

**SEMIAHMOO RESORT ASSOCIATION (SRA)
BOARD OF DIRECTORS
ONLINE MEETING
July 16, 2020**

CALL TO ORDER: The meeting was called to order at 6:00 pm.

CONFIRMATION OF QUORUM: Nine of the board members were present via Zoom, therefore a quorum was established. Those present: Alec Berkman, Carole Gaasch, Julia Green, Paul Greenough, Michael Hayden, Bill McNally, Patricia Oliveros, Jennifer Plombon, and David Ullis. Wally Greenough was also in attendance as ASC Liaison.

Absent: Nicole Newton

Staff In Attendance: Debbie Smith, SRA Executive Director and Lori Thorne, Administrative Assistant and Note taker, and Ken Johns, Construction Compliance Consultant.

Guests Observers: SRA Members: Jane Moore, Paul Atchison, Joel Green and Mike Klause attended until 8:34 pm.

Jasvir Gill and Simryn Gill attended from 8:34 pm until 8:44 pm.

SRA Board President Alec Berkman reviewed the Guidelines for the Online meeting.

Alec asked that all board members review the Strategic Process and Plan Report from 2019 and identify areas where the SRA board may be off track and areas where the board is on track and should proceed. He remarked that many things have been impacted by the Covid 19 Pandemic.

MEETING MINUTES: The June 18, 2020 minutes were approved as distributed.

COMMITTEE REPORTS AND RECOMMENDATIONS:

1. **ASC, Wally Greenough:** Wally reviewed the topics below:

- The ASC Meeting Minutes dated June 11, and June 25, 2020 were noted.
- Unauthorized remodels have taken place resulting in dramatic changes to home exteriors without submitting for ASC Approval. The ASC is in communication with homeowners who are in violation. The ASC is aware of these instances because either an ASC member, a board member or a neighbor reported.
- Ongoing changes to Standards for Home Construction are being considered, notably a requirement to include a 3-D rendering along with building plans with new home construction submittals. The language for antenna screening was added as approved by ASC and board members who are also HAM Radio operators.
- The ASC is considering ways of managing construction timelines being included in the standards

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- Ensuring that water mitigation and retaining walls are sufficient for homes is a priority. The Maintenance Committee is also involved with the discussions as it effects stormwater management which the SRA is responsible for.
 - Unauthorized use and subsequent damage to neighbor's property by the owner of a lot under construction has taken place and the ASC is working to resolve the issue.
 - The Developer of Pacific Point (the third Marin Building) showed ASC members around the property. There has been a slight moderation to the colors previously submitted but it is essentially unnoticeable. The ASC is still concerned about the staircase, its location, its appearance, and how it will be screened. The City of Blaine required the staircase to be moved for reasons of fire safety. The ASC members supported screening the stairs with landscaping, perhaps large trees. Representatives from the neighboring condo association concurred with the opinion of the ASC members present. A letter will be drafted confirming that the ASC and Pacific Point have shared objectives.
 - An ASC report to The Community Courier newsletter has been submitted.
 - In follow up to last month's meeting, Debbie reported that staff could notify entire neighborhoods, such as St. Andrews Green I and II, or Boundary Ridge I & II, of New Home Construction Submissions. It would be restricted to just that specific neighborhood. It could also be done on a case by case basis, deciding how many people should be notified. This is still under discussion.
 - In response to a question, Wally said that currently about two thirds of home submissions come with some type of rendering with the plan.
 - In response to a question, Wally reported that the ASC is trying to establish language that requires paint color submissions to be of "medium muted earth tones" as opposed to just muted earth tones. The current home trends have resulted in some new submissions being primarily of very dark colors, which may be a tone found on earth, but not necessarily in harmony with the neighborhood or surrounding homes.
2. **Communications Committee, David Ulis:**
- In follow up to a letter from a homeowner asking that there be a mechanism for members to distribute emails to other members without board intervention, it was considered and the committee felt it would be an inappropriate use of the member's email addresses. A letter will be sent to the homeowner that the SRA will not proceed with that. A discussion about maintaining the current policy of not sharing member's email addresses except in instances that the request comes from a Neighborhood HOA (NHOA) that is established with a fully functioning board with elected officials, was tabled. Jennifer mentioned that currently if a NHOA requests that SRA administrative staff sends an email (blind copy) on their behalf, that is done for them.

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Alec said that the SRA should also include in the future discussion a set criteria that would be required for a NHOA to be granted a request for email addresses to be provided.

- Alec brought up the topic of “Welcome Wagon” packages. This is the practice of bestowing new homeowners with boxes, binder or basket with small treats and information regarding the SRA that describes their rights and responsibilities as members of their NHOA and informs new homeowners of the level of activity of their respective NHOA. This item overlaps with multiple sub committees of the SRA: Governance, Communications, and the Community Social Committee. A discussion took place of how that information should be structured. Michael remarked that the new Washington State Statute regarding HOAs that the SRA has not adopted does have a very thorough list of what should be provided to new homeowners, and he recommended that the list be guidance for what to include. He does not recommend adopting the statute but using it just as an example.
- David recommended that all the board members pick up a copy of a book on HOA laws that is available at the SRA office. It includes a section on the Washington State statute for HOAs. It is informative for board members.

3. **Environmental Committee, Jennifer Plombon:** Jennifer reported that Stan Monks has joined the Environmental Committee.

- She shared a report on the difficulties of an HOA enforcing a noise reduction for yard maintenance equipment or setting and enforcing decibel limits. Any new rule will have an impact on local businesses that provide services. Bill would like to join the discussion with the Environmental Committee, and to investigate ways to increase peace and quiet within Semiahmoo. He finds that there is adequate justification for tackling the challenges involved. Several board members suggested ways to gauge community interest in this objective. Alec mentioned that most of the noise made is by the golf course early in the morning and that the SRA has no jurisdiction over them. An ad hoc committee will be formed to discuss the feasibility of enforcing noise reduction measures.
- Overzealous clearing of lots or scalping of the lots past the ten-foot buffer is occurring and these owners need to be identified and contacted about their undeveloped lots.
- Garage, Estate or Moving Sales in Semiahmoo were discussed. Perhaps scheduling one weekend a year that owners within Semiahmoo could sell items only to other SRA members. It is currently a Community Rule that there are no sales. The board has the right to change Community Rules. Board members suggested an exception

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for estate sales, for special cases like a death or moving into a care facility. So perhaps wording that allows estate sales, as these events happen sporadically. This topic will be refined into a proposal by Jennifer and other interested board members.

4. Finance, Julia Green:

- **Financial Report:** Debbie presented preliminary June financial statements (Profit & Loss Budget vs. Actual, Profit & Loss by Class, Balance Sheet, Cash Fund Balances and Certificate of Deposit (CD) Schedule). The report was preliminary due to the fact that the 2019 year-end Financial Review is currently underway.

Treasurers Report: Julia reviewed the Paycheck Protection Plan Loan (PPP). It is meant to cover a business's payroll, mortgage interest and utilities. It is intended to be paid back with a one percent interest rate over five years, and if the applicant fulfills certain requirements, which have seen changes already, the loan could be forgiven. For those who qualify, it is a nice deal. It requires certain statements to be certified to be correct and state that you are willing to take on that liability. Julia advised the board that the SRA does not qualify as the SRA cannot certify that the current economic uncertainty makes this loan necessary for the ongoing operations of the business. There has been some concern over whether the SRA would be impacted by the Covid-19 pandemic and if there would be members who were financially impacted and unable to pay their dues assessments. Currently there does not seem to be a revenue issue. Julia reviewed alternate options to deal with a cashflow issue. Borrowing from the reserves is an option. Utilizing the line of credit is an option, although that option comes with a five percent interest rate. A special assessment is an option as well, though the least desirable option. Julia advised the board that applying for the PPP would be negligent and would require that the board make false statements, and the repercussions could be detrimental to the community and to board members. She listed the repercussions that the board and the community could face if an audit found that the SRA applied for the loan and was later found to have made fraudulent claims. She reviewed another option that she is in favor of. There is the Employee Retention Credit. This could provide the SRA with approximately \$23,000 of unreserved cash that is not designated where it can be used. It is a reduction on the payroll tax. A motion was made to approve to apply for the payroll tax credit. Julia also stated that you can do either the PPP or the Payroll Tax Credit.

- Alec rebutted Julia's statements. He believed that further exploration should be done. He feels that there are legitimate justifications for the SRA to apply for the PPP and that the option should be investigated further. He recommended seeking legal and financial advice from outside the SRA. David and Alec both shared that at the recent symposium put on by the Community Associations Institute they talked to banks that

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specialize in working with HOAs and they reported that other HOAs were applying and getting approved and they would like to continue communicating with both those financial institutions and also lawyers who specialize in HOA law.

In response to a question, Julia informed the board that the last day to apply for the PPP loan would be August 8, 2020, which is before most dues payments will be made (the direct debit draw takes place on the due date which is August 10, 2020). The Payroll Tax Credit would be done whenever the Tax Form 941 is filed.

An amendment was made to the original motion to explore the viability of the PPP Loan, and if after the analysis it is determined that it is really not appropriate for the SRA or there is legal jeopardy then the SRA would move forward with the Payroll Tax Credit. After a discussion, a roll call vote was made:

Jennifer, Julia, and Paul were opposed. Carole, Alec, David, Michael, Patricia, and Bill were in favor, so the amended motion was adopted. Julia and David will arrange to meet with an HOA Specialty bank and an HOA Specialist attorney.

5. **Governance, Mike Hayden:** Mike reviewed the recent meeting held by the Fines and Enforcement Committee. They are in the process of reviewing the CC&Rs and will be recommending changes to the Enforcement Policy and the CC&Rs Articles X, XI and XII. The goal is to reduce the number of appeals and speed up the process. The State Statute requirement is only that members in violation are notified and have an opportunity to be heard. Moving forward the Enforcement Committee could direct which entity of the SRA is most appropriate to discuss a violation, either the ASC, the Enforcement Committee or the SRA Board of Directors. He also discussed the following:

- The Governors proclamation against fining a homeowner has been extended and may be extended yet again. A homeowner can be notified they are in violation, and they may be fined later. The CC&Rs give the board up to a year to assess a fine.
- David is reviewing CC&Rs, plats, amendments, and conveyances relative to those documents for Neighborhood HOAS. He recommends hiring an analyst.
- A meeting was held with Carnoustie Homeowners on June 23, 2020 and those minutes can be found in Appendix A.
- Suggestions to modify the CC&Rs may come from various sub-committees and chairs of committees should prepare to attend a work session.
- Alec reviewed the organizational chart of the SRA. Administrative and maintenance staff report to the Executive Director who reports to the Board. Sub-committees of the board should report important items to the Board of Directors and include the executive

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director. Communications to the SRA Community are at the discretion of the board or from the executive director. Various sub-committees should also communicate with each other when items overlap.

- Alec recommends a visibility board be set up to prioritize projects and action items, so that staff and board members can visibly see what should be worked on. Every project that various committees are working on can be included so that everyone can easily see what is happening and identify where to devote attention and keep everyone on the same page. Wally and Alec will work to integrate the ASC's priorities into the system as well.

6. Maintenance, David Ulis:

- An email from a resident thanking the SRA for the repair of the Beach Access Stairs was shared and David also gave his own thanks to the volunteer residents of Boundary Ridge that took part in the repair project.
- David reported that Debbie, Justin, and himself had met with a representative from the reserve consultants and a report will be generated based on information provided by the SRA.
- David discussed landscaping and maintenance projects that could be outsourced, and Debbie is currently accepting bids from companies interested in working with the SRA.
- Construction Compliance Consultant Ken Johns has been collecting all information available on the SRA's stormwater system. The goal is to determine who is responsible for what and where stormwater goes. The City of Blaine City Engineer Greg Berg is assisting Ken with his research. After Ken is done collecting information, there may be a need to go door to door to look at where stormwater is being directed, and where there may be infiltration systems. Many homes contribute to the storm retention ponds as well as the street systems. A responsibility chart will need to be formed.
- New 22" by 34" maps of the neighborhood including lot numbers are available for board members to utilize while working on their strategic activities.

7. Westside of Semiahmoo Parkway Preservation: No updates at this time.

- 8. Safety and Security, Carole Gaasch:** The priority of the Safety and Security Committee has been to set up Neighborhood Watch groups, and that priority has hit a roadblock due to the restrictions on gatherings. While Whatcom County has remained in Phase Two, the rules for Phase Three has been modified to allow meetings in groups of ten instead of in groups up to fifty. This will prevent the committee from organizing training sessions as planned. The next meeting of the committee will look at other projects they can work on

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to improve Safety and Security in Semiahmoo not impacted by restrictions on gathering in groups.

New Business

- a) **Take away from board education Community Associations Institute Symposium** that Debbie, David and Alec, and Michael attended via Zoom on July 11, 2020.
- David was surprised by how varied the opinions were from lawyers on the impact of the Governors orders. He was most interested in the presentations from the banks specializing in HOAs. He thinks that it would be worthwhile to engage with some of them to see what value they could provide to the association.
 - Alec agreed with David's assessment, but he also was interested in all the resources available for crisis management. He was interested in the presentations from insurance companies that were present and advised that the SRA have an audit of the current coverage which is adequate but not optimal.
- b) **ASC Member Candidates:** A potential questionnaire to be given to Candidates for ASC positions was reviewed. A notice will be distributed in the SRA Email News that there are openings, and to contact Debbie if interested. In the meantime, Wally, Jennifer and Helen Worley will review the questionnaire.
- c) **Report from Nicole Newton, General Manager of the Semiahmoo Resort Golf and Spa:** Debbie read the report on Nicole's behalf. Packers Kitchen and Bar is now open seven days a week beginning at 4:00 pm for dinner only. The spa and salon are open as well with reservations only. The pool will be open beginning July 20, 2020. Reservations are limited to occupancy standards set by Phase Two restrictions. Transient business is picking up, but the group and event business is restricted during the pandemic likely until at least quarter two of next year.

EXECUTIVE SESSION

A motion was adopted to convene into executive session at 8:34 pm to discuss the following matters requiring confidentiality.

1. Fine against the owner of a lot under construction for playing a radio.
2. A hearing was held to discuss a fine levied against the owner of a lot under construction for installing landscaping prior to receiving ASC approval. The owner was unable to attend but Debbie read a letter he sent to the Board.
3. Builder who has not received final inspection for their construction of a home in Carnoustie.
4. Trees in violation of the View Control Plan.

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The board reconvened into regular session at 9:22 pm with the following results:

- 1. On the radio played at a construction site:** The Board apologized to a member that was there to attend a hearing. Due to the current State restrictions, the SRA temporarily does not have the authority to levy fines. The owner was asked to review the rules and to comply with the rules moving forward. They were reminded of the rules regarding clean jobsites and no playing of radios at a jobsite. The member agreed and they have placed signs around the site reminding the workers.
- 2. On the installation of landscaping without ASC approval:** Due to the State restrictions on levying fines and the fact that the owner has sold the property after bringing the landscaping into compliance, the SRA has no further authority to enforce the violation.
- 3. On the builder who has not received final inspection for construction of a home in Carnoustie.** The money given as a deposit will be retained until the city has approved the construction including the house footprint which exceed maximum pervious surface requirements.
- 4. On the trees in violation of the View Control Plan.** The agreement should be signed in the next day or so.

The next meeting will take place on August 20, 2020, 6:00 pm. Location TBA (either online or at the SRA Center).

Adjournment – The meeting adjourned at 9:23 pm.

Respectfully Submitted,

Carole Gaasch, Secretary

Lori Thorne, Administrative Assistant

Date

Date

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Appendix A

**SEMIAHMOO RESORT ASSOCIATION (SRA)
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SPECIAL ONLINE MEETING WITH CARNOUSTIE OWNERS
JUNE 23, 2020**

CALL TO ORDER: The meeting was called to order at 4:00 pm.

SRA Board Members in Attendance: Three of the board members were present in the SRA Center. Those present: Alec Berkman, David Ulis, and Michael Hayden. Four board members observed via Zoom: Carole Gaasch, Bill McNally, Patricia Oliveros and Jennifer Plombon.

Carnoustie Owners Present: Susan & Brian Hagan, John Dedolph, David Geske, Sara Weaver, Jay Wescott, Jason Ragsdale, Chris Hutton, Bruce Mason, Gordon Nealy, Bal Pannu, Christie Callender, Bill Matlack, Benjamin Farsad and Semiahmoo LLC representatives Aaron Kramish and Arthur Griffin.

Staff In Attendance: Debbie Smith, SRA Executive Director and Lori Thorne, Administrative Assistant and Note taker.

Introductions were made, with those present at the start of the meeting.

- 1. Review of the legal governing documents of the SRA and the Carnoustie Homeowners Association:** David Ulis reviewed the structure of governance for neighborhood homeowners' associations (NHOA) under the SRA. The structure is comprised of the SRA with their own Covenants, Conditions, and Restrictions (CC&Rs), then the Neighborhood or Multi family neighborhood HOA with their own CC&Rs. Every property in Semiahmoo has two HOAs, the SRA and a NHOA.
- 2. Roundtable of opinions and suggestions from Carnoustie Owners was held and these issues were discussed:**
 - Who is responsible for disclosing to prospective buyers that neighborhood CC&Rs exist and that buyers will be subject to them? What are the repercussions of failing to disclose that information? What options do homeowners have if that information was not disclosed to them?

-The SRA feels that it was the responsibility of the title company used to do a title search and to inform the buyers that neighborhood CC&Rs exist, and that the information in the title is

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binding. The title company can show them where it is written on their title that they are subject to the Carnoustie CC&Rs.

- The Declarant, Semiahmoo LLC, received the property through a Deed in **Lieu** of Foreclosure. They have not ascertained that the declarant responsibilities transferred to them, but their goal is to sell the multi-family lots and exit, and to be good stewards of the property until that time.
- Was the SRA aware of potential issues with the stormwater system in the Carnoustie neighborhood, and that homes were built with larger impervious coverage than the stormwater was originally designed to handle? Why were owners not informed?

-The SRA communicated with the Declarant, Semiahmoo LLC, and asked them to ensure that the stormwater system and the bioswale were sufficient enough to handle the water run off from the homes being built in Carnoustie, and that the proper maintenance was being done. The SRA has requested that Semiahmoo LLC provide a copy of the Geotech engineering report that was recently performed.

- Liability for the slope degradation of the homes down below should the owners in that neighborhood try to put blame on Carnoustie owners for problems on their property.

3. Next Steps:

- The SRA and Carnoustie Owners will be able to review the Geotech Report on the Bioswale, after it is distributed by Semiahmoo LLC. The SRA expects to be provided a copy of the report.
- Identify what maintenance needs to be performed and who shall perform it on the Bioswale.
- Maintenance of Multifamily Unit Lot C shall continue. Semiahmoo LLC should be handling this.
- Continued maintenance by individual homeowners of the buffer between Carnoustie homes and homes on Canvasback Road. Owners on Canvasback Road would like addition vegetation in the buffer zone. The builder of the homes in Carnoustie met the required standards and the landscaping was approved by the ASC. Owners of the homes that border the buffer zone now own that property.
- Contact information with names, addresses and phone numbers will be provided to Semiahmoo LLC, who already has email addresses provided to them through past correspondence so they can schedule a meeting with the Carnoustie owners.
- The SRA holds the expectation that the Declarant and the other Carnoustie owners would arrange a meeting among themselves.

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Respectfully Submitted,

Alec Berkman, SRA President

Lori Thorne, Administrative Assistant

Date

Date