

**SANDY POINT**  
IMPROVEMENT COMPANY

Mailing Address: 4460 Decatur Drive  
Ferndale, WA 98248  
Phone: 360.384.3921  
Fax: 360.384.3246  
Online at: www.mysandypoint.com

**BOARD OF DIRECTORS MEETING MINUTES**

March 24, 2011 – 6:30 PM  
Sandy Point Heights Clubhouse  
4460 Decatur Drive

*Board Present*

Mr. Jim Kolbo – President  
Mr. Val Klepac – Vice President  
Ms. Suzette Carlson – Secretary  
Mr. Ron Jepson – Director  
Ms. Marlene Dawson – Director

*Absent*

Mr. Gary Kitching – Vice President  
Mr. Roy Clumpner - Director

*Also Present:*

Ms. Kelly Abbott – Office Manager  
Mr. Tom Hiatt - Minutes

**Call to order:** 6:34 PM

It was announced the meeting was being recorded by President Kolbo.

**Block Watch:**

Officer Tracy Newkirk (special guest) from Lummi Police Department gave a description of the block watch program and answered questions from the audience and the Board. She told those present that community involvement was a big help in the recent drug bust at the Heights. Due to jurisdictional boundaries, Ms. Newkirk suggested she would invite County Law enforcement to meet with her and our block watch people. Ms. Abbott asked for a detailed report about the recent drug bust. Officer Newkirk gave an account of arrests both on and off the reservation area by a number of Law Enforcement agencies; she stated there was a minimum of five agencies involved with that bust.

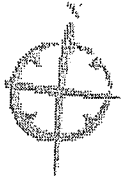
**Approval of Minutes:**

Suzette Carlson made a **Motion** to approve the February 17<sup>th</sup>, 2011 meeting minutes. Motion was seconded. **Motion carried.**

**Treasurer's report:**

Mr. Kolbo asked Ms. Abbott to report on the financial status in the absence of Mr. Kitching. Ms. Abbott detailed bank balances, accounts receivable and payable balances. She also stated the marina slip rental income received to date for the next fiscal year (beginning in April).

*Suzette Carlson*  
4/24/11



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## Office Managers report:

- Annual Corporate License renewal application has been received.
- Late reminders and shut off notices went out on the 22<sup>nd</sup>.
- Elavon credit card processing account set up, waiting for equipment.
- Preparing for spring mailing
- Forms being updated
- Reprogrammed gate keys will be here next week available for April 1<sup>st</sup>.

## Bldg Grounds report: Jerry Van Dorn

- Walltine Heaters installed and working fine.
- Golf Course Tee signage refinished and painted and the caps have been replaced. Randy is staining the posts so the signs look great
- Neptune area bulletin board sign has been repaired
- Water turned on at Marina for the season
- Mowing season underway

## Open Comment:

*No one signed up for open comment.*

## Committee Reports:

**Events** – Roy Clumpner is out of town.

Chappelle Arnett gave the report on the Mardi gras event in Mr. Clumpner's absence. Ms. Arnett stated the event has not been held for several years, and turned out successful. Rave reviews from the people attending. Ms. Arnett gave the summary of the income and expenses. The event netted over \$200 which was deposited. Ms. Arnett also noted upcoming events and dates.

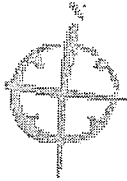
Sunday April 17<sup>th</sup> Pancake Breakfast 8:00 AM to 10:00 PM Golf Scramble at 10:00 AM  
Saturday April 23<sup>rd</sup> Community and Yacht club clean up day a 9:00 AM and professional shredding from 3:00 PM – 5:00 PM at the Marina.

**By Laws Articles of Incorporation** - Val Klepac

Mr. Klepac suggested, with the Board's permission, he would contact a corporate attorney regarding possibilities for obtaining a quorum.

**Finance Audit Committee** – Gary out of town

Mr. Kolbo reported on the progress of reconciling the common stock list with the general ledger accounts. Ms. Abbot gave a brief explanation as to the necessity of reconciling these accounts to ensure equity is properly reflected in the financial statements. This was a recognized control deficiency noted in the Larson Gross audit which has now been addressed.



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The finance committee's recommendation from the previous meeting, regarding the amount in the Collected for Future legal payable was discussed. The CPA has made the suggestion to take the payable amount as income and the CPA from Larson Gross agreed to this method.

Mr. Klepac made a **Motion** to accept the adjustment be made as recommended by the finance committee and approved by the CPA's. Motion was seconded. **Motion carried.**

Another finance committee recommendation regarding a Cost Recovery Fee on accounts that are more than 14 months in arrears was discussed.

Suzette Carlson made a **Motion** that a \$2000 cost of recovery fee be placed on accounts more than 14 months in arrears. Motioned was seconded. **Motion Carried.**

Water system plan budget was discussed.

President Kolbo referred to the need for an alternate water source (additional well) at Walltine and the process of collecting for the cost of this additional water source. Kelly reported on the reserve requirements by Department of Health for the 6 year budget included with the Water System Plan. There was discussion of raising the base fee by \$10 per month to amass the DOH required reserves and to fund the additional well costs. Mr. Kolbo asked if we could examine other water systems and their costs for comparison to ours. A report will be produced by the office.

Natural gas discussion, Tom Hiatt will be communicating with the gas company regarding expansion of their system to include our area.

***Water/Marina/Bldg/Grounds Committee***– Ron/Gary/Jim

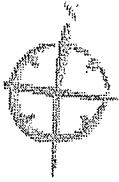
**Water:** Ron Jepson reported that a letter had been sent to the Tribe alerting them we are preparing to submit our water system plan. The tribe wishes to review the finalized plan after it is ready. Once the plan is complete, it will be forwarded to the local utilities and the Tribe before being forwarded to the State. The draft, for review by the Board, Attorney and consultant, will be ready the first of next month.

**Marina:** Jim Kolbo reported on the slip rate differences between shareholder vs. non shareholders. There was a question of the policy for latecomers and if there would be pro-rating done for portions of the year. Discussion ensued regarding pro-rating latecomers. Another discussion involved regarding trailer storage rentals. Mr. Morris suggested that since our rates are so low, we should insist on 6 month rental minimums.

Ms. Dawson **Motioned** that it should be policy for storage rentals to be a minimum of six months. Seconded. **Motion carried.**

Mr. Klepac **Motioned** to prorate on a daily basis for the first month's slip rental, for latecomers. Motioned seconded. **Motion carried.**

The Board agreed it was time to begin advertising slips for rent. Craigslist – Bellingham will be utilized and prices for the Bellingham Herald on line will be checked.



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Charter Boats use of the Marina was discussed. The board agreed there had been previous misuse of our facility and after much discussion the **Board agreed by consensus not to allow Charter boats** the use our marina facilities.

### Website – Marlene Dawson

Calendar is now on the website in the Events section.

Ms. Dawson urged Board members to submit bios and get their pictures taken for the website.

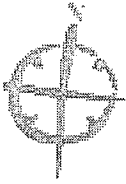
Ms. Dawson further reported that Jim Petrie, our Fire Chief, had said that due to the exposure on the website and in our newsletter the response to his smoke detectors has been very positive.

### **Old Business:**

- Candy Machine will be offered for the highest bidder and possibly posted on Craig's list after the article in the Sounder is published.

### **New Business:**

- Paper work for Spring Mailing was reviewed and discussed. Suzette Carlson made a **Motion** to accept the paperwork, with corrections as discussed, for publication. **Seconded. Motion carries.**
- Sucia House torn down and land returned to native state with no future use or structures of any kind on the land. Marlene Dawson **Motioned** the meter and hookup should be offered to the next lottery number. **Seconded. Motion carried.**
- Red River Road cleanup. A shareholder emailed the Board asking if a gentleman who has been cleaning up along Red River Road could be compensated by S.P.I.C. Marlene suggested that the request to compensate the person doing the cleanup should be denied. **The board agreed, by consensus**, no compensation would be given.
- Abandoned Buildings: Marlene questioned if the Fire Department had considered using some of the dilapidated buildings for fire training by doing a controlled burn. It was explained by members of the Fire Department present, it is difficult to get approvals as environmental issues were a factor and permitting is necessary. It was suggested by Myron Carlson that the Tribe might be consulted regarding these buildings.
- Shed request by Shareholder was discussed. The shed is fine but placement shall be approved by Jerry Van Dorn for proper setbacks and mitigation of intrusion on water lines.
- Trailer Missing: Mr. Kolbo explained about a vessel trailer that was placed in our trailer storage area last year (without a contract and no payment received). Apparently the owner of the trailer is alleging the trailer was stolen and would like S.P.I.C. to claim on our insurance. A letter will be forwarded by the owner of the trailer to the board. Until such letter is received, item is tabled.



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## Question and answer period

Ms. Virginia Easton asked Mr. Klepac if hiring of a corporate attorney was necessary to find a way to achieve quorum. Ms. Eaton also suggested S.P.I.C. does not meet the criteria as a for profit corporation as we collect money from shareholders and do not show a profit. Ms. Eaton questioned the Board regarding their position as a for profit corporation.

There was discussion about the necessity of obtaining quorum before any changes can be made to the Bylaws and Articles of Incorporation which could then lead to the company's legal enforcement of the covenants.

## **Good of the Order:**

Mr. Kolbo commented about our Annual Cleanup Day and hoped people would not only be aware of the day, but also get their neighbors and friends involved in the event. Chappelle Arnett offered that we could have duties spelled out for the day with a signup sheet at the Marina.

The meeting was adjourned at 8:22 pm on a **Motion** from Ms. Carlson. **Motion was seconded and prevailed.**