

Final

High Lostine Owners' Association (HLOA)
Minutes of the Annual Meeting of Members
May 2, 2015

An annual meeting of the members of the HLOA was called to order by President, Malinda Schlatter, at the Presbyterian Church in Lostine, Oregon, at 9:15 a.m. on Saturday, May 2, 2015. The quorum requirement was met with 23 individuals, 18 memberships, and 22 lots represented in person or by proxy. (See attached sign-in sheet and proxies.) Malinda opened the meeting by welcoming one new member (Rick Welch) and one new renter (Billy Shirley), and extending a "thank you" to the many volunteers who have been carrying out the work of the association this past year. Members introduced themselves.

Association Reports

Secretary's Report

Nancy Clarke noted that for the first time email was used to distribute meeting materials to about half of the owners, saving the association a little money. Owners were requested to update their contact information. She called attention to documents that were not mailed: a Treasurer's Report, a Summary of Board Actions since the previous membership meeting, a water manager's report, fire hydrant painting work party instructions, CPR training opportunity, and fire fighting information.

Treasurer's Report

On behalf of Cheryl Oja, Treasurer, Malinda reported balances of \$5246.92 in the general account and \$1297.19 in the water account, and distributed the more detailed expense reports. Taxes are paid. We will have additional expenses for Tamarack Lane improvements this summer. Water Committee financial issues will be discussed later in the meeting.

Committee Reports

Water System Managers

Bobbie Bull provided the attached written report, noting that our water quality has been consistently free of coliforms, including the one extra coliform test that was required because of the August pipe break. She reminded everyone that we are five full-time residents and five water connections away from meeting the threshold for federal regulation. Water meters will be read after the annual meeting, and the figures will be used for calculating water bills that go to members in June.

Bobbie emphatically thanked all the members of the water committee for the extensive time they contribute to planning and maintaining the system. She also thanked George Oja and Roger Weishoff specifically for slogging through the snow to keep the telemetry system running when solar power wasn't sufficient, and thanked Gay Behnke and Mickey McClendon who take our quarterly samples. Bobbie encouraged members to take the Pendleton training course in

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small water systems. Everyone applauded Roger for finding the leak last summer, obviating the need for expensive diagnostics

High Lostine conditions, covenants and restrictions (CC&Rs) and Bylaws Revision Committee

Nancy Clarke circulated a diagram that shows the hierarchy of documents that govern home owners associations. She also briefly recapped the history of owners' efforts to revise the original (1995) High Lostine CC&Rs. The Committee met May 1st and is continuing to evaluate the previous committee's proposed changes that were completed in 2007 but not adopted. Those proposed changes are being kept, modified, augmented or jettisoned. Many of the changes are being simplified in the CC&Rs and the content incorporated into other supplemental documents such as bylaws rules, regulations and resolutions. The expectation is that making better use of these supplemental documents will allow greater flexibility when modifications are needed again in the future.

Anyone is welcome to join the committee, which will meet in the fall with the intention of having a proposal to bring to the membership next year.

Website

Fred Brockman gave an update on our web site, www.HighLostine.com . Documents for the annual meeting were posted on-line as were the two new water systems policies, the fee structures for water, and consolidated ACC documents. Minutes from today's annual meeting will be posted on the website following board approves in the fall. Fred reported the Lostine canyon history tour with Arnold Schaeffer and his sister Dorothy was a huge success. Video tape of the event may be available next year from the Josephy Center.

Fire:

Our website now has more information from the Oregon Department of Forestry (ODF) regarding fire. Roughly mid-October to mid-June burn piles are allowed if you have a water hose and a shovel. Restrictions are tighter during the summer and fires are completely prohibited in late summer and early fall. Additional restrictions apply to equipment that might spark (chainsaws and mowers) and for campfires. Specific dates and status are published in the newspaper or you can call ODF at 541-886-2881 for status. Burn barrels require a permit and a visit and instruction from the ODF. Members' stories emphasized the importance taking action if you see anything unexpected during a slash burn, even in snow. Someone who is negligent can be responsible for the cost of ODF activity and the fire's impact on neighbors. Owners are encouraged to purchase (and perhaps share) a wood chipper. Owners who have participated in the ODF fuel's reductions program need to reregister that they are compliant. Bobbie will get the information and Fred will put it on our web site.

The website has had over 1800 page views in the last two months.

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Architectural Control Committee (ACC)

Ron Polk reported that the ACC has consolidated all application and guidance documents and a single document is posted on the website. Applications are usually approved, or more information is requested, in three to four days. Four projects have been approved in the past year and three more are expected. Ron reminded owners that they need to get requests for water hook-ups submitted in time for us to acquire the meters, and that the county has permit requirements as well as the HLOA. He thanked committee members Kelly McDonald, Pete Morse, Mickey McClendon, and Sara Smith for doing a great job.

Weed Committee

Jim Dameron reminded owners that we have a noxious weed problem in our development that requires everyone to participate in eradication. It is an issue for ranchers, farmers and the wilderness in order to avoid monocrops. The county will pay 50% of the cost if owners use a certified weed-control person. Keith Naughton will be spraying HLOA easements and properties soon after June 1st and owners will receive a reminder and contact information. Non-chemical options are also available. The Board will be providing contact information for non-compliant owners to the county weed program.

Water System Committee (moved further down in the agenda)

Tamarack Lane Maintenance

Malinda Schlatter reported that part of the work has been completed and the project will be finished this summer.

New Business

Malinda Schlatter presented a document that lists the Board of Directors actions that have been taken since the May 3, 2014, annual membership meeting. The handout distributed at the meeting contained an error concerning water rates; a corrected version is attached to these minutes. This summary is not the official minutes, but helps to apprise members of the actions that have been taken on their behalf by the Board.

Election to Replace Expiring Terms on the Board of Directors

Directors Malinda Schlatter and Sandy McClendon were applauded and thanked for their dedicated contribution to the association. Neither wishes to serve another term. Kelly McDonald and Devon Dreith were elected unanimously to fill three-year terms on the Board of Directors.

Nominations for Committees/Officers from the Floor

Rick Welch volunteered to serve on the ACC. Kelly Coutant is resigning from the ACC. Dick Bull is resigning as chair of the water committee. The Board is responsible for appointing new chairs. All members are encouraged to volunteer.

Water System Committee

The water committee was requested at the 2014 annual meeting to review the status of the water system at the 2015 meeting. To address this request, the Water Committee gave four in-depth presentations to the members.

- Regarding previous rates and the methods for rate setting, key points were (1) funds raised by assessments have been almost entirely spent on operations and unanticipated repairs. (2) Consequently, we have not succeeded in generating a reserve fund for needed long-term upgrades and maintenance of the system. (3) The latest budget attempts to address these recurring problems by adding a line item for “unanticipated repairs”, a line item for reserve fund contribution and by shifting costs for installation of the improved meters to the specific owners acquiring them. (4) The 2015-2016 proposed assessment rates (consisting of a lot fee plus annual usage fee) that the committee recommended to the Board are one step above “bare bones.” (5) The budget projects that we will need seven years to reach a reserve fund of \$15,000.
- Regarding capital improvements, the committee emphasized that we have an aging (35 years old), poorly designed system that will continue needing repairs. As more people build homes the system will need enhancements such as a second water tank and a second well. We may also need a continuous disinfection chamber. All of these are quite expensive. Because of aquifer challenges, the second well may need to be drilled on property adjacent to the HLOA development.
- Regarding regulation, the Committee presented the implications of meeting the threshold that requires the water system to come under federal rules. With five additional full time residents, or five more connections, HLOA will incur considerably more costs, including for a paid part-time water manager.
- Regarding emergencies, the line break in August 2014, was a wake-up call that we could be in a situation without a functioning system for weeks. The committee outlined options that might be pursued in this situation.

Members had a lively discussion of all these issues (and more!). Alternatives for setting and increasing the assessments and mechanisms for creating and protecting a reserve fund were offered. Members indicated wide support for setting more aggressive targets for funding the water system, even though this means higher assessments. The Water Committee and Board will follow-up on this sentiment.

Action item for members: members should let the committee know if they wish to convert to a low-lead, remote-read water meter. Advantages to the home owner are earlier detection of leaks and less peanut debris when meters are read. It will also help our volunteer meter-readers. Expect to pay about \$200 for the conversion.

Other new business to be brought before the owners

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None

Instructions were given for work parties, including clearing brush for the new electrical line, reading water meters, flushing hydrants, and painting hydrants. The potluck will be held this evening at Malinda Schlatter's home at 5:30.

Adjournment

The meeting adjourned at 12:15 p.m.

Respectfully submitted,

Nancy Clarke, Secretary effective May 7, 2011

Attachments:

Board Actions Summary (revised)

Treasurers Report

Water Managers Report

Water Committee Reports (4) and Fire Fighting Document