

PORT LUDLOW VILLAGE COUNCIL
Board of Directors Meeting
3:00 p.m. – Bay Club
February 1, 2018

Vice President, Tam McDearmid called the meeting to order at 3:00 p.m. announcing the meeting was being recorded and that the Small Boards Protocol of Roberts Rules would be used.

Declaration of a Quorum

Secretary Pat Page declared a quorum was present. Attendees were Bill Dean, (via FaceTime from Hawaii), Randy Dearing, Paul Hinton, Vicki Derrenberger (SBCA representative for Gil Skinner), Tam McDearmid, and Phyllis Waldenberg. and Gil Skinner, Caleb Summerfelt and Paul Wynkoop were absent.

Amendments and Adoption of the Agenda

Tam McDearmid asked for any amendments to the agenda. Tam made one amendment to the agenda under X. Internal Reports/Actions to include Approval of Committee Memberships.

Jefferson County Report, Chief Brad Martin

Chief Martin gave an overview of the Department's responsibilities, District 3 borders and personnel. He focused on the robust quality of coverage and mutual aid from other districts in Jefferson County. There are 3 districts in the county: East Jefferson (District 1); Quilcene (District 2); and Port Ludlow (District 3). Martin reported that even though we are a small, rural county, the fire districts are very progressive and the paramedics on staff have the most advanced training available. The combined personnel are qualified in medical, fire, and water rescue. Chief Martin reported that in 2017, District 3 handled 1,170 calls for service.

Chief Martin indicated that there were handouts from the department on emergency preparedness in the event of natural disasters and encouraged everyone to review the literature. For further information, he also suggested the firewise.org web site for more details.

Special Announcement – Bill Dean, Pat Page

Bill Dean made the following comments regarding the CC&R's between PLA and PLVC.

“Good afternoon ladies and gentlemen.

The specific document I would like to discuss today is one that Dave Jurca, Dave McDearmid and I struggled with during the tree harvest deliberations

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way back in 2015. It is a set of Covenants, Conditions and Restrictions, CC&R for short, created by Pope entities in September 2000 and the more we read it, the more other attorneys read it, the less it made sense. If this was an enforceable document by the PLVC, don't you think

all the attorneys and others who were working on the tree harvest would have used it? We just came to call it the "goofy CC&R! Why would we say that?

Well, It purports to give the PLVC the power to exercise architectural control but then says it cannot use that against PLA or any successors or assigns.

It has a set of Design Guidelines that shall be followed, but has absolutely no mechanism to enforce it.

It says it is solely the right of PLVC to go to court to have it enforced, but by the time a building has been constructed, the document, in another section, has removed that building from being covered by the CC&R. It's just goofy!

When a rendering or set of plans are drawn and presented as they were for the Healthcare Building, the PLVC cannot take them to court for having a drawing. It's like claiming you are going to commit a crime, but until you actually commit it, you cannot be arrested.

Another nit about the document is that the PLVC did not sign or agree to be bound by the document. It was prepared and recorded solely by Pope entities and PLA took over that role when they purchased the MPR in 2001 – "You can tell me all you want what I should do, but until I agree to do it, it means very little."

So, as a non-lawyer, that is my summary of the goofy CC&R and these confusions are the primary answer to the question that has been asked loudly and repeatedly.

Why didn't the PLVC stop the PLA from building the building?

Short answer, we did not have the right to. But wait, just because the PLVC did not have a right to challenge the building permit application or to take PLA to court for having a design we did not feel was compatible with the rest of the Village, why didn't we carefully review the plans and question

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the raw concrete and note a wire cage that would greet all visitors arriving from Paradise Bay Road? The only rendering that I remember was the front elevation and although not my preference, I really did not see that as completely incompatible, although the orange stripe gave me pause. If we had taken the results of a careful review to the community, we would have better fulfilled our commitment to be a voice for the residents. If we had then taken community concerns

to PLA, they still were under no obligation to adhere to them. I wish we had a more careful review and assure you that this board filled with many new members, we will do exactly that in the future.

Dave McDearmid or Dave Jurca, do you have anything you would like to add?

So, that is how we got to where we were in November and Pat Page is going to review what we have been working on since then to try to enhance the aesthetics of the Jefferson Healthcare Building.”

Pat Page then read a report on the meetings held with Diana Smeland, President, PLA; Mike Glenn, CEO Jefferson Healthcare; Jon French, JHC’s legal counsel; Bill Dean, and herself as follows:

“As a new Board we had a considerable number of activities on the agenda for this year, but first and foremost, the message from the community of Port Ludlow, was to address the exterior design of the Jefferson Healthcare Building.

Subsequently, on December 4, 2017 Bill Dean, President of PLVC, and myself (Pat Page PLVC Secretary) met with Diana Smeland President, of PLA to discuss the prospects of enhancing the building’s appearance, especially from the Paradise Bay Road elevation.

Our recommendations were to cover the concrete by continuing the siding down the side of the building, landscape the area in front of the garage “grate” and have the lighting in the garage dimmed or turned off during nighttime hours.

Diana’s response was that we would need to get together with everyone involved in the building; that being the builder, PLA,

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and the tenant, Jefferson Healthcare before any determination could be made as to any changes. She indicated that the design had been driven by Jefferson Healthcare to have a unique facility in Port Ludlow. Diana did not seem to be aware of the Design Guidelines from the recorded CC&R.

A meeting was set up for January 17, 2018 with Bill Dean; Diana Smeland; Mike Glenn (CEO of Jefferson Healthcare); Jon French

(Jefferson Healthcare legal counsel) and myself. Bill thanked Jefferson Healthcare for opening their new facility and indicated the community was very pleased to have a more substantial healthcare offering within Port Ludlow.

He then carefully outlined the purpose of PLVC, in that we represented the community, not as a homeowners association, but as elected representatives of the community and requested that JHC consider giving their Port Ludlow facility a more finished look.

We provided large size photos of the building to facilitate the discussion of why our residents are concerned. Although the front of the building looks complete, the back and side, where some 80% of the drivers see the building, appears unfinished. It is especially the raw concrete and wire cage on the garage that appear incomplete.

Furthermore, the building does not appear to be consistent with the other buildings in the Village Center and we provided large size photos of adjacent properties for comparison. Diana indicated that she felt the building did meet the Design Guidelines.

Jefferson Healthcare indicated they are interested in developing a more positive image and appreciated our comments. The meeting was brief – only about half an hour – and we were assured that the JHC team would get back to us in a timely manner.

On January 29, Bill received this email from Mike Glenn at JHC.

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Hi Bill,

Thank you for taking the time to visit with us last week. I enjoyed meeting you and learning more about the PLVC.

Shortly after our meeting, I spoke with Steve Rice, the project manager/architect for the Ludlow project. I told him Diana would soon be calling and we desired a list of cost effective aesthetic improvements for both the landscaping and the exterior of the building. He returned my call the following day to confirm Diana had been in touch and they were to begin that work.

I have yet to see his work product, but am confident it will include several modifications that will improve the design of the building and address your concerns. If helpful, we would be

willing to host a meeting in Ludlow unveiling the recommended changes and proposed work plan.

Thanks again for helping us become an appreciated neighbor. We value this very much.

Mike Glenn CEO Jefferson Healthcare

The PLVC looks forward to hosting a community meeting for Jefferson Healthcare, where they can discuss the modifications they are planning.

Thank you.

Jefferson County Department of Community Development, David W. Johnson, Associate Planner, Port Ludlow Lead

Prior to starting his report, Mr. Johnson asked for the new PLVC Board Members email and phone numbers so that they could be added to the county roster for land use in Port Ludlow. By being added to the list, the board members would be notified of planned land use activity and better able to advise the community regarding various projects.

Johnson then went on to discuss the MERU count, which is a measurement used to control/cap development in any given area of Jefferson County. The MERU count for Port Ludlow residences is capped at 2250 MERU. With the addition of the new Jefferson Healthcare building, there will be an update of the MERU's (both

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residences and commercial) on file for Port Ludlow in accordance with title 17 of the Jefferson County Code. He stated that it has been 5 years since any review of Port Ludlow has taken place.

Regarding the Comprehensive Plan which is due to the state in June of 2018, a consultant has been hired to complete the report and make it legally defensible. David stated that the Plan will undergo public review prior to completion and that dates and times of the review will be publicized on the county web site.

Note: At this time Vice President McDermid took a moment to review the Guidelines for participating in PLVC Open Meetings. She cautioned everyone to ask

questions in a respectful manner or to refrain from speaking at all. She reminded the audience when speaking, to address the issues, not individuals.

PLA Developer Report, President Diana Smeland

Ms. Smeland took this opportunity to report on the Jefferson Healthcare building and to refresh some memories as to the approval process by PLA 2 years ago. Diana met with the PLVC Community Development committee (CDC) and discussed land planning, house designs and various committee concerns.

With regard to the Jefferson Healthcare building, Diana stated that a public meeting was held in 2015 which included Mike Glenn from Jefferson Healthcare (JHC) and the CDC members which gave them an opportunity to review the elevation drawings of the new clinic. There was no objection to the design of the clinic at that time. The reaction of the community was instead very favorable that JHC was finally going to have an enhanced presence in Port Ludlow.

Diana reported that when she met with Bill Dean and Pat Page in December 2017 she was surprised by the discussion in which Bill outlined that the community had expressed concerns over the “unfinished” look of the building, specifically the raw concrete and grate covering the garage, and that as far as PLA was concerned, the building was complete with the exception of a few additions to the front (parking lot side) of the building.

Ms. Smeland noted that she had been in meetings with JHC and together they were looking at different options regarding the building. There is not definite plan as yet, so she couldn't elaborate on the final outcome of the changes to the building but they will be talking to the architect.

An audience member thanked PLA for bringing JHC's enhanced clinic to Port Ludlow.

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Several questions from the audience followed:

Q: What about the proposed coffee shop?

Diana responded that there had been interest by a prospective tenant regarding a coffee shop being placed in the Village, but that the tenant has now gone away.

Q: What's happening with the sale of the golf course?

Diana replied that there were no offers they had considered and the listing had been removed (taken off the market).

Q: Is the grocery store going to be expanded?

Ms. Smeland reported that there had been some discussion with the tenant about that proposal, but they were waiting for a final decision from the tenant prior to any action.

Q: What is the effect of Port Ludlow's treated wastewater and the geoduck population in Ludlow Bay?

Diana reported that the Department of Natural Resources (DNR) has extended the time for testing the Bay until June when a report created by Marine Survey & Associates will be filed and the fee for disposal of the water into the bay will be recalculated. Diane stated that the lease fee is currently \$5,000 per year, but could go as high as \$85,000 to \$100,000 per year, which would be reflected in the community's sewer rates.

Diana then reported on sales of PLA homes indicating that there were 9 sites left in Ludlow Cove and Olympic Terrace II had 1 contract with lots 26, 27 and 40 to be started soon.

Bill Dean asked about the Cucina Pizza restaurant in the Village noting that it had experienced fluctuating hours of operation and inconsistent responses to phone calls. Diana referred all inquiries to the owners of the business. Bill also asked if there were any plans to spruce up the Village Center, i.e., Power washing the buildings and restriping the parking lot. Diana responded by saying that late in 2017 there was tree trimming, the courtyard was power washed and the trashcans were painted. Bill asked about the moss and debris on the Village Center buildings and Diana responded that PLA would be replacing the roof from the store (not including the store) to the accounting area/old salon site this year.

At Mr. Loomis' request the following letter to Bill Dean is read into the Minutes by PLVC Secretary, Pat Page

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Bert Loomis

235 Edgewood Drive

Port Ludlow, WA 98365

bertl@cablespeed.com

January 28, 2018

*Bill Dean, President
Port Ludlow Village Council
120 Spinnaker Place
Port Ludlow, WA 98365*

RE: Questions for the PLVC BOD at your February 1st meeting

Dear Bill:

It has been almost ninety days since I sent an email reminding the PLVC that they had assigned and recorded 'Design Standards Agreement' with PLA in which those Design Standards had been clearly violated by construction of the Jefferson Healthcare Building.

The February PLVC meeting is a perfect opportunity to give our Community an update on this issue. It needs to include an

explanation as to why the Design Standards were violated, and what, if anything, is being done to mitigate those violations by the PLVC I encourage you, and your Board, to ask PLA some specific questions. Below are a few suggestions that our

Community might find very informative:

- (a) Why did PLA ignore the recorded Design Standards?*
- (b) Is the Port Ludlow Village Center loosing the post office?*
- (c) When is the long promised coffee shop opening?*
- (d) When is PLA going to resurface and restripe the Village Center parking lot?*
- (e) Would PLA consider bringing Breaker Lane up to county road standards?*
- (f) Is PLA on schedule to achieve full build-out by the*

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*deadline as required by the “Development Agreement”?
(Request a flow chart with specific timelines)*

- (g) *Has PLA (OWSI) obtained (and legally perfected) adequate water rights to meet the Development Agreement and DOE requirements? (Request supporting documentation)*
- (h) *Is PLA willing to sell the Village Center and/or other development-ready properties, in order to improve their cash position, accelerate the development process, increase, and improve the quality of amenities within our community?*

The PLVC has been around for more than eighteen years. I believe the time is long overdue for you to finally start holding PLA accountable for decades of broken promises and demonstrably false statements made to you and our Community.

I challenge you to take an objective look at the present condition of the Village Center, Breaker Lane, the marina, golf course, and the Jefferson Healthcare Building. Then, ask yourself if those properties reflect well on our Community?

Moreover, what do you think that does to our property values?

Sincerely

Bert Loomis

C: SBCA BOD

LMC BOD

Olympic Resource Management (ORM), formerly Pope, Adrian Miller

Olympic Resource Management (ORM) advised today that they are going to commence timber harvesting operations in mid-February on the 91 acre tract of land called Miller Time. It is located between Paradise Bay Road and the previous PLA harvest near the Woodridge Village in South Bay. Harvested trees will be removed from the site south on Teal Lake Road and the parcel will be replanted for future harvest. This harvest has been approved by the Department of Natural Resources.

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ORM will be holding a public meeting in the near future to discuss their specific plans and impacts the harvesting will have on area residents. For further information, contact Adrian Miller at 360-607-6625 or amiller@orminc.com.

Bill Dean noted that all lands being harvested are interior to Paradise Bay Road and would not be seen from the road.

Community Interest Reports

Community Development, Dave Jurca

David reported that his committee has been working with PLA as the sole developer in Port Ludlow to build the best possible relationship with them. He noted that

there had been some improvement, and suggested that Diana attend more of their meetings.

Village Center Post Office, Paul Hinton

Paul reported that the Village Center Post Office owner is planning to retire, but that there are no plans to close the post office either by that individual or the government.

Dog Park, Glenn and Phyllis Waldenberg

The latest meeting of the ad hoc Dog Park committee was held on January 29, 2018.

After many months of research and planning, the committee finalized their proposal for a dog park within Port Ludlow. The proposal includes a site plan and aerial photos, marks the location of the dog park, includes estimated costs for fencing, gates, parking, water and pet waste stations, signage, benches, insurance, funding, operation and maintenance. The owner of the proposed property is Port Ludlow Associates. The proposal addresses how the property is to be held and what PLA and PLVC will each be responsible for.

The committee would like to take an opportunity to present the proposal at the PLVC workshop on Tuesday, February 20, 2018 at 3:00 p.m. at the Bay Club for discussion and to answer questions at that time. Following any changes to the proposal, the committee would present the proposal for formal approval at the PLVC Board of Directors meeting on March 1, 2019 at 3:00 p.m. at the Beach Club.

If the proposal is approved by the PLVC Board of Directors, the proposal shall be presented to Port Ludlow Associates.

Utilities, Russ Michel

Russ Michel, Utilities committee Chair named his committee members, Bill Dean, Phil Franzel, Austin Kerr and Phil Otness and their areas of responsibility and also

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noted that Recycling is part of the Utilities committee. Russ described the current issues that the committee is tracking. These include the Geoduck Resource Damage Assessment for the Olympic Water and Sewer (OWSI) sewer outfall permit, the PUD's search for a new general manager, the pending PUD rate increase, and the PUD Meter Replacement Project.

The 2018 goals for the committee include to continue effective and timely communication to the community as necessary and continue to coordinate with the Emergency Management committee as it pertains to utilities and disaster preparedness.

Russ then took questions from the attending members as to the PUD's rates and meters. Russ answered that the PUD has three major agenda items in the coming months: 1. Hire a new general manager, 2. Rising wholesale cost of electricity from Bonneville Power, 3. Smart meters.

There is currently a search firm involved in working to find a general manager and they anticipate a new hire this Spring. The wholesale cost of electricity will result in an increase of approximately 5% in April 2018. There remains a great deal of controversy over the amount of "electro magnetic radiation" output from the smart meters. The PUD has set a deadline of May 1, 2018 to get all the data together regarding the safety of the smart meters and will report this information on their website, **Jeffpud.org**. Russ noted that the committee would not duplicate any of the information on the PLVC site that is already on the PUD web site.

There was further inquiry from the members about the possibility of the PUD providing internet service to the community via fiber optic cable which would put them in competition with local provider WAVE. Russ responded that there was not much interest expressed in the survey taken by PUD, but that an education campaign about the proposal would be undertaken in the future.

Mr. Michel addressed the geoduck issue brought up by Diana Smeland and gave some further information, specifically that the discharge from the Port Ludlow sewer system is clean and meets all State requirements for sanitation. However, with the pending increase in rates, Larry Smith, OWSI president is currently looking at different locations to have Port Ludlow's effluent discharged in another location.

Roadway Safety, Steve Frenzl

Mr. Frenzl brought the membership up to date regarding the Roadway Safety proposal he and the committee brought to the County officials last October which focused on specific changes to traffic management in Port Ludlow to reduce speed and increase enforcement. There had been a delay in implementing any of these

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changes due to staff vacancies, but the new Transportation Planner, Wendy Clark has met with Steve and is on board with the report and hopes to make some changes as requested. She will be taking the requested changes to the County Department of Public Works. The specific items addressed with Ms. Clark were:

1. Reduce speed/stay at 30mph through the village and surrounding areas.
2. Install two 4-way stops: Paradise Bay Road & Breaker Lane and Oak Bay Road at Walker where it crosses into the Beach Club area.

Steve brought to everyone's attention the traffic enhancements that had already been attained which included a street light illuminating the intersection of Spinnaker and Paradise Bay Road, and the portable radar signs that the Sheriff's

Department has placed around the community. The radar signs were acquired by the Sheriff's Department through a \$30,000 grant and are free to us in Port Ludlow.

Community Welcome Event, Phyllis Waldenberg

Phyllis reported that the Newcomer Welcome committee held its first meeting January 24, 2018 with nine members present. Many of the committee members from 2017 have volunteered to help again. There are three new members joining the committee this year.

Co-chairs of the event are Phyllis Waldenberg and Pat Page. Other members have signed up to perform the various tasks it takes to put on this popular event which hopes to attract the 86 new residents of North Bay and 56 new residents of South Bay.

The newcomer welcome event will be held on Wednesday, July 11, 2018 from 4 p.m. to 6 p.m. at the Bay Club.

The committee reviewed the evaluation and wrap-up done by the 2017 committee. We will take into consideration what the 2017 committee said worked well and try to avoid what did not work. Invitations will hand addressed and mailed to new residents in Port Ludlow. In addition there will be public notices. There are approximately 52 organizations that will be contacted to participate in the event.

The budget for this event was set at \$600, divided equally among PLVC, SBCA and LMC.

PLVC Internal Reports/Actions

Secretary — Pat Page

Secretary Pat Page made a motion that the minutes from the January 4, 2018 meeting be approved as written. Motion was seconded and passed. Ms. Page noted that there had been no additional correspondence other than the letter from Bert

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Loomis and an email from Adrian Miller which were read into the official record of this meeting.

Treasurer, Tam McDearmid for Paul Wynkoop

Tam reported that the January beginning balance was 29,153.40. There was no income in January, but expenses totaled \$701.09 leaving an ending balance of \$28,452.31. Motion was made, seconded and approved to accept the financial report as submitted.

Tam also asked the Board to approve the updated Committee Membership List. Motion was made, seconded and passed to approve the 2018 Committee Membership List as written.

At 4:54, Ms. McDearmid adjourned the Board Meeting and called an Executive Session. At 5:26 p.m. the Board returned to general meeting. Having no further business, the meeting was adjourned at 5:31.p.m.