

APPROVED 9/8/11

Minutes
Driftwood Key Club Board of Trustees Meeting
August 11, 2011
7:00 p.m.

The meeting was called to order at 7:01 P.M. by President Larry Schwerin.

Roll Call: The following board members were present: Remington, Goldingay, Schwerin, Buegel, Hell and Bryant. The following board member was absent: Brooke

Approval of the Agenda: The agenda was approved with the addition of one item: a letter to pool users.

Approval of Minutes:

Remington moved that the minutes of the July 14, 2011 Board of Trustees meeting be approved as submitted. 2nd, Passed unanimously.

Remington moved that the minutes of the February 2011 Board of Trustees meeting be approved as submitted. 2nd; Passed unanimously.

Bryant moved that the minutes of the August 2010 Annual Members' meeting be approved as corrected. 2nd; Passed unanimously. These minutes will be made available to attendees at the August 2011 Annual Members' meeting.

Hell commended the secretary for work to transcribe and prepare minutes for meetings.

Officer Reports:

President: Schwerin provided an update on recent Feola litigation. The judge denied Feola's motion and the decision on Rule 11 Sanctions will be decided on 8/19/11. A claim has been filed with the DKC insurance carrier to cover legal fees resulting from this legal action.

The insurance carrier has denied any claims resulting from the bar complaint filed by former board members against the President due to an "in-fighting" clause in the policy.

Vice President: Buegel noted that the e-mail chain between a DKC member and former board members has ceased.

Secretary: Bryant reported that the election materials are out and completed ballots are being returned.

Treasurer: Hell reported that the audit is underway. The auditor will provide a report to members at the annual meeting.

Hell reported that the Washington Department of Revenue has contacted Driftwood Key Club to notify the club that taxes should be paid on the pool and other properties (other than the clubhouse) based on state law. DKC disputes this and Hell will continue communications to resolve this issue.

The Financial Report for July 2011 was presented and is attached to these minutes as **Appendix A**.

Hell reported on the status of overdue accounts.

Hell moved that the Treasurer be authorized to explore civil legal action on accounts 2 years or more in arrears. 2nd; Passed unanimously.

Committee Reports

Building & Grounds/Pool: Remington reported on the status of activities related to Building and Grounds and the pool. The following items were noted in the report:

- Mountain display stand is under construction
- Knox box location has been approved and keys for all doors are being gathered.
- Bids have been secured for glass replacement at the pool.
- The playground fence is about 1 week from completion.
- The parking lot and tree removal are nearly complete.
- The 2 1/2 " hawser has been replaced around the clubhouse.
- There are controller problems in the pool and repairs are being made. An account needs to be set up with the CO2 vendor.
- The reserve study is set to begin on 9/2/11.
- Backyard habitat grant is underway and maintenance needs to be performed by the contractor.

Architectural Control: Buegel reported on the status of 4 ACC applications.

1. Asp project on Hood Canal Dr is about 65% complete..
2. Laureen Davis project 37880 Buck Rd, second floor edition has completed her survey and filed all her paper work and deposit. Project has started and is in the framing stage. Buegel moved approval of this project. 2nd; Passed unanimously.
3. Larry and Carol Schwerin fence project 27571 Vista Key Dr has been approved for a 6' cedar fence on his property line to the N. Survey has been completed. Buegel moved approval of this project. 2nd; Passed unanimously
4. Mark and Terry Amundson fence project 4986 Canal lane has been approved for a 6' cedar fence on his property line to the E. Survey has been completed. Buegel moved approval of this project. 2nd; Passed unanimously

Docks & Waterfront: Buegel reported on the status of Docks and Waterfront activities including:

- Rebuild of the dock gate
- Development of the rules and regulation pamphlet
- Construction of the Harbormaster shed
- The installation of the lockable dumpster to eliminate use for household garbage
- Different system to supply water to the docks
- Lots of new leases in the marina.

Policies & Procedures: The committee is providing several new policies for approval at this meeting.

Events: Bryant reported on the planning for the Music by the Bay event on August 19, 2011. The annual meeting will be held on August 27, 2011.

Lot Clearing: Schwerin reported on the activities of the Lot Clearing committee. The mediation agreement arrived at last year was extended and still the action taken has not been satisfactory to the complainant. There has been some effort to clean up the Buck Road property. Buegel will contact the owner and discuss the situation further. There have been no responses to the letters sent regarding lot clearing. A prior complaint resulted in some clearing of a lot but the complainant is not satisfied with the status.

Governance Document: Johnson provided an update on the recent meeting held to answer member questions about the governance documents. After several conversations between Johnson and Roland Malan, Malan will recant his communication regarding Trustee removal and will share this with the community.

Old Business:

Lot Clearing initiative: Schwerin reported that the attorney has been consulted about this proposal and counseled against proceeding with it due to liability concerns. The attorney suggested that lot clearing issues need to be handled between property owners and that the club should not take on more duties in this area. Discussion from the audience asked about the inclusion of this in the governance documents if the club cannot do anything about it. It was stated that the bylaws govern the operation of the club members as well as the board.

Committee structure and assignments: The details of each of these committees are attached to these minutes as **Appendix B**.

Docks and Waterfront: Remington moved that the docks and waterfront committee membership and purpose be approved as presented. 2nd; Passed unanimously.

Governance Documents: Hell moved that the governance document committee membership and purpose be approved as presented. 2nd; Passed unanimously.

Policies and Procedures: Hell moved that the policies and procedures committee membership and purpose be approved as presented. 2nd; Passed unanimously.

New Business

Finance Committee charter: Hell moved that the charter of the Finance Committee be approved as submitted by Chair, Mark Bell. 2nd; Passed unanimously. This information is attached to these minutes as **Appendix C**.

Trustee Communication Policy: There is currently a policy governing external communications. It was suggested that this policy be referred to the Communications Committee for review and additional work.

Proxy Vote Protocol at Annual Meeting: Bryant distributed the board vote ballot for the purpose of establishing the distribution of proxy votes assigned to the Secretary or other board members in the upcoming election. The calculations for proxy distribution are:

Ballot Item 1:	100% Yes	0% No
Ballot Item 2:	100% Yes	0% No
Ballot Item 3:	83% Yes	17% No
Ballot Item 4:	83% Yes	17% No
Ballot Item 5:	50% Yes	50% No

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Arnesen 100%
Borgomainerio 100%
Buegel 100%

Pool signage and security: Bryant moved approval of the letter to be sent to pool users regarding pool security and safety. 2nd; Passed unanimously.

Policies:

Buegel moved the approval of policies CP 12 a and CP 12 b. 2nd; Passed unanimously. Attached as **Appendix D**.

Buegel moved approval of policy BR11 Trustee Voting Protocol as amended. 2nd; Passed unanimously. Attached as **Appendix E**.

GHAAC traffic petition: Remington presented the draft of the letter to be sent to GHAAC regarding traffic on Hood Canal Drive. After much discussion, Remington moved that the letter be sent to GHAAC. 2nd; Passed 3 yeas (Remington, Bryant, Buegel) and 2 nays (Goldingay, Hell) The letter is included in these minutes as **Appendix F**.

Hell moved the meeting adjourn. 2nd; Passed unanimously.

The meeting adjourned at 10:05 p.m.

Good of the Order

Cecile Loitz thanked the board for their hard work.

Submitted by Mary E. Bryant, DKC Secretary

Mary E. Bryant Secretary 9/14/11 Date

Larry Schwerin President 9/15/11 Date