensure an operable system and safe drinking water in our community.

We welcome your participation in the Annual Meeting on Saturday, December 5, 2020 at 10:00 AM. The Annual Meeting will be held electronically through Zoom. Should you have questions, please feel free to contact our Executive Secretary Caitlin Magee at the Scott Lake Maintenance Company office at (360) 352-4787.

Sincerely,

Ruth J. Elder, Treasurer
Board of Trustees
Scott Lake Maintenance Company

**Scott Lake Maintenance Company
Proposed Budget 2020-2021**

	Budget
Ordinary Income/Expense	
Income	
Assessment - Maintenance	69,902.00
Assessment - Water	138,521.00
Replacement Reserve Assessment	69,578.00
Water Meter New Customer (pass-through)	0.00
Community Center Rentals	110.00
Shelter Rental	0.00
Cell Phone Site & Tower Lease	22,000.00
Lease Property Income	400.00
Credit Card Payment User Fee	0.00
Boat Ramp Keys	640.00
Uncategorized Income	0.00
Total Income	301,151.00
Gross Profit	301,151.00
Expense	
Mileage Reimbursement	0.00
Insurance - Allocated	17,500.00
Licenses & Permits	1,000.00
Community Center Rental Refund	500.00
Miscellaneous Expense	3,000.00
Meetings & Seminars	0.00
Office Expenses	10,050.00
Payroll Expenses	79,500.00
Patrol	12,000.00
Professional Services	3,500.00
Repairs and Maintenance	55,000.00
Taxes	10,500.00
Utilities	39,700.00
Water Contract	67,000.00
Meter Read / Chlorine Test	6,500.00
Water Meter Installation Cost	0.00
Replacement Reserve Used	0.00
Total Expense	305,750.00
Net Ordinary Income	-4,599.00
Other Income/Expense	
Other Income	
Interest Income	7,500.00
Total Other Income	7,500.00
Total Other Income	7,500.00
Other Expense	
Reserve Allocations	300,000.00
Total Other Expense	300,000.00
Net Other Income	-292,500.00
Net Income	-297,099.00