

High Lostine Owners' Association (HLOA)
Minutes of the Annual Meeting of Members
May 4, 2019

The annual meeting of the members of the HLOA was called to order by President Sara Smith at the South Fork Grange, 317 Rosewell Street, Lostine, Oregon, at 1:10 p.m. on Saturday, May 4, 2019. The quorum requirement was met with 25 people in attendance, representing 16 of 32 memberships and 22 of 37 lots. One additional lot/membership was represented by proxy. (See attached sign-in sheet and proxies.) Attendees introduced themselves, including four new owners (two lots) and one renter.

Association Officer Reports

Secretary's Report

Nancy Clarke identified the materials that were distributed by mail and on site. She requested that owners update their contact information on the appropriate sheet, especially email addresses because this saves the Association mailing costs. Minutes from this meeting will be available on the website after the fall Board meeting.

Treasurer's Report

New Treasurer Terry Polk thanked previous treasurer Cheryl Oja for her many years of excellent service, noting that stamps were 26 cents at the beginning of Cheryl's tenure. The association's two bank accounts have been moved to the Bank of Eastern Oregon in Enterprise. She distributed tables of income and expenditures, and discussed the general assessment account. Current balances are \$10,834 in the general fund and \$19,566* in the water account. General fund expenditures are very similar to prior years with the addition of directors and officers/liability insurance. Water expenditures are addressed below. Members thanked both Cheryl and Terry for their contributions to the association. (*includes \$5000 donation made in April 2019.)

Committee Reports

Architectural Control Committee (ACC)

Rick Welch reported the committee has approved three applications since the last annual meeting: a garage, a shed and new siding for a building. The committee has been wrestling with new government regulations regarding building in wildfire risk areas, see discussion below. Rick reminded everyone that ACC approval is required for all improvements on property, and procedures are available on the HLOA website.

Website www.HighLostine.com

New webmaster Jim Dameron reported that the old dog did learn a new trick. The website has been moved to a new platform, significantly redesigned and now costs less than the old one. User data indicates 102 unique visitors, including three from China. He welcomes input from members regarding improvements. Members report finding the website useful, including for this meeting.

Weed Committee

Jim Dameron distributed a guide written specifically for our development with input from multiple local experts. Six noxious weeds are particularly important to control because we are an interface to the wilderness in the heart of an agricultural setting:

- Spotted knapweed
- Cheatgrass
- Canada thistle
- Meadow hawkweed
- Houndstongue
- Sulfur cinquefoil

The guide provides information on identification, control, resources and programs that will financially reimburse property owners for treatment. He emphasized that reseeding and sustained action over several years is especially important after land is disturbed for construction or thinning. The HLOA will be taking significant action, including reseeding with native plants, around the water tank where trees were removed this past year.

The HLOA uses Heath Naughton 541-263-2965 for weed treatment on our commonly-held lots and easements. The report is on the website and will be mailed to absentee owners.

Fire Preparedness Committee

Ron Polk reported that our expert and committee chair Gary Willis is now providing leadership to the Firewise program for the whole Lostine canyon. Therefore Ron is now the liaison for our association. HLOA members are encouraged to join the voluntary effort, including the educational potluck on May 5. Recent activities that are particularly important include:

- Evacuation planning, including bridge management, in the event of a fire under different scenarios.
- Home/lot assessments. Interested home owners can contact Gary at 541-490-1150 to schedule one.
- Action plans to help with mitigation.
- Funding to help individuals with private lot treatments.
- Insurance is getting harder to acquire in our Class 10 area. State Farm is still a possibility and this company is cooperating with Firewise. Getting an evaluation can get you a reduction in rates.

Ron reported that the association is seeking funding to help with thinning in the 35 acre common lot on the west side of development. Owners of lots along the west border are encouraged to talk to Ron about the issue.

CC&Rs and Bylaws Revision

Bobbie Bull provided a brief history of the HLOA Covenants, Conditions and Restrictions (CC&Rs) and the "*Companion Document*", which makes them more functional. Progress continues on adopting policies that the previous committee recommended for resolution and possible action.

The Board has previously adopted interpretations of Section 10.2 regarding "residential use" that describe owners' responsibilities when they rent out their property to non-owners. As we have learned recently it would be impossible to conduct our safety responsibilities if we have frequently changing transient people. The county has acknowledged that it is not enforcing its own restrictions on short-term rentals (30 day minimum, owner on site, license) because of staffing shortages. Therefore the Board has adopted additional language interpreting 10.2 to include:

- limiting rentals to long-term rentals of at least three months duration,
- restricting owners to no more than one rental at any given time,
- adding the HLOA Board and officers to the list of people who must be provided notification and contact information for all renters by owners who rent their property.

The committee is currently researching how the county regulates ancillary structures and will next make recommendations for interpretations of Section 10.5.6 following county changes. Members asked for clarification regarding camping structures; the current CC&Rs allow these for one year during construction. The committee will consider alternatives. An updated Companion Document will be posted on the website this summer.

Water System Liaisons

Bobbie reported our water samples have had all negative results this year (negative= nothing bad detected). The committee read the meters last month and bills will go out in the next week or so. Bobbie and owners thanked the Water Committee members for all the work they do to keep our system running.

Water Committee

Fred thanked committee members Dick Bull, Rick Welch, George Oja and Matt Walker for their hard work this year. He distributed multiple reports and highlighted the following information.

- Water Balances and Expenditures. The water account is allocated and tracked in three different budget categories, with the following balances:

Operating budget	\$ 1,486
Emergency repairs reserve	\$ 5,592
Capital reserve	\$ 7,490
Total	\$14,568

Most of the planned improvements were completed, but in order to stay within budget the committee deferred one project. This was a difficult year in terms of leaks and repairs: 5 leaks. Only one was on the community portion of the line. Although this means the affected owners are responsible for the expense of repairs, the volunteers expend enormous effort locating the leaks and managing chlorination to bring the system back into service. It also means that all home owners are affected by significant breaks in service during this process. The HLOA has received two anonymous donations of \$5000 each, one in 2017 and one in 2018. One was used for an emergency to buy a new pump and drop pipe.

- Changes in the Well. Experience with 11 leaks in the past two years, totaling 1.5 million gallons, has revealed that we have two sources of water inside our well. When we go to the deeper level the water has lower quality in terms of smell and taste. In order to detect these leaks sooner we need better telemetry equipment, which is included in next year's budget. At the committee's urging the Board has also adopted a policy that the association will turn off water to property that has a leak.
- Spending and Operating Budget. The board approved the committee's request for an operating budget of \$15,380, a capital reserve contribution of \$9,270, and use of the remaining donations, for a total of \$25,600. The committee plans 11 activities. All owners with connections to the system are now required to install above ground, lead free meters at their own expense.
- Water Assessment Rates. The Board decided that the water system lot assessment will go up this year to \$410 per lot (from \$375). Use rate is unchanged at \$10 per 1000 gallons.
- Intersection of Fire Response and Water System. The Firewise program is urging people to install sprinklers that can be pre-staged by the owner for activation by ODF if needed. If these are fed by the community system then it is essential that they are appropriately sized and positioned so that they do not drain the entire water tank. Owners who want to pursue this should talk to Gary Willis for advice on sprinklers. Owners can also install sprinklers that use their own water source; the ACC will regulate visual issues for above ground tanks. The HLOA continues to consider a second tank, but balks at the projected cost of about \$75,000.

New county building codes (Article 25) require new construction to meet the Firewise program standards. This includes lot preparation to reduce fuel load near structures. This conflicts with our CC&Rs which prohibit cutting trees greater than 6" diameter without approval. In response the ACC will attempt to come up with guidance about how to achieve code standards while preserving some level of forest habitat. Fred distributed additional information and directed owners to our website for procedures regarding managed fires and Oregon Department of Forestry alerts.

- Planning and Management. The committee has revised the *Operations and Management Manual* to incorporate things we learn about our system from experts and experience. Fred distributed a summary of the very important *HLOA Water System Thirty-year Plan*, with the full report available on the website. This planning is both legally required and the responsible way to preserve our shared asset and the value of our properties. It provides a good history and description of the system, and informs owners how the money is assessed and managed. A lot of work went into predicting what the long-term costs of the system will be, for both operations and capital improvement projects (>\$10,000). The implications are very important now for how rapidly the association should acquire necessary funds through assessments for the long-term expenses.
- Water Assessments. One implication of the thorough planning is the agreement that the contribution to the capital fund needs to increase from \$7,000 to \$9,000 per year for large long-term improvements. Operating costs are going to go up as well for professional services. Fred explained that very soon the HLOA will need paid staff because the workload has become too great to rely on volunteers. Therefore our water rates are higher and likely to continue in this vein for the long term.

The Board approved the 2019-2020 assessment. The base assessment rate is increasing to \$410 per lot and the use rate remains the same at \$10 per 1000 gallon.

- Discussion. Owners had questions regarding why leaks on individual lots were causing everyone to be without water. They requested guidance regarding how individuals can reduce the risk of leaks that drain the entire system. Fred explained why improved telemetry to catch leaks quickly was a better option than replacing the entire system. He and the committee will explore more guidance for individual owners.

Owners applauded and praised the committee's hard work, especially all the slogging in the snow required this winter.

New Business

Notification of Board actions after April 30, 2016

Sara directed members to the document that summarizes actions that the Board of Directors has taken since the last report was given to the owners. 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. She is happy to provide more detail to anyone interested.

Election to Replace One Expiring Term on the Board of Directors

After thanking all directors on the Board for their service this past year Sara stated her term is completed, and she is giving someone new a chance to serve. She had queried a number of people and found Bobbie Bull is willing to serve. After a request for additional nominations from the floor failed to elicit additional volunteers, the membership unanimously elected Bobbie to serve a three-year term.

Nominations for Committees/Officers from the Floor

All members are encouraged to volunteer for officer positions and committee work. The Board will meet immediately after this meeting to elect officers.

Other new business to be brought before the owners

None

The potluck will be held this evening at Ron and Terry Polk's home at 5:30.

Adjournment

The meeting adjourned at 3:28 p.m.

Respectfully submitted,



Nancy Clarke, Secretary effective May 7, 2011

Attachments:

Treasurers Report
Weed Committee Report
Water Liaison Report
CC&R Committee Report
Water Committee Reports
Board Actions Summary
List of Owners & Map