

High Lostine Owners' Association (HLOA)  
Minutes of the Annual Meeting of Members  
April 30, 2016

The annual meeting of the members of the HLOA was called to order by President Ron Polk at the Presbyterian Church in Lostine, Oregon, at 1:05 p.m. on Saturday, April 30, 2016. The quorum requirement was met with 28 individuals, 17 memberships, and 22 lots represented in person or by proxy. (See attached sign-in sheet and proxies.) Ron opened the meeting by extending a "thank you" to the many volunteers who have been carrying out the work of the association this past year. He introduced the Board and officers. Members introduced themselves.

## **Association Reports**

### Secretary's Report

Nancy Clarke indicated the association has no new members this year. This is the highest number of individuals ever attending an annual meeting. She requested that owners update their contact information on the appropriate sheet, especially email addresses because this saves the Association mailing costs. She called attention to documents that were previously mailed to all members: annual meeting notice, agenda, previous meeting's minutes, proxy form, substandard pipe letter, water manager report, and water committee report. Additional items available today include: a revised water committee report, summary of board actions since the last annual meeting, map of the High Lostine subdivision, current address and contact list, and the annual financial report.

### Treasurer's Reports

Cheryl Oja distributed the annual report indicating balances of \$3931 in the general account and \$2651 in the water account. A second report shows how money has been spent over the past year. In response to questions Cheryl indicated that the item "Plastic Mart" was for an emergency water tank, and "USA BlueBook" is the purchase of water meters. We will have additional expenses for the year of \$976 and additional bills for snow and road maintenance. She urged members to pay their assessments promptly so that we can avoid a cash flow problem. Ron urged members to read the reports carefully so that everyone understands the sources of the association's income, the items purchased and areas where funds are spent and why assessments are needed.

## **Committee Reports**

### Water Committee

Ron introduced the committee report by providing the results from the ballot that was mailed to all members in February. The purpose of the ballot was to request approval to remove the maximum limits on our association's water assessment amounts. The action was taken in order to obtain sufficient funds for the long-term maintenance and development of the HLOA's water system, and is consistent with the sentiment expressed by members at last year's membership meeting. The CC&Rs require that 65% of all affected owners must approve the ballot. (Owners of multiple lots are allowed a single vote.) This meant that for the ballot to pass a minimum of 21 "yes" votes was needed. The ballot passed with 28 owners returning a ballot and 82% (23 ballots) voting "yes".

New Water Committee Chair Fred Brockman reported that the committee has met six times this year. Fred and committee members George Oja, Roger Weishoff, and Mickey McClendon briefly reminisced regarding Dick Bull's preceding 12 years as chair of the water committee. Dick's leadership was recognized and applauded for all the progress we have made in upgrading our system (saving the tank, installing telemetry to the pump and installing meters.)

Owners Responsibility. Fred highlighted the "pink sheet" distributed and mailed to owners regarding the "substandard pipe" problem. Because of the fragility of many pipes, members should not open their meter boxes unless a committee member is involved. If a repair is needed (on the owner's side of the box) the committee can provide important information that will make the repair more successful for both the owner and the association's system. The committee highly recommends that owners, especially part-time/seasonal owners, install a shut off valve between the meter and their house, and keep the committee apprised of where these are located in the event of fire, contamination, etc. The valves in the

meter box must not be used for seasonal water shut off as there is substantial risk of breakage, water loss and the need for expensive repairs.

Past expenses. Fred reviewed highlights of the revised report and encouraged members to read it thoroughly. This mechanism—open transparency at the annual meeting—is how the Board and Water Committee are accountable to the membership for the use of their water system assessment funds. If homeowners have any questions, Fred is available to clarify these issues.

Fred explained that the committee tracks expenses by project and approved budget, which means that the amounts may vary slightly from the Treasurer's reports which are based on cash flow. The two approaches are reconciled twice per year. When the budget was set in 2015 the Association hoped to have a year-end balance of \$2000 to contribute to a reserve fund. We are close at \$1561. He explained that the difference resulted from underestimating the actual costs of the voluntary meter upgrades that were completed this past year. The affected owners voluntarily paid for one-half of the shortfall and the Association paid for the remainder.

Expected expenses. For 2016-2017 the Board has approved a water budget of \$12,700. This will pay for two upgrades: installing an underground electrical line to the reservoir (to establish a reliable connection of the water pump to the reservoir) and installing flushing hydrants on the east legs of the system (to decrease the risk of contamination of the water system). The electrical line is badly needed because our volunteers are making numerous treks through snow to keep the system functioning; a detailed explanation is available on the HLOA website.

The budget also includes \$1500 for unanticipated repairs. The Board hopes that the just approved special assessments and future budgets will contribute \$3000-5000 per year for each of the next ten years into a capital/reserve account.

Planning. The Oregon Association of Water Utilities has been providing highly valuable consultation on priorities for our system. They will be returning for a site visit and full report soon. A second well and a second tank are high priorities. We also must anticipate coming under stricter federal regulations as the Association grows. The ballot that just passed gives the committee and the board the ability to set the rates so that we can prepare for these big capital expenses.

In response to questions Fred clarified that the base rate and the use rate have been set so that the average full-time resident pays approximately twice as much as a non-user. He clarified that the Association owns the meters even though the owner pays for it. (This is how most utilities work.)

#### Water System Manager

Bobbie Bull reported that "Liaisons to the State" would be a better title than "Manager". She and Gaye Behnke have been trained to collect and submit water samples to test for coliform bacteria, such as E.coli. All quarterly reports were good this year.) The Water Managers also keep the registry of the number of HLOA water connections, which determines when we will switch from state to federal regulations. Bobbie and Gaye strongly encourage some new owners to get trained and become back-ups for this important function.

Bobbie emphatically thanked all the members of the water committee for the extensive time they contribute to planning and maintaining the system

#### **Guest Speakers**

Board members invited representatives of the US Forest Service to give a presentation about the pending "Lostine Corridor Safety Project" because it may affect our development. Sitka Pence introduced herself as Environmental Coordinator, and Michael McGraw as an intern. She distributed a "Facts and Questions" and discussed the project. Highlights:

- This is a proposed "project" not a "plan". The agency is eager to get these types of projects put on a fast track and completed.

- This canyon was identified as a public safety need by the Wallowa County Natural Resources Committee and Wallowa Resources because of its unique resources that would be devastated by fire.
- Work will remove hazard trees in campgrounds and along the roads while maintaining large trees and forest aesthetics.
- USFS will create two-acre “Swiss cheese” pockets of low density vegetation that can be used as spots to get ahead of fire.
- They will thin (9” or smaller) mostly lodgepole trees using stewardship contracts that trade wood for work.
- High priority will be areas next to private land. HLOA private landowners that butt up against national forest will be affected.
- Cut timber from this will get used to generate pulp.
- USFS is reviewing the no-firewood policy that is proposed. A decision still needs further review because of issues of safety and the narrow road through the canyon.
- The project and timeline are not yet finalized. The agency has received many positive responses and is working to identify solutions regarding the negatives. Challenges include regulations regarding the Endangered Species Act; bull trout and two salmon species are relevant. They hope the work will be conducted this winter; “ground proofing” is underway. They hope to conduct land surveys to check boundaries this summer, though this is dependent on the BLM speeding up their normal process.

Owners clarified that HLOA has four lots that share a Forest Service border that will be affected. All owners would like to be kept informed since this will affect traffic and access. The link for more information is: <http://www.fs.usda.gov/detail/wallowa-whitman/news-events/?cid=FSEPRD490761>

## **More Committee Reports**

### High Lostine (CC&Rs) and Bylaws Revision

Nancy Clarke reported that she, Ron and Fred have been working on what is being called “The Companion Document.” This is an attempt to consolidate everything that our board and committees have done in the last 20 years to implement, and possibly change, the HLOA’s CC&Rs (conditions, covenants and restrictions.) It puts policies and procedures that we have adopted over the years into one document, and adds call-out boxes that capture ideas that were generated by the CC&R revision committee, but have not been adopted. The good news is:

- This makes it much easier to know where we are, that is, what is officially adopted vs. what committee recommendations are still pending.
- It shows that much of the ideas that were proposed as CC&R changes are already incorporated, or can easily be incorporated, as policies or by-laws without the expense and complexity of CC&R changes.
- This consolidation will make it easier to turn this effort over to a next generation of members who want to work on the task.

The bad news is: it has become very long. We are exploring ways to make the document more useful, such as with text hyper-links, indexes or summaries.

The first draft is almost done. The different format of the old ACC section still needs to be reconciled and integrated with the newer material. When completed we will send an announcement and post the document on the website, along with instructions for providing feedback. Next steps will be based on how members respond. Based on that feedback we will see where to go.

### Architectural Control Committee (ACC)

Rick Welch reported that five owners submitted six applications, all of which were approved. These include a small shower room, a garage studio, home additions, and two complete homes. He thanked Pete Morse, Sara Smith and Ron Polk for serving on the committee.

### Weed Committee

Jim Dameron reminded owners that it is growing season, and owners need to be diligent about eradicating official “noxious” weeds. The county program continues to pay 50% of the cost if owners use a certified weed-

control person. Keith Naughton is the firm hired by the HLOA to manage our easements and properties. Owner Joel Roth reports experimenting with a weevil that eats only knapweed, and Rick Welch reports success with biological controls for star thistle and knapweed in another location. They can both supply contact information to interested homeowners.

#### Tamarack Lane Maintenance

Ron reported that this year we replaced our volunteer snow removal brigade by hiring Jones Excavating. Fred Brockman was deputized to authorize when to plow, and the bill for the season was just under \$1000 dollars. Though this worked well it was only feasible for Terry Jones because he already had equipment up here for other purposes, and this may be a challenge in the future. Ron reported contacting a county supervisor for road plowing but had limited success, as we are just one of many non-county roads needing service. The Board is currently exploring other options including trucks that are fitted with front plow blades.

#### Website

Fred Brockman gave an update on our web site, [www.HighLostine.com](http://www.HighLostine.com). Many documents have been added including items for this meeting, the "Conflict Resolution Policy", minutes and summaries from the last meeting, an electronic newsletter and new policies regarding water. The minutes from today's annual meeting will be posted on the website following board approval in the fall. The home page has a "New Content" headline, so members are encouraged to check-in from time to time. Members reported great satisfaction with all the work Fred does to keep this functioning.

#### **New Business**

##### Notification of Board actions after May 2, 2015

Ron directed members to the document that summarizes actions that the Board of Directors has taken since the May 2, 2015, annual membership meeting. 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. He is happy to provide more detail to anyone interested. Members thanked Ron for the great electronic newsletter he distributed.

##### Election to Replace One Expiring Term on the Board of Directors

Sara Smith's three-year term on the Board of Directors has expired. She expressed interest in serving again. Karen Shelstad also expressed interest in serving. By secret ballot Sara was reelected.

##### Nominations for Committees/Officers from the Floor

Matt Walker agreed to serve on the Water Committee to the extent he can do this part-time. All members are encouraged to volunteer. Officers will be elected by the Board after this meeting.

##### Other new business to be brought before the owners

None

The potluck will be held this evening at the Oja's home at 5:30.

#### **Adjournment**

The meeting adjourned at 3:00 p.m.

Respectfully submitted,

Nancy Clarke, Secretary effective May 7, 2011

#### **Attachments:**

Treasurers Report  
Water Committee Report  
Water Managers Report  
Board Actions Summary  
Substandard Pipe Letter to Owners