

BEVERLY BEACH IMPROVEMENT CLUB MINUTES OF THE ANNUAL MEETING JULY 30, 2011

The meeting was called to order by President Fred Marshall at 10:00 a.m. at the Bayview Senior Center. Fred welcomed everyone and then introduced the current Board of Trustees: Vice-President Joel Wight, Secretary Ron Buzard, Treasurer Maureen Horn; Trustees Dianne Shiner, David Demorest, and Jim Lightner (in absentia); and new owners Chris Amrhein and Debbie Johnson. Fred also thanked David Demorest for his term of service on the Board, especially for his extensive work on the rate structure project. David is willing to continue as our webmaster. Thanks also to Donna Eines and Ray Owen for helping with registration for the meeting.

Secretary Ron Buzard then moved that the minutes of the 2010 annual meeting be approved as written; motion was seconded and approved unanimously.

Treasurer Maureen Horn distributed unaudited copies of the current Balance Sheet and Profit and Loss Statement and responded to questions. It was requested that next year's statements clearly reflect the management of specific funds that might be established at this meeting.

Change in Water System Management

Fred announced a change in the management of our water system and introduced Joe Waldrup as our new contracted Manager, effective August 1, 2011. Joe spoke briefly about compliance, procedures (demonstrating a new operations manual), and conservation. As the current President of the Whidbey Island Water Systems Association, Joe confirmed the strength of the BB association. Joe clarified that any member noting a problem in the system should first report the problem to either Ron or Fred who will in turn be the ones to contact him.

Ron Buzard further clarified that the decision to change managers was based on the Board's desire to have contracted management services, rather than an employee as in the past. Ron expressed appreciation for Sue Wicklund's years of service, and confidence in the new relationship with Joe.

Ron also encouraged conservation, and an instruction sheet for Turning Off Water When Away (prepared by David Demorest) was distributed and will be mailed to all members. To help prevent unobserved leakage, **all members are encouraged to shut off their water at the meter when planning to be away for more than 2 days.**

Rate Structure Recommendations

Joel Wight and Dianne Shiner presented the background and details behind the recommendations for a new rate structure as follows:

- 1. That the Annual Membership Dues continue to be billed annually at \$60,**
- 2. That a Capital Reserve fee of \$240/yr be annually assessed of all owners per each paid hookup,**
- 3. That all connected owners be billed a base operating rate of \$200/yr.**
- 4. That usage in excess of 5000 gal/month be assessed at our estimated cost to produce, currently \$.0108,**
- 5. That the fixed fees (dues, capital, and base operating) be billed annually and may be paid annually or biannually (by Sept 30, and Jan 31), and**
- 6. That overage usage will be computed monthly and billed quarterly, and will begin with the second quarter of this fiscal year (Nov 2011-Jan 2012) to allow time for a metered billing system to be created and tested.**

7. That an evaluative report will be provided to the membership by the Board after 11 months of usage of the new rate structure.

Extensive discussion included the need to clarify the basis and the numbers (stated as 143) for paying membership dues. It was recalled that a previous vote of the membership had established that dues be on the basis of the number of owners, rather than on the number of lots owned, but 2 people noted an inconsistency which will be corrected and clarified by the Board. It was confirmed that 165 hookups are currently allowed to BB by the State (120 are now purchased). It was further clarified that the Board, at this time, has decided not to bill for excess use caused by confirmed leaks (but will bill for waste caused by negligence such as leaving a hose running).

A variety of concerns were expressed that included the assessed value of our vacant lot, the 5,000 gal/month base level, tiered rates for excess use, the need for a fixed base rate, ideas for conservation, and the desire for future hookups to include the accumulation of capital reserve assessments. Numerous amendments were proposed to the recommendations, but all failed to gain enough votes for passage. The Board was asked to take the concern about future hookups under consideration and return with a recommendation for next year. Appreciation was expressed to all who have worked for so long on this proposal, and for the opportunity to examine its effectiveness in the evaluative report next year.

The proposal was approved by 63 YES votes. There were 13 opposed, and 6 of the 44 votes cast by written ballot were uncommitted. The written ballots are included in the overall vote count of 82 votes.

Dianne clarified that a separate Capital Reserve account will be established for the new assessment. The Board has decided to seed the Capital Reserve with \$35,000 of our existing Savings account. \$15,000 will remain in Savings to act as a Contingency/Operating reserve for emergencies and to insure cash flow. Maureen noted that the upcoming billing cycle will clearly identify the fixed assessments on the statements.

Nomination and Election of Officers and Trustees

President Fred introduced Jean Summers as recommended by the nominating committee for the vacated Trustee position. He also invited nominations from the floor. There being none, it was moved, seconded, and approved to accept the slate as proposed. There were 2 write-in nominations for Sally Bigger. The 2011-12 Board of Trustees is as follows:

President – Fred Marshall	Trustee – Ron Buzard
Vice President – Joel Wight	Trustee - Jim Lightner
Secretary - Dianne Shiner	Trustee – Jean Summers
Treasurer - Maureen Horn	

Meeting adjourned at 12:10 p.m.

Respectfully submitted,
Dianne Shiner, Secretary