

GREENBANK BEACH AND BOAT CLUB, INC HOLMES HARBOR WATER COMPANY, INC 2022

Annual Meeting Minutes

Saturday, February 12, 2022, 10:00 am

Welcome:

Zoom Meeting Protocols

- Cris Sanguino reviewed meeting protocols about using the mute feature and raising hands when a member would like to make a comment.

Meeting Call to Order

- GBBC/HOA President Cris Sanguino - called the meeting to order at 10:06 am on February 12, 2022.
- This meeting was conducted and recorded via Zoom.

Establishment of a **Quorum**

- GBBC/HOA Board Members
 - Cris Sanguino
 - Judi Moore
 - Kristin Lind
 - Richard Loughead
 - Bob Monroig
 - Diana Butler
 - Phil Sikes
- HHWC Board Members
 - Nancy Sharp
 - Cyndy King
 - Sharon Dunn
 - David Paull
 - Rick Waclawik
 - Lydia Sikes
- Holmes Harbor Residents in attendance:
 - Carolyn Cliff
 - Sally King
 - *John Giamberso
 - Shannon Pitton
 - Kari Dilloo
 - Jennifer Flath
 - Norma Hall
 - *Albert Hall
 - Jeremy Aaron
 - *Bob Moore
 - *Michael Cuddy

* = co-owner

Co-owners of properties get one vote, so total voting members present (board included) = 19

We had 20 valid proxies (See Appendix A for additional proxy vote information)

Total votes = 39 - We needed 24 for a quorum so we do have a quorum for this meeting.

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Introduction of Board Members

- All GBBC/HOA and HHWC board members introduced themselves. All board members listed above were in attendance for the Annual meeting.

Approval of 2021 Annual meeting minutes

- A motion was made and seconded to approve the 2021 Annual meeting minutes. The minutes were approved unanimously.

HHWC - Vote by Membership

Election of Trustees

- Sharon Dunn and David Paull current terms on the HHWC board are expiring but both have agreed to continue to serve as board members on the HHWC board.
- Nancy Sharp asked if anyone attending the meeting would like to join the HHWC board but no one in attendance was ready to make that commitment.
- A motion was made and seconded to reelect Sharon Dunn and David Paull to the HHWC board. The motion was approved unanimously. (3-year term)

Approval of 2022 HHWC Budget

- David Paull presented the HHWC budget reports highlighting actual income and expense variances from the 2021 budget and notable 2022 budget items. Significant items reviewed include:
 - We had 3 “right to connect” fees paid during 2021 rather than the one projected in last year’s budget which resulted in an increase of \$30,000 in income vs. the budget.
 - Total income for 2021 was \$98,553 vs. the budget of \$67,267.
 - A significant increase in Capital Expenses (\$15,000 for 2022 vs. only \$319 in 2021) is being anticipated to help cover the cost of a new pump for well #1.
 - A significant increase in Professional Expenses (\$12,000 for 2022 vs. only \$498 in 2021) is being anticipated to cover the remaining cost of a USDA required audit of the nearly completed repiping project. This is a one-time expense for the repiping project. The 2022 budget for this line item also includes anticipated expenses for paying the annual fee for the wetlands monitoring for this year (which will not be reimbursed by USDA).
 - Water System Management expenses were \$4,995 lower than anticipated in 2021 because Arsenic Treatment testing has been delayed due to the failure of the well #1 water pump. This expense will begin to occur later in 2022 when the water pump for well #1 is replaced.
 - In summary we anticipate 2022 expenses of \$90,961 and income of \$69,581 so we are projecting those expenses will exceed income by \$21,380 during 2022. This deficit can be comfortably covered by the 2021 budget surplus (where actual income exceeded expenses by \$37,498). The HHWC board does not anticipate the need to raise fees beyond what is already planned since most of the additional expenses that are planned

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for 2022 will be one-time expenses (the replacement of the pump for well #1 and the required USDA audit for the repiping project).

- USDA Loan/Grant Program – \$37,563 of grant money remained at the start of 2022. The HHWC board anticipates using all the remaining grant money to pay for water system related expenses.
- A motion was made and seconded to approve the HHWC 2022 Projected Budget. The motion was approved unanimously.

GBBC - Vote by Membership

Election of Trustees

- Cris Sanguino thanked Richard Loughead who will be retiring from the board and Judi Moore who is stepping down from the GBBC president position, but Judi has agreed to remain on the board as a trustee.
- Cris Sanguino's current term on the GBBC board is also complete but Cris has agreed to stay on the GBBC board serving as the interim president of the GBBC board.
- Cris Sanguino nominated Eddie Accame as a new member of the GBBC board.
- A motion was made and seconded to elect Cris Sanguino, Judi Moore, Bob Monroig, and Eddie Accame to serve as members of the GBBC/HOA board. This motion was approved unanimously.

Approval of 2022 GBBC and HOA Budgets

- Richard Loughead presented and reviewed both budgets.
- The 2022 budgets included anticipated increases in expenses of 10%.
- Both the GBBC and HOA budgets project budget surpluses - \$7,805.05 for the GBBC and \$10,397.05.
- The rationale for increasing HOA fees while running these surpluses is to build reserves for unanticipated expenses in the future.
- A motion was made and seconded to approve the GBBC and HOA 2022 Projected Budgets. The motion was approved unanimously.

Report on Repiping Project

- Nancy Sharp presented a report on the repiping project. Highlights included:
 - All physical equipment has been installed.
 - The arsenic treatment equipment was installed but it was determined that the well #1 pump had insufficient pressure required to support the backwashing function within the arsenic treatment process, so a decision was made to take pump #1 offline and to turn off the arsenic treatment system. The treatment system is not required for well #2 since its arsenic levels are far below the EPA limits.
 - The HHWC board has 3 bids that are being reviewed to replace the water pump for well # 1. The goal is to select one of the bids and get the pump replaced by this spring.
 - We have had one leak that happened due to the recent cold weather. Both King Water Company and C Johnson Construction worked together to repair the issue. C Johnson

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Construction completed this work at no cost to us since this was considered warranty work.

Report on Greenbank Marsh Working Group

- Cris Sanguino introduced Bob Monroig and thanked Sally King and Phil Sikes who have indicated that they are willing to assist Bob with this group going forward.
After the annual meeting was completed Judi Moore (member of the GBBC board) indicated that she is also willing to assist Bob Monroig with the Marsh Working Group.
- Bob presented his report on the state of the Greenbank Marsh Working Group. See “Appendix B” at the end of these minutes to review this report.
- Much of this report discusses issues around the dike, tide gate and outflow pipe(s) that exist in the marsh area, discussion about possible approaches to address the issues both short term and long term and possible approaches for funding this work. See Bob’s report for additional details.
- Bob discussed next steps including the need to work through preliminary estimates of the costs associated with addressing issues with the dike and tide gate. This information will give us the data needed to pursue possible sources of funding and provides us with enough information that the GB Marsh Working Group can present to various stakeholders and agencies who might participate in funding the work required to address these issues.
- Bob also mentioned several individuals who may be able to assist us going forward including Connie Bower (public works for Island County), and Helen Price-Johnson (oversees Washington State USDA projects). Tom Slocum is also working with us on preliminary cost estimates/budgets. Judi Moore pointed out how helpful Helen Price-Johnson has been with previous board related concerns/projects.
- Bob Moore pointed out that the valve box containing the current outflow pipe is defective and will need to be replaced when the outflow pipe(s) are replaced.
- Nancy noted that Darla O’Conner is likely to be the USDA project manager for this project assuming we use the USDA to assist with funding for this work.
- Bob noted that once we have estimates we need to present this information to our boards, and we should also consider a presentation to a larger audience to include our neighborhood.
- Cris Sanguino noted that we are moving forward with the implementation of a new website, and it will include a space for including information about the work being done for the Greenbank Marsh Working Group.

Member Comment

- Kristin Lind thanked Richard Loughead for his service on the GBBC board and all board members from both boards for their service to the community.
- No additional comments.

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Adjourn Annual Meeting

- The meeting was adjourned by Cris Sanguino at 11:27 am.

Meeting minutes have been written by Rick Waclawik, member of the HHWC Board.

The approval of these meeting minutes is contingent upon a vote by the membership at the 2023 Annual Meeting

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Appendix A – Proxy Vote Information

Proxies: 21 total

Assigned to Larry Graham: Lyle, David (Larry Graham did not attend the meeting so this proxy was not voted)

Assigned to Cyndy King: Anderson, Arlee

Assigned to Richard Loughead: Olson, Tom

Assigned to Cris Sanguino (2): Hopkins, Alicia
Salazar, Sally

Assigned to GBBC/HHWC boards (16):

Abbott, Louise
Accame, Eddie
Albrecht, Andrew (trustee)
Anderson, Adele
Bercov, Philip
Bartell, Penelope
Fresonke/Hytte Homes
Goodale, Nick
Machiocha, Paul
Michaud, Marisa
Starkweather, Ken
Teano, Stephanie
Thorne, Ray
Torrey, Frank
Waggoner, Diana
Williams, Marcella

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Appendix B – Greenbank Marsh Working Group talking points

Tide gate 2022 annual meeting

CONTEXT AND WHAT WE'VE DONE

GBBC beach property has berm, tide gate and outflow pipe which drains runoff from a 756-acre (about 1.2- square mile) catchment area to the north, west and south of the marsh. Quantity of runoff is far more than the old pipe and tide gate were intended to handle. The pipe and tide gate are believed to have been built by Calvin Phillips in the early 20th Century to drain the marsh that previously was at the site to use it as cattle pasture. GBBC inherited these structures when it bought the land in 1962. Since then, road ditches and storm drains from development and deforestation throughout the catchment area have routed drainage to GBBC's tide gate and outflow without much consideration of the system's capacity to handle it.

Grant funded technical studies ([study reports](#) are available on WICD's website) done since 2013 to examine feasibility of open channel project (

. Findings determined that:

- project is technically feasible but would cause a rise in groundwater level on properties immediately south of GBBC lagoon during extreme precipitation events;
- Mitigation would involve building retention pond and pump south of lagoon, too much for GBBC to finance and manage in perpetuity, so put open channel project on hold;
- Similar rise will be caused by sea level rise and more extreme precipitation events in coming decades so wait awhile and build institutional structure for a larger project of this scale and reconsider in future

WHAT WE'RE DOING SHORT TERM 3-5 YEARS:

- Going forward, GBBC is considering repairing/replacing tide gate and outfall pipe. Possible technical options are: Replace outflow pipe, install a new self-regulating tide gate & outflow and work with property owners along North Bluff to incorporate a pumping station to address current and future flooding.
- Design should consider alternative location for outfall pipe, so it is well away from ramp. Also should include environmentally appropriate measures such as fish friendly tide gate (self-regulating tide gate) and consideration of large numbers of birds, otters and fish that currently use the lagoon for food and habitat.
- Permitting of this project is unknown.
- Possible USDA funding as well as Washington State, Island County and Port of Coupeville financial support (infrastructure or Industrial Development District funds). Any construction without stakeholders' financial participation would necessitate an assessment on property owners).

WHAT WE'RE DOING THAT IS ORIENTED TOWARD LONGER TERM, MORE SUSTAINABLE AND ENVIRONMENTALLY FRIENDLY SOLUTIONS (10-20 YEARS):

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AT same time, GBBC will re-constitute the Greenbank Marsh Working Group to continue with more long-term challenges which need to be addressed in order to consider a larger more sustainable project in the future (e.g., open channel project). Such longer term steps include:

- Flooded septic systems of houses just south of lagoon is different problem, not sure of solution – these are all in 100-year floodplain, so some flooding is to be expected, with worsening conditions due to sea level rise.
- Look into a shared funding mechanism (e.g., drainage or watershed district) to get more parties who contribute to drainage into GBBC lagoon and tide gate to participate in design and funding of possible future solutions (get Port of Coupeville, Island County, etc. more involved)
- Go back to institutions like WSDOT to see if they might be interested in open channel project and associated environmental restoration as the “freshwater” marsh becomes more and more degraded (open water area has filled with sediment and plants)