

# CAMALOCH ASSOCIATION NEWSLETTER OCTOBER 2020



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- Please verify that your email address is correct
- Provide a second email address and send to [office@camalochgolf.com](mailto:office@camalochgolf.com)

## Zoom Instructions

### **Join us via ZOOM Video Conferencing**

- **Download the Zoom App**  
<https://zoom.us/support/download>
- **ZOOM Help Center Getting Started**  
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We welcome the community to become actively involved in committees of interest and to provide input about ideas or concerns. Your questions and comments will be reviewed and addressed by the appropriate committee or Board Member. Please direct correspondence to [camalochboard@gmail.com](mailto:camalochboard@gmail.com)

## Camaloch Board:

Joseph Day, *President*  
Steve Anderson, *Vice President*  
Jennifer Seiler, *Secretary*  
Duane Schleitweiler  
Marty Burgess  
Larry Shaw  
Sheri Templeton  
Kathy Nielsen  
Sandi Downs

## **Special Notice:**

**WATER FLUSHING ON THURSDAY, OCTOBER 15 – for more info see pg 4**

**NEXT**

**BOARD MEETING**

**OCTOBER 8, 7 PM**

**ZOOM**

**LOGIN will be sent out via email**

## Board Updates:

### Rick Bentley and Harvey Scott

A special thanks to Rick Bentley and Harvey Scott who have left the Board of Trustees due to personal matters. Both volunteered to step in at a critical time for the Board and Camaloch, and we want to thank them for their valuable help in evaluating the Camaloch corporation and ways to reorganize. Kathy Nielsen and Sandi Down have been appointed to the Board so that business can continue with Camaloch Operations and Budget oversight, the Annual Meeting, Water Project, finances and personnel matters, and the Rockaway and septic system issues.

## ANNUAL MEETING:

Our annual meeting is scheduled for Sunday, **October 11 at 2 pm (via Zoom)**. All ballots are due to be turned in by 5 pm on October 11th at the Pro Shop or Association Office.

### **A Note from the Association Manager**

*Mike Reynolds*

Hi Camaloch Members -

I just wanted to take this opportunity to make sure that all of you are aware of how and why to vote in our Annual Election.

All ballots were mailed out a few weeks ago. If you did not receive one, please let us know in the Association Office and we will gladly get one to you as soon as possible.

Ballots are due on **Sunday, October 11 by 5pm**. They must be received in the Association Office or Pro Shop by that time. Place your ballot in the 'inside envelope' (white envelope), and then place the 'inside envelope' into the larger orange

envelope which is addressed to Camaloch. Please make sure that you write your name and lot number on the space provided on the orange envelope.

Our meeting will be held via Zoom at 2pm on Sunday October 11<sup>th</sup>. This will be your final opportunity to ask questions or learn about the board candidates before the ballots are due.

All ballots will be counted on Sunday evening and election results will be emailed out to the community as soon as possible.

If any of you are having trouble with the voting process, have questions about the budget or the issues, please feel free to contact me in the Association Office any time before the vote. I am happy to answer your questions.

I am very grateful for the thoughtful questions that so many of you have been asking already and look forward to the election!

**Six Board Trustee positions are open and will be voted on at the annual meeting.**

*Nine applications have been submitted for positions on the Board:*

Michelle Jones, Sheri Templeton, Elaine Wolfe, Cem Mattson, Angel Down, Kathy Swanson, Sandi Down, Kathy Nielsen, and Dave Hyatt. These applications/questionnaires have been sent to you via email and US Mail and are also available on the Camaloch Association website.

**For members of the community**, we remind you that voting for your trustees is very important as they are the people responsible for day to day operations and presenting a budget that is workable and affordable using a 30 year plan to prepare for future needs. They are empowered by you to make decisions that affect us all long term. It is imperative that all of us ask questions and understand our options when we are presented with major projects like roads, waterlines, building repairs etc. It is critical to know where our money is being spent and why. Attending monthly meetings and the annual meeting keeps you up to date and in a position to ask questions and be an active part of the association.

## **Dues and other things in the Annual Packet explained:**

The following is an attempt to provide a summary for the information about Association dues, Water Operation dues, Water Capital Replacement dues, and the importance of the Reserve Fund.

### **Current dues 2020:**

**\$875/lot/yr** Association dues

**\$125/lot/yr** Water operations

**\$200/lot/yr** Water Capital Replacement to replace our failing Pump House and water lines. Funded by a 20-year loan from the Drinking Water State Revolving Fund (DWSRF). The community voted and approved obtaining a \$2.5 Million loan for the construction of a new pump house and new distribution lines on October 7, 2017 with payments starting at \$200/lot/yr in 2018 and increasing to \$300 lot/yr once construction begins, with repayment continuing for 20 years.

**Total-\$1200/lot/yr**

### **2021 Dues:**

**\$1000/lot/yr** Association dues (**\$125/yr increase, \$100/yr goes directly to reserve fund**). Because our Reserve fund is underfunded by over \$2 million at a 70% funded rate, future plans include a continuation of a minimum direct deposit of dues of \$100/lot on an annual basis.

**\$125/lot/yr** Water Operations

**\$300/lot/yr** Water Capital Replacement. (*DWSRF Loan*). **This is not a dues increase.** The increase from \$200 to \$300/yr was voted on by the Community on October 7, 2017 for the \$2.5 million loan. The annual payment was planned to increase to \$300/yr the year the construction on the new water system begins.

**Total-\$1425/lot/yr.**

### **A History of the Water Project AUGUST 2020 NEWSLETTER.**

To understand the \$200 and \$300 water replacement fee charges you can read the "History of the Water Project" which can be found in the August 2020 Newsletter on our Website. The \$2.5 million loan is, in reality, an assessment. The large DWSRF loan was necessary

because our Reserve Funds are greatly underfunded at 8% vs the recommended 70% funded level.

**Need for the Reserve Fund.** HOA funds are typically allocated to two financial accounts: the Operating Fund and the Reserve Fund. The operating fund pays for the daily expenses of the association. The Reserve Fund's purpose is to pay for large infrastructure projects (water system, road resurfacing), general maintenance of our assets and expensive equipment. Ideally an Association will have a 100% funded reserve to cover all anticipated costs. Most experts agree having at least 70% funded reserve is acceptable for larger associations and will reduce the risk of having to do emergency special assessments and sudden raising of association fees to cover costs of repairs and replacements. The lack of an adequately funded reserve and insufficient long-range planning results in a crisis management mode of operation and presents many problems including a severe threat to the financial stability of an association.

Having adequate dues to finance the Operating Funds and Reserve Funds is often a challenge for HOAs. HOAs can go through long periods of low dues during the early years which results in inadequate monies placed into reserve funds over time. That, with the unavoidable aging and failing of infrastructure, results in the need for large assessments and/or rapid increases in dues for repair and replacement of community infrastructure including water systems, roads and amenities.

As an example for how we intend to remedy the shortage in our Reserve Fund, the total reserve contribution for 2020 is expected to be \$79,200. Unfortunately, instead of depositing money, such as a portion of our dues, into our Reserve Fund so that we can save for future large expenditures like the Water Project, we have been placing all of this income into the Operations Budget and spending it for unbudgeted expenses throughout the year. With a more accurate budget for 2021 and attention focused on contributing to the Reserve Fund, the total Reserve Contribution is expected to be **\$188,640** for next year.

There have been several attempts in the past to build our reserves, however, over time these plans have been forgotten or largely ignored. We are hoping that by making this newer Reserve Study plan more visible and including the States requirement to review and update the Reserve Study annually we should have greater success. To begin the process of building a Reserve fund we are reducing the 2020 Operating budget in order to have money in the account at the end of the year which can be transferred to the reserve. In 2020 the only other funds that are deposited into the Reserve are transfer fees and income from the rental house. For 2021, we are proposing to also include all rental income from the restaurant, all rental income from the Chalet and \$100/lot from Association dues for a total of ~\$90,000. An increase in the amount of the transfer fee for 2021 will provide an additional boost in income to the Reserve Fund. The measures such as depositing all rental income and transfer fees help to increase our Reserves without relying solely on additional increases in dues or special assessments.

**The Board is required to inform you of an accurate annual budget and realistic projections of financial needs for the next 30 years on an annual basis so that you can vote each year on any proposed dues increases or assessments.** As can be seen in the Annual Meeting Packet (the 2021 Camaloch Association Operating Budget Summary, proposed Bylaw changes, and the 2020 Camaloch Annual Reserve Funding Summary), and the full 2020 Reserve Study Report on our Website – the Board is carefully evaluating the long-term plan and subsequent yearly Budgets. **Although we cannot force Association Members to agree to the proposed plan for assuring that the Association has adequate funds for needed repairs of our infrastructure and amenities, it is the Board's responsibility to provide the budget information and funding plan so that the community can be aware of, and prepared for, inevitable large expenses as the assets and equipment age. The 2.5 million dollar Water Project Loan/Assesment is an example of lack of planning.** We implore you to carefully consider this strategy for the financial

health of the community, your own personal property value and the ability to continue enjoying the many amenities Camaloch offers.

### **Meeting with Camaloch Real Estate Professionals**

The Finance and Long-Range Planning Committee met with six local real estate brokers who are also homeowners in Camaloch to hear their concerns related to the proposed increase in transfer fees and proposed dues increases and special assessments in the coming years.

Their primary concern was the proposed increased transfer fee (currently \$1500 vs. proposed 0.5% of the sale price) and how it relates to the purchase and sale of property in Camaloch. The Finance committee provided feedback regarding the current financial health of the Association and the extensive vetting of the proposed strategy to increase our Reserve Fund, particularly the attempt to find sources of funding that do not increase dues.

The real estate brokers feel it is important for community members to be prepared for potential additional costs to Camaloch homeowners selling their property. With the increase in transfer fees, Buyers may be unwilling to shoulder the entire fee themselves and it may be a point of negotiation. The group pointed out that the transfer fee is a funding source for Camaloch and not one they disagree with. They also indicated that Camaloch currently has the 2nd highest transfer fee on Camano Island, although no other community on Camano Island, or in the area, has the amenities offered by Camaloch.

A second concern was possible increases in dues/special assessments over time, and although needed to fund the community properly, the costs may scare potential Buyers away from Camaloch. Alternatively, the Finance Committee pointed out that the lack of a plan to increase the severely inadequate funds in our Reserve (currently 8% of the amount needed) so that our assets can be repaired and maintained would likely be more of a deterrent to a Buyer.

The group of real estate professionals commented that through the conversation with the Finance Committee they have been enlightened as to the need for our community to increase funding for our reserve account, as well as the hard work that has gone into the budget planning.

The Finance committee was very pleased to have the group share their perspective on the potential effect of increased transfer fees on property sales in Camaloch. The Board and Finance Committee hope to work with this group and others as we conduct yearly evaluations and adjustments to our Reserve Study for long range planning.

### **Camaloch Association Financial Report: Sept 2020**

Due to the 1<sup>st</sup> of the month occurring on a Thursday, the finance report for September is not available to post in this newsletter. The report will be presented at the Monthly Board Meeting on Thursday Oct 8, 2020.

### **Policies/Archives Committee**

*Larry Shaw, Sheri Templeton, Mike Reynolds, Joe Day*

The Committee continues to sort through and scan archived Camaloch Board meeting minutes. Many staples have been removed. We are using an Adobe program which allows us to remove Executive session minutes electronically. We are transitioning to scanning records in the Camaloch Office and for the Association vs. the use of paper, folders, and rusty filing cabinets to make information more accessible.

### **Water Committee/Board**

*Joe Day, Marty Burgess,, Larry Shaw, Duane Schleitweiler, Mike Reynolds*

## **WATER FLUSHING ON THURSDAY, OCTOBER 15**

As part of the regular maintenance required to safeguard our water quality, the water mains will be flushed on **Thursday, October 15, 2020.**

The flushing will stir up the sediment in the lines and this will be drawn into your homes if you use the water during the day. As a result, **we recommend that the community not use any**

**water between 9:00am and 5:00 pm on the day of flushing**, as noted above. Accordingly, please fill containers or bathtubs so that you will have water available during the day for emergencies or drinking, if you think you may need it.

Once the water is turned back on, there may still be some sediment in the lines – before using any water in your home, turn on an outside faucet and allow it to run for several minutes or until the water cleans up. Also, check that you do not smell any strong odors of chlorine in the water; some minor smell may still linger and is nothing to worry about. It should fully clear up within the day.

**Tenants** – the notice is going to the same address as the water bill; accordingly, tenants may not get this notice. **All owners or property managers are advised that it is your responsibility to notify any tenants or guests staying in your home of the above risks and restraints on any use.**

Thank you for your patience during this time. Our goal is always to provide you with water of the best possible quality, we are sorry for any inconvenience that this shut off may cause. If you have any questions, please call King Water at 360-678-5336.

**Loan Update:** Camaloch has been approved for the second and larger portion of the \$2.5 million Loan for the Water Project. The plans and specifications are still currently under review for final approval by both the State DOH and Island County. We are unsure when that approval will be obtained, but suspect that the next 30 days is realistic.

Ashley is translating Coffman invoices to the A-19 form that is used to pay Coffman engineering and obtain reimbursements through DOH oversight.

King Water is evaluating Pump 1, 2, and 3 and rebuilding each as needed.

### **Safety Committee**

*Jenn Seiler, Cathy Lofton-Day, Angel Down, Mike Reynolds*

### **Update on 10K Motion made at last Board Meeting:**

The Safety Committee reviewed community concerns and will present a proposal for addressing speeders and safety issues throughout Camaloch and at the Camaloch Drive/Lochwood Drive intersection at the October 8<sup>th</sup> Board Meeting.

In summary, the committee has talked to one of Island County’s Deputy Sheriffs about issues at the intersection and best practices/recommendations. We also talked to Nikki Davis, Island County Traffic Engineer per the Sheriff’s office recommendation. A number of suggestions were made regarding signage at that intersection and throughout the community which are included in the proposal.

The Sheriff’s office has posted our concerns so that officers are aware and can patrol based on the time periods when speeding and other traffic infractions are common. Deputies will issue citations for violations.

### **Pool Committee**

*Jenn Seiler, Marty Burgess, Jennifer Bradley, Milla Freuff*

The pools closed on September 13<sup>th</sup>.

### **Camaloch Report**

#### **Notices:**

#### **Police Stopping Golf Carts outside Gate -**

County Sheriff Deputies are stopping golf carts outside of the Camaloch Gate. If you need to take go to the store with your golf cart we recommend that you drive through the golf course to access the Plaza.

#### **Golf Course:**

<https://camalochgolf.com/>

#### **Superintendent’s report:**

*Jason Hannum*

The month of September is always a busy one. On the course we had to deal with sub-optimal conditions for growing grass. This was due to all the smoke from wildfires. Luckily, we caught a break in the weather which matched up perfectly for aeration of the greens. The crew put in two long days and finished just in time for some much-needed rain. But we didn’t just stop there we move on to the tee boxes. With another hard week of work, we finished up the month of hard work.



With aeration behind us and the off-season just ahead. We will be focusing on fairway sanding and off-season projects. I hope to have a mild winter so we can complete as many of these projects as possible.

To all the members that are getting ready to head south for the winter. The crew and I wish you all safe travels and can't wait to see you when you return in the spring.