

Teal Lake Village Association
Quarterly Meeting of the Board of Directors
April 22, 2021

MINUTES

1. Call to Order at 10:00am

2. Quorum: All board members present

3. Approve Agenda: Moved by Patty Patterson, second by Tom Britton, Passed unanimously.

4. Approve Minutes of March 15, 2021: Moved by Tom Britton, second by Tom Sprandel, passed unanimously.

5. Officers and Committee Reports

Landscape Update: Meeting set up next week with NLS management to discuss new supervision as well as a new contract for the next three years. We will also be getting competitive bids. Moss spraying was started April 21, we will try to get thatching of lawns added.

6. Setting up a reserve account.

a. Establish a reserve fund to become part of the budget starting with the 2022 budget.

MOTION: TVLA to establish a reserve account with a financial institution to fund major maintenance, repair, and replacement of common elements, including limited common elements that will require major maintenance, repair, or replacement within thirty years. (Words taken from WA State RCW 64.38.065) Motion by Tom Sprandel, second by Steve Hammond, passed unanimously.

b. Discuss components of the fund. General agreement that items included should be Landscape renewal, Pond (storm water collection), Storm damage trees, USPS Mail Boxes, Entry sign. Concluded that we will take the advice of a Reserve Specialist for the final components.

c. Discuss timing and advisability of having a formal reserve study done.

MOTION: Board to hire a Reserve Professional to help us establish a Reserve Fund.
Motion by Steve Hammond, second by Patti Patterson, passed unanimously.
Tom Sprandel to look for appropriate companies and secure bids.

d. Discuss the restrictions on spending reserve monies. Deferred until professional is hired to advise us.

e. Refer to web page for more info: <https://tlva.us/content-reserve/>

8. New business: waived

8. Owner questions and comments. Suggestion that it may not be cost effective to hire a profession or set up a reserve fund. This can be better analysed upon receipt of proposals.

9. Adjourn: Motion to adjourn at 11:00. Moved by Tom Sprandel, second by Patty Patterson. Passed unanimously.

Next regularly scheduled meeting: June 21, 2021 @ 10:00 am

By,
Tom Britton, Secretary
4-22-2021



Teal Lake Village Association

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Reserve Fund

For Discussion at Special Meeting

April 22, 2021 10 AM

treasurer@tlva.us

Introduction

(1) An association is encouraged to establish a reserve account with a financial institution to fund major maintenance, repair, and replacement of common elements, including limited common elements that will require major maintenance, repair, or replacement within thirty years. If the association establishes a reserve account, the account must be in the name of the association. The board of directors is responsible for administering the reserve account. — [RCW 64.38.065](#)

(1) A reserve study as described in [RCW 64.38.065](#) is supplemental to the association's operating and maintenance budget. In preparing a reserve study, the association shall estimate the anticipated major maintenance, repair, and replacement costs, whose infrequent and significant nature make them impractical to be included in an annual budget. — [RCW 64.38.070](#)

Hello Teal Lake Village,

The board is considering how to deal with reserve expenses. This page is a mash up of previous issues, investigations and reports. We will be reviewing these items in a special board meeting. Have a look at the home page for the schedule.

We have never had a reserve study nor a formal reserve fund. As our village grows older, we feel the lack. Our former practice has been to collect significantly more dues than we needed and then have a "dues holiday" in the fourth quarter. Increasing expenses have consumed the excess dues, and the "Pond" issue has made the need for a formal reserve fund evident.

As treasurer and webmaster, I'm assembling as much data as I can find. Feel free to send me your thoughts and data. We'll consider them in the special meeting.

Tom Sprandel
Treasurer

Suggested Reserve Component List

1 -- Commons Landscaping Renewal

- Large trees will grow old, need removal and replacement.
- Major Shrubs may need replacement.
- New ground cover may be needed to prevent soil erosion
- Review [Vegetation Management Plan \(VMP\)](#) for costs and commitments.
- The VMP was based on Chapter 18.22 of the Jefferson County Code which was repealed on March 11, 2020. See: [Critical Areas Ordinance](#).
- Each common area needs to be listed and evaluated.
- Review Minutes of [TLVA_2016-11-21_Minutes.pdf](#)

TLVA Common Area consists of Open Space Tracts A, B, C, D, E, F, G, H, I and J.

- Tract A borders Paradise Bay Road on the west and Teal Lake Road on the south up to Crestview Drive.
- Tract B lies between Sea Vista Place and Seaway Place.
- Tract C is found east of Seaway Place's cul du sac and south of Lot #78. It has an Osprey Nest Preservation Area which impacts work performed in this tract.
- Tract D is located south of Seaway Place.
- Tract E lies north and east of Clear View Place's cul du sac, between that street and Outlook Lane to the end of that street's cul du sac.
- Tract F begins south and east of the intersection of Crestview Drive and Teal Lake Road and travels up that road behind all homes on Crestview Drive.
- Tract G is the private driveway off Crestview Drive which services lots 1-4.
- Tract H is at the private driveway at the north end of the Sea Vista Terrace's lower cul du sac which services lots 55 & 56.
- Tract I is at the private driveway at the east end of Sea Vista Terrace's upper cul du sac which services lots 40 & 44.
- Tract J is on Seaway Place between Lots 77 & 78.

2 -- Pond (Storm Water Collection)

- Owned by Bayview Village
- Teal Lake Village responsible for 62% of costs
- Annual Mowing: Paid from the operations budget, not part of reserve
- Actual total Expense 2020: \$49,620
- Expected Expense 2021: \$21,171
(Includes estimated annual mowing expense: \$2,503)



3 -- Legacy Trees



Storm Damage

- Firewise Report [Minutes June 17, 2019](#)
- Estimated cost of removing felled tree: \$3,500 to \$5,000 [Item 4, second to last page above]
- Q: Would insurance pay for removing a tree felled by a storm?
A: No.



Legacy Tree Inventory

- Tagged tree inventory: [Monarch's 2018 Proposal & Board Actions](#)
- Estimated life? Estimated Schedule of removal? Likelihood of storm that fells multiple trees?

4 -- USPS Mail Boxes

- They are okay now, but they won't last forever.
- Existing boxes are 12 W x 5 H x 15 D (inches)
- When installed? Estimated total life? Estimated remaining life?
- Extra keys?



- Estimated Replacement Cost 2021:

(10) Clusters	\$15,750	(mailboxes.com)
WA SST	1,418	
Shipping	1,129	
Disposal	500	(SWAG)
Labor	2,500	(SWAG)

Total Installed	\$21,297	=====

5 -- Entry Sign

- Does it need to be included?
- Useful life? Current remaining life? Cost to replace?
- Flagpole?





Issues

Bylaws, CC&R's, State Law

- Rule 5 requires the board consider action when our "net worth" falls outside 10% to 25% of budgeted expense. See [Minutes June 28, 2004](#).
- Q: Are we required to have a reserve account and a reserve study?
A: [RCW 64.38.065 Reserve account and study](#). (1) & (2)
- Q: What must included in a reserve study?
A: [RCW 64.38.070 Reserve study—Requirements](#).
- Q: May we use the reserve fund monies for other purposes?
A: [RCW 64.38.075 Reserve account—Withdrawals](#)

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