

**BEVERLY BEACH IMPROVEMENT CLUB**  
**Board of Trustees**  
**Meeting Minutes of June 3, 2013**

The meeting was called to order at 10:00 am at the home of Trustee Linda Kemp.

Attendees: Board members Ron Buzard, Jim Lightner, Joel Wight, Linda Kemp, and Dianne Shiner; and BBIC members David Demorest and Robin Charwood.

**Financial Status**

Linda reported that we have \$92,489 in Capital Reserves, \$8,463 in Savings, and \$6,229 in our checking account. Concern was expressed about our low rate of interest on our reserves and Linda will check to see if any better option is available. One member is behind 2 years on member dues, and one other property is outstanding for all fees. Only one large overage bill has been outstanding since July; Linda will send an additional notice and Ron will call this owner.

**Dues and Fees**

A subcommittee (Ron, David, Joel, and Dianne) met to prepare information for our annual review of the water system fees and goals. With the assistance of graphs showing updated asset assessment, a 4 year budget comparison including current year-end projections, and an analysis of administrative/water system expenditures, we had a thorough discussion of the many issues involved. Dianne had also consulted both with Amber, our bookkeeper, and with Connie, our insurance representative, to clarify expenditures. The following recommendations were reached:

1. Capital Reserves. The new data for full replacement costs would result in a \$276 annual reserve assessment. It was decided to retain our current \$240 assessment, informing members at the annual meeting that we are not fully funding our reserves. Ron will check on replacement cost and lifetime of the concrete silos (our second largest item on the inventory) and provide data to David. David will rework 2 forms of the inventory in preparation for the annual report.
2. Overage Fees. We have received several conflicting suggestions regarding overage charges. These were discussed in the light of two of our system goals: conservation and fairness. After review, we decided to recommend the continuation of the 5,000 gallons/mo/hookup limit as the most effective option.
3. Dues. The expense analysis revealed that the two greatest expense increases have been in insurance and in bookkeeping, both administrative items that ought to be covered by total membership dues. We had extensive discussion about the feasibility of splitting insurance between administrative and water system costs but felt that insurance is of benefit to the full membership and left it in administration. In order to cover administrative costs (projected \$13,271) in the current fiscal year, it is anticipated that member dues should have been \$93 instead of \$60. We have not raised member dues since first created as a separate fee in 2008. We are recommending a dues increase to at least \$90, perhaps more depending on the figures over the next couple months when we will get our large insurance billings. It was

further recommended that each years dues be based on the preceding years expenses, something we have not previously analyzed.

4. Operating Base Fee. By clarifying which expenses are increasing (administrative), it was determined that our water system expenses have actually decreased slightly. We have had a notable decrease in electricity charges. Projected cost per hookup for the current year would be \$217 if we wish to cover all items in the basic fee. Taking into account overage income of \$2,731, the cost per hookup would be \$191. Since overage is variable, we decided to recommend the continuation of the \$200 level.

Dianne will take these preliminary recommendations and draft an Evaluative Report for review at our next meeting.

### **Leaks**

Jim Lightner raised concern about members' failure to turn off their water when being gone for extended periods (particularly people who live here part-time). This has resulted in some serious water loss for the community, in addition to surprising costs for the owner. We reaffirmed that these leaks are the responsibility of the owner even though Jim may notice when he does the monthly meter-reading and does his best to inform the owner. Jim will highlight this concern as an agenda item at the annual meeting.

### **Nominations**

Fred Marshall has agreed to run for a second term as trustee. Robin Charlwood was nominated by the Board to run for a first term to replace Jim Lightner.

### **Community Concerns**

Several members have been caught by surprise with the arrival of O'Brien Construction to create a new sewer line from Beach up Alder to a drainfield near Brainerd. The project is fully permitted by the County and no yellow sign was required to be posted for this project. Ron Young, an independent agent hired by the owners, has been in touch with Ron Buzard, and Young has agreed to contact individual property owners regarding activity and concerns. Liability for any damage to our water system is fully the responsibility of the contractors. David will post information on our website regarding the project as explained by Ron in an email.

Another member of the community asked that we consider dropping the \$240 capitol reserve fee on the 13 lots with water rights but no active hookup. Since this money is to be used for the system's replacement costs, the majority felt that the fee was of benefit to all entitled to access to the system whether it is in use or not. Joel will draft a letter of explanation to the member.

Another member sent an email to Fred regarding liability for future problems with a sinkhole repair on Maple. Since this is near David D's home and he was best informed about who caused and paid for the repair (not the BBIC community), he will contact the member on our behalf to explain the facts of the situation.

**Next Meeting: Thursday, June 13, 10 am**

...Dianne Shiner, Secretary

