

SOUTH BAY COMMUNITY ASSOCIATION
BOARD OF DIRECTORS MEETING
September 10, 2026, 9:30am
Draft Minutes

1. Call to Order

The meeting was called to order at 9:32 am.

2. Determination of Quorum

Quorum was present to start the meeting; Board members in attendance were Carolyn O'Keeffe, Christine Spagle, John Cacho, Susan Shadrack and Mark Schwendener. Donna Colosky and Corey Wilkerson were absent. There were four SBCA members in attendance along with the SBCA's General Manager, Mark Torres.

3. Approval of Agenda

Members in attendance and the Board were provided with the opportunity to suggest changes or additions to the agenda. There were no comments or suggestions. Motion to approve the agenda as amended (next Board meeting date was corrected to read October 15). **Approved 5/0.**

4. Approval of meeting minutes for August 13, 2026, Motion to approve. **Approved 5/0.**

5. President's remarks – Carolyn O'Keeffe

- a. Pres. O'Keeffe commented on activity at Club, namely the Member Event (BBQ & Dance) scheduled for Sept 18, and recognition of Gil Skinner for organizing the educational speaker events at the Club. The Jefferson Health Care Wellness Talks and the Thor Hanson event were highly successful.
- b. PLVC matters. Pres. O'Keeffe summarized discussion topics at the PLVC meeting. The following meeting discussion items were acknowledged:
 - i. PLA continues work on Falls Terrace. There was brief discussion on SBCA's role to convey interest in annexation. Carolyn and the General Manager responded by summarizing SBCA's work-to-date.
 - ii. Carolyn mentioned update to insurance search status, General Manager expanded on updated options. The good news was that an insurance partner had been secured that could cover the SBCA for all familiar policies and comparable limits, without any changes to the operation, for an anticipated 20% (annual) increase. The insurance matter was tabled until the Old Business portion of the agenda.
 - iii. There was mention of a PLVC emergency management committee town hall meeting scheduled for Thursday, September 14, at the Bay Club. The topic of discussion will be earthquakes, wildfire, and other major events, and strategy of evacuation of the Port Ludlow area if required.

6. Manager's report – Mark Torres Club Operations

- i. General Manager Torres reported on several matters.

1. The General Manager noted staffing shortages continue; The GM disclosed that Don Baker has provided the SBCA with an informal notice of resignation/retirement. The GM estimated Don would be available until end of September or mid-October. The General Manager stated that the SBCA staff performance reviews had been completed and the budgeted merit-based increases were made to adjust individual hourly wage rates accordingly. The net impact of the increases were aligned with the preapproved budget limits set by the SBCA Board.
2. The GM provided information on the recent backpacks for Kids Pancake Breakfast fundraiser. Attendance was above normal. Approximately 70+ people were served. Direct donations and proceeds amounted to nearly \$2,000 for the organization.
3. Club Projects were discussed:
 - a. Replacement lockers are scheduled as ready-to-ship on Monday, September 14. The lockers are expected to arrive the following week.
 - b. The pool deck drain repair is now scheduled. The project will occur on September 21 and run through September 30. The pool and spa will be closed during the construction period. The locker rooms and cardio areas will remain open and unaffected (except during new locker installation if scheduled during that period).
 - c. The GM announced that the Parking Lot and Spinnaker asphalt resurface project had been given a “green light”. Last minute notice was due to changing weather (forecast). The asphalt project will start on Monday, September 14 and cause the Club to be closed for three days. If all goes on as planned the Club will reopen to normal activity on Thursday September 17. The Club will close again the following Friday, September 25, to allow striping of parking lot and Spinnaker Place.
 - d. The GM noted that the Pool Pump Room water heater will be replaced on Monday September 14. The new electrical panel in same area is expected to be replaced later in the month.
 - e. The Great Room Front Desk countertop project is still under discussion, and various options are continuing to be considered by the Facilities Committee.
 - f. The GM announced that the new website was completed and live.
 - g. The GM mentioned the recent communications for insurance options received. The GM also stated that Newman CPA firm was nearing completion on its financial

review of the SBCA 2025-2026 operating year, which will guide a financing option for the new insurance policies obtained through Balsiger Insurance. The discussion on paying premiums for new policies was tabled for the Finance Committee period of the agenda.

- h. The GM concluded report by announcing that Association Reserves had tentatively scheduled its on-site visit to update the SBCA Reserve Study. The anticipated date will be sometime in December.

7. Treasurer's Report – John Cacho reported.

- a. John noted reporting is for the period ending August 31, 2026.
- b. Income to-date was under expectation caused by timing of home sales in Olympic Terrace II, phase II. Income received to date was approximately \$16K under forecast. Expenses were approximately \$31K below forecast for same reason; timing of when planned expense was to be incurred. Net bottom line to-date is a \$14K surplus.
- c. Then John spoke to Reserves next, noting that a Reserves CD at Edward Jones had matured and the cash balance plus interest received was transferred to 1st Security Bank to provide cash payments for upcoming Reserve Projects like asphalt and hot water heater in the pool pump room.
- d. John also announced that the planned deposit from Operations account to the Rainy-Day Fund was completed. \$38K was deposited in the form of a new CD with Edward Jones.

8. Board Communication

- a. None

9. Committee Reports

- a. ARC – General Manager
 - i. On August 4, there was a Special Meeting of the ARC to review a special circumstance (but not emergency) application. The application was approved. On August 21 the ARC met as normal (3rd Friday of the month) There were 5 applications to review. Four of the applications were approved unconditionally. One application was approved conditionally. No other business was addressed at the meeting.
- b. Activities – Susan Shadrick.
 - i. Susan noted the success of recent Backpack for Kids fundraiser and reminded attendees that the next breakfast was to support our local Jefferson County ECHHO. Susan also noted that the Committee established criteria for participating in the Pancake Breakfast fundraiser. Participating organizations must be 501c3 non-profit organization.

- ii. Susan mentioned other events; such as the Air Museum Tour, Member BBQ & Dance, Member Holiday Gala, Club holiday decorating dates, and a Mystery Dinner (March of next year).
- c. Facilities – Treasurer Cacho
 - i. John summarized Committee’s review of several different items including; The locker replacement project, pool drain project, lobby front desk counter tops, landscape project closeout and updates to the woodshop rules/protocols.
- d. Health & Fitness – Christine Spagle
 - i. Christine noted the items discussed at recent Health & Fitness meeting; a survey being worked on to improved issues with pool schedule, QR codes being added to fitness equipment (orientation videos), the pool deck drain repair project, and wellness presentations by Active Life Fitness will be postponed until staffing matters are resolved.
- e. HR –Carolyn O’Keeffe
 - i. Carolyn noted that the HR Committee did not meet in August but now that the insurance issue is likely to be resolved, will allow HR to work with the GM to revise and establish a staffing strategy for the near future.
- f. Long-Range Planning –Carolyn O’Keeffe
 - i. Carolyn reported that the Committee has not met as the Committee continues due to insurance matters but will resume on September 23 now that insurance is secured.
- g. Finance Committee - John Cacho reported.
 - i. John noted the following:
 1. John mentioned a member account balance that is growing (monies due) due to assessment of fines. John recommended that the Board initiate an action plan to address non-compliance matters so that the balance can get paid/reduced, and if necessary, establish a plan for using outside counsel to secure injunctive relief through the Jefferson County court system.
 2. John stated that the Finance Committee supports a plan to finance the new insurance premium payments that involves use of surplus funds originally allocated for additional Rainy-Day fund deposits, but contingent upon the amount of surplus funds used for this purpose are reimbursed to the Rainy-Day fund by using any applicable refunded prepaid premiums (by CAU when policy is canceled) and by allocating operational funds allocated for insurance premiums be transferred as well, up to the limit that were intended for deposits to Rainy Day fund and/or were used from accumulated surplus.
 3. There was then a *motion to accept the proposal from Balsiger Insurance with the following disclosures: reject D&O coverage, add cyber coverage and increase excess liability coverage to*

\$10M. **Approved 5/0.**

h. Motion to approve all committee reports. **Approved 5/0.**

10. Old Business

- a. Insurance matters were already addressed during the Finance Committee reporting period.
- b. Bylaws correction, legal opinion on 64.90.410 (6).
 - i. A recent review of RCW 64.90.410 (6) by Rosehill Law Group resulted in a legal opinion that warrants an amendment to the recently amended SBCA Bylaws. The amended version will be presented to SBCA lot owners at the next annual meeting to approve. The amended portion will reflect the special authority the SBCA ARC has that other committees of the SBCA do not have.
- c. Member fines/rules violations.
 - i. Now that the SBCA's Collections policy has been updated to include a definition in due date for fines, the GM will proceed with delinquency notifications aligned state law and SBCA policy. Then a *motion was made to have the SBCA Board draft and send a final letter to the lot owner requesting proof of violation resolution and payment of applicable fines. The lot owner will be provided with two weeks to satisfy both demands before the SBCA seeks further legal support for collections and enforcement of SBCA rules.* **Approved 5/0.**
- d. Update to master Declaration in advance of 64.90 January 1, 2028 adoption date.
 - i. Carolyn noted that there is significant additional work needed to review the SBCA's Master Declaration to identify all areas subject to amendment for the purpose of harmonizing with all laws that will take effect on January 1, 2028. Much of this work will require assistance by an attorney. At this time both Laurel Law Group and Rosehill Law Firm will be considered for this work.

11. New Business

- i. None.

12. Member Comments

- a. A member in attendance had a question about Associate Membership.

13. Adjourn at approximately 10:50 AM a Motion to adjourn. **Approved 5/0.**

Next SBCA Board Meeting: October 8, 2026, 9:30 AM.

Next SBCA Board workshop: October 21, 2026, 1:00 PM.