

## **PART 7      POLICY STATEMENTS**

This section of the LISE Policy Statements can be changed by a majority vote of the Board of Directors at any regular meeting.

### **SECTION 7.1. PREAMBLE**

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#### **ARTICLE 7.1.1. INTRODUCTION**

- 7.1.1.1.      Part 7 contains Statements of Policy as agreed to by the Board of Directors from time to time. They may be changed whenever time and circumstances dictate. They are printed to keep all members fully informed.

#### **ARTICLE 7.2.1. INDEX**

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POLICY STATEMENT #1

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**ROADS – DESIGNATIONS AND MAINTENANCE**

**DESIGNATIONS**

The Board of Directors of the Lummi Island Scenic Estates Community Club, Inc. will post community roads at their intersection with County Roads: "Community Road". All members of Lummi Island Scenic Estates Community Club, Inc. and their guests are guaranteed the right to use all roads within the Estates. The posting is to minimize liability to the public and to provide for prosecution of unauthorized persons trespassing.

*Effective 6 March 1971, revised 8 October 1988, 11 June 2000.*

*Approved by the Board of Directors in regular session 6 March 1971, Wallace W. Croy, President.*

**COMMUNITY AND COUNTY ROADS - ROADSIDE MAINTENANCE**

The Board of Directors will not permit a brush cutter to be brought in to maintain the Community roads. It cannot stop the County from cutting along County roads. If you do not want the County to cut along your road frontage you must maintain it in such a way as to preclude the County brush cutter from cutting in front of your property.

The Board of Directors will notify each lot owner in advance of any pending work to be done on the community road areas before undertaking the same. Maintenance that is required in front of each lot will be billed to the owner of that lot. This includes brush cutting and road surface repairs unless damage is caused by the Club. Each lot owner can minimize the costs of these maintenance items by keeping the roadway in front of his lot well maintained.

The Board of Directors requires each lot owner to maintain the road in front of his lot as follows:

Keep area between outside edge of ditches or the tops of the road-fill on embankments clear of trees and brush. Trees growing on slopes beyond the ditch or top of road-fills should be trimmed back to keep limbs from protruding into the roadway area. Cleared area is to be at least five (5) feet from the edge of the paved surface of the roadway. The paved surface of the roadway is not necessarily in the middle of the right of way.

*Effective 22 August 1977, revised 13 March 1988, 11 June 2000*

*Approved by the Board of Directors in regular session 22 August 1977, Wallace W. Croy, President.*

POLICY STATEMENT #2

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**WINTERIZING OF PRIVATE WATER SYSTEMS**

At times, above-normal loss of water in the wintertime is due to some members failing to take necessary precautions in winterizing their water systems. This requires the Operations Manager<sup>1</sup> to spend many extra hours going from house to house and lot to lot hunting for breaks and listening for seepage at service "shut-offs and drains" that have not been properly turned off. When not turned off properly, many of these "shut-offs" will turn off the water to the property but will still drain the main line.

From the first of November to the middle of March in this area we can have a considerable drop in temperature overnight. A member's water system may freeze, causing pipes to break where his water system has not been sufficiently insulated or properly winterized.

In the past as much as 30,000 gallons of water per day have been lost due to members failing to take the necessary precautions. This has resulted in added use of chemicals, power for pumping, extra time for caretaker, and added inconvenience and embarrassment to the member.

The Board of Directors feel that when water is left running to preclude freezing, the added cost of producing this wasted water should be billed to the member. There is no valid reason for leaving water running and this misuse of the water will result in charges and possible fines.

*Effective 26 June 1978, revised 13 March 1988, 11 June 2000, and 17 December 2017.*

*Approved by the Board of Directors in regular session 26 June 1978, Wallace W. Croy, President.*

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<sup>1</sup> Added 17 December 2017

POLICY STATEMENT #3

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**WATER USE - SPRINKLING AND WATERING**

With the passing of Public Law 93-523, the Federal Safe Drinking Water Act of 1974, and the Amendments in 1986 by the Congress of the United States, the State of Washington has passed laws and established rules which are now affecting every water system that serves two or more single family residences.

As a result of these laws and rules it is imperative that we maintain our water use as consistently as possible. In other words, we cannot have very high-use days once or twice a week as we have had in the past. Each day's use should be close to the daily average use for the total month with seasonal rises as required by summer use versus winter use. In the past we have had some very high-use days on weekends which we must control.

Conservation of water is part of the requirements which we need to comply with since eventually we will be required to draw up a conservation plan to be approved by the authorities. Until that plan is in place our efforts to control our use of water in any one day will be limited to the following sprinkling and watering policy.

If you live in the Estates full time, please restrict your sprinkling and watering to Monday, Tuesday, Wednesday, and Thursday of each week. If you visit the Estates only on weekends please do your sprinkling and watering on Friday, Saturday, and Sunday. For all members, when a sprinkling ban is in effect, handwater only. Watch for the signs. A fine can be imposed if the ban is not adhered to.

Use what you need, but don't waste water needlessly.

*Effective 14 July 1991, revised 11 June 2000.*

*Approved by the Board of Directors in regular session 14 July 1991, Jack E. Small, President.*

POLICY STATEMENT #4

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**USE OF EQUIPMENT/STAFF ASSISTANCE**

The backhoe is not available for use outside the Lummi Island Scenic Estates at any time. Backhoe, with operator, is available for hire to members at the current professional rate. All other equipment, including the pick-up, is for the sole use of Club employees on LISE business.

*Effective 14 March 1993, revised 13 June 1999 and 11 June 2000.*

*Approved by the Board of Directors in regular session 14 March 1993, Moe Demers President.*

The Operations Manager and staff<sup>2</sup>, along with LISE equipment, may be available for assistance to LISE members in emergency situations. “Emergency Situations” are not to be construed to include problems that have arisen because of procrastination or poor planning on the part of the member. The LISE staff and equipment are also not available for repairs or lot improvements unless prearranged with the Board of Directors through the Operations Manager.

*Effective 9 February 1997.*

*Approved by the Board of Directors in regular session 9 February 1997, James Lawson, President.*

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<sup>2</sup> Changed 17 December 2017

POLICY STATEMENT #5

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**GRIEVANCE PROCEDURES**

A complaint shall be the filing of a formal written statement alleging a breach of conduct, a failure to comply with assigned duties, or other allegation of wrongdoing. All complaints shall be signed by the complainant and all facts pertinent to the complaint shall be included.

The reporting of an incident shall not constitute a complaint by itself, but an incident or a series of incidents may be the basis of a complaint.

The reporting of an incident may be verbal, and it shall be the responsibility of anyone using it to file a complaint to have ensured the facts to be true before reducing the report to a written complaint.

Written complaints will be handled as follows:

**Complaint by any member or Director against an employee:**

Complaint to be delivered to the President.

**Complaint by any member or employee against a Director:**

Complaint to be delivered to the President. (If complaint is against the President, complaint to be delivered to the Vice-President who shall follow the procedure as set out below.)

**Complaint by any Director against an employee:**

Complaint to be delivered to the President.

All complaints delivered to the President shall be checked by the President for accuracy. The President shall try to resolve minor differences. Major problems may require impartial participation, in which case the President shall select an ad hoc committee composed of members and/or Directors, as the President sees fit, to make a thorough investigation. The committee will then make a report to the full Board of Directors, giving their findings of fact, their opinions based upon those facts, and their recommendations. The Board of Directors' decision shall be final.

When employees have problems with club members in the carrying out of the employees' daily duties, the matter shall be reported to the Board of Directors at their next meeting or, if urgent, to the President first, or another Board member, immediately. See 5.6.1.3. of the Rules and Regulations.

*Effective 9 March 1980, revised 13 March 1988 and 11 June 2000*

*Approved by the Board of Directors in regular session 9 March 1980, Wallace W. Croy, President.*

POLICY STATEMENT #6

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**BUDGETED SPENDING**

The Board of Directors is responsible for budgeting funds for the maintenance and improvement of Club properties. The Board, operating on information furnished by other Board members or LISECC staff, authorizes projects based on this preliminary information. Those charged with the job of executing the project are bound by the funds authorized for that project and may not expend funds to extend the project in any way beyond that authorized by the Board of Directors, except as follows:

1. Critical safety repairs due to acts of nature do not need authorization from the Board, but they must be reported to the appropriate Committee Chairperson within 24 hours of the occurrence of the emergency.
2. Any non-critical repair needs the authorization of an Officer of the Board or the General Manager before any money is expended for its correction and so long as the cost does not exceed \$3,500 and is provided for within the budget.<sup>3</sup>
3. All employees and individual Board members are limited to within a 10% cost overrun of the authorized (estimated) cost of an authorized project.

Circumstances may make the expansion of a project desirable, but no project, big or small, is to be over-spent beyond the 10% limitation without the Board's authorization and funding at a Board meeting.

No employee or individual Board member is authorized to indebted the Club beyond that which the Board has authorized by budget approval for any purpose. Specific projects in the approved budget may be amended by the Board from time to time as the Board determines the needs of the Club.

*Effective 7 July 1985, revised 11 June 2000, revised 28 April 2024.*

*Approved by the Board of Directors in regular session 7 July 1985, Wallace W. Croy, President.*

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<sup>3</sup> Revised 28 April 2024

POLICY STATEMENT #7

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## **DUES AND ASSESSMENTS**

### **Preamble:**

In 1971 the LISECC Board of Directors first began to collect past due dues and assessments as required by the Articles of Incorporation. By 1975 a policy had been established for collection of such dues. Some figures have been modified from time to time to keep them current with the costs of administration. This is a clarification of that policy. Any inconsistencies in wording or intent reflected in this policy, and the underlying action approved by the Board on a particular subject or matter addressed herein, the Board's actual action and intent as reflected in approved Board meeting minutes shall control.<sup>4</sup>

### **References:**

Part 4 of our bylaws, which only the membership can change, are cited as the Board's authority. Please read bylaws 4.2.1.5., 4.2.3.5., 4.4.2.9., and all of Section 4.5.

## **NOTIFICATIONS**

It is the responsibility of the LISECC member to provide current contact/billing information to the LISECC administrative office. All notifications will be sent to the owner of record at the address of record as required by the bylaws via regular mail or by certified mail where specified herein.

## **CHARGES<sup>5</sup>**

Following are the various charges a member may accrue per billable lot. All charges are due and payable within thirty (30) days of invoice and become delinquent thereafter.

### **A. ANNUAL DUES**

All dues paying members will pay annual dues which cover the period of January 1 to December 31 of each year and are billed as of January 1. The bylaws (4.5.1.3) specify that dues are due on a semi-annual basis, with the first half due on January 1 and becoming delinquent on the 1st of February. The second half is due on June 1, becoming delinquent on the 1st of July.

1. Members have the right to prepay their annual dues.
2. As a courtesy and budgeting convenience to members who maintain a current account status, LISECC offers a monthly payment plan. LISECC will issue monthly payment coupons to qualifying members in January.

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<sup>4</sup> Revised 17 December 2017

<sup>5</sup> Revised 17 December 2017



3. In the event that a member (who initially qualified for and chose to use a monthly payment plan) becomes 30 days delinquent, their account will revert to a semi-annual payment schedule as specified by section 4.5.1.3. of the bylaws.

## **B. LOAN FEE**

All dues paying members will pay their prorated share of the current year's Drinking Water State Revolving Fund loan (DWSRF). This loan fee will cover the period of January 1 to December 31 of each year and will be billed as of January 1.

1. Members may make an annual, semi-annual payment, or monthly payments under the same terms and conditions established in Policy 7, Section A.
2. Members will have the option of paying their share of the DWSRF loan debt in full at any point during the 20-year loan term. The payoff terms will be calculated by the LISECC Office Manager<sup>6</sup> and are subject to approval by the Board of Directors.

## **C. WATER CONNECTION BASE RATE<sup>7</sup>**

Members with a water connection are charged a monthly connection fee based on each tier of water usage beginning with the lowest (0-100 gallons per month) and extending through the highest (10,000-11,000 gallons per month). This fee is in effect from January 1 through December 31 of each year and is incorporated in each tier of the rate structure. This means that LISE will invoice for each water connection even if there is no water usage during any particular period.<sup>8</sup>

## **D. WATER USAGE**

Supplemental invoices reflecting water usage, including the **monthly base water connection rate**, will be issued every two (2) months and will be due and payable within 30 days following the date of invoice.<sup>9</sup>

## **E. SPECIAL ASSESSMENTS**

In the event that the membership approves a special assessment, an invoice for the amount will be issued on every LISECC lot (dues relief for bound lots does not apply to special assessments). These charges are due and payable within 30 days following the date of invoice (unless otherwise specified in the membership vote for special assessment) and become delinquent thereafter.

## **F. PAYMENT PRIORITY ON ACCOUNTS**

To maintain uniformity in how members are treated, LISECC will apply payments received to the oldest outstanding balance on delinquent accounts without regard to member requests to the contrary. Prepayments on current accounts will be applied on a pro rata basis to the charges as billed.

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<sup>6</sup> Revised 17 December 2017

<sup>7</sup> Revised 26 March 2022

<sup>8</sup> Revised 17 December 2017, 26 March 2022

<sup>9</sup> Revised 17 December 2017, 26 March 2022

## **G. LATE CHARGES**

If a full payment for invoiced dues, loan, and RTS fee as applicable (annual, semi-annual payment, or monthly payment under the same terms and conditions established in Policy 7, Section A.) is not received by LISECC by January 31, the account will become delinquent and a \$25 late charge will be assessed on March 1st. A \$25 late charge will be assessed on all delinquent accounts on August 1st<sup>10</sup>. A \$50 late charge will be assessed on all delinquent accounts on December 31st.

## **H. INTEREST CHARGES**

In addition to late charges, all past due accounts (i.e. over 30 days late) will be assessed interest on unpaid balances, according to the semi-annual payment schedule, at the rate of 10% annually (0.83% compounded monthly).

## **I. MISCELLANEOUS CHARGES**

Miscellaneous charges may occur from time to time and include such items as contracted services between the member and LISECC such as the cost of a water service installation. Other costs can be the result of services rendered to abate a problem on the member's private property (4.4.2.9), for services actually supplied or rendered (4.5.2.1), and from fines, penalties and special assessments. These charges are due and payable within 30 days following the date of invoice and become delinquent thereafter.

## **DELINQUENT ACCOUNTS**

Accounts having delinquent balances (whether for dues, loan fees, RTS fees, supplemental water usage fees, special assessments, late charges and interest, and or miscellaneous charges) shall be subject to additional penalties and consequences.

### **A. WATER SERVICE DISCONNECTION**

LISECC may disconnect water service from any lot that has an account balance delinquent for more than 60 days. Water service will only be disconnected at the direction of the Board of Directors, and only thirty (30) days after a Water Service Disconnection Notice has been mailed by certified mail to the owner of the lot. **A \$150 disconnect fee will be charged for any water service disconnection, including voluntary disconnection.**<sup>11</sup>

### **B. WATER SERVICE RECONNECTION**

A \$150 reconnect fee plus all costs associated with the installation of a backflow prevention device and annual inspection when there exists a potential for cross connection will be charged for any water service reconnection. Installation to be performed by LISECC staff or LISECC contractor.<sup>12</sup> The member is also responsible for any additional cost related to reconnecting water

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<sup>10</sup> Revised 21 January 2024

<sup>11</sup> Revised 27 February 2022

<sup>12</sup> Revised 17 November 2019

service to their property resulting from the member's actions such as damage to the shut off valve or LISECC actions necessary to mitigate entrance of contaminants into LISECC water system. To reconnect water service, the member must pay the delinquent balance in full (including late charges, interest, costs of collection, attorney fees, judgements, reconnection fees) by cashier's check in U.S. funds. Once paid, every attempt will be made to reconnect the service within 5 business days. However, there may be instances when unpredictable or unavoidable circumstances may extend the reconnection time.

### **C. LIENING OF LOT**

LISECC may file a lien against any lot that has an account balance delinquent for more than 60 days and in an amount equal to or greater than two months total of dues plus DWSRF loan fee. LISECC will mail a Lien Warning Notice by certified mail to the owner of the lot, giving thirty (30) days (from the date of the postmark) to bring the account current. Any account remaining delinquent after thirty (30) days will be placed with LISECC's legal counsel for lien processing and collection.

### **D. REPAYMENT PLAN PROPOSAL**

Notifications regarding water service disconnection and/or lien warning shall include a notice to the lot owner/member that he (she) may present, in writing, a repayment plan proposal to the LISSECC Board of Directors for approval. Payment plan proposals should follow the format specified in Part 7, Policy Statement 19. Payment schedules agreed to in writing between the Board and a member must be made on time. Failure to make the payments as promised will trigger nullification of the repayment plan agreement and LISECC will resume processing the water service disconnection and or lien filing without further delay.

### **E. LIEN FORECLOSURE**

Following the filing of a lien per Policy 7, LISECC legal counsel may proceed to foreclose the lien. LISECC legal counsel will send notification to the owner of the lot via certified mail indicating that the account has been received for collection. The letter will identify all additional fees and costs for which the owner will become liable as a consequence of the placement of the lien. Foreclosure can result in the lot being sold at a public auction.

PROVIDED HOWEVER, no legal action to foreclose on a lien shall be commenced to foreclose on a lien except upon the expiration of four months from and after the mailing of notice/billing of the charge which is delinquent. FURTHER, no foreclosure proceedings shall be commenced related to charges for which a member is making monthly payments (i.e.: member is current in paying dues on a monthly basis) or which are covered under a board approved payment plan as long as the member is in full compliance with said payment plan.

### **F. SPECIAL ACTION**

Any lot owner who fails to pay his (her) Whatcom County property taxes for a period of three years will trigger a foreclosure by the Whatcom County Treasurer in the fall of the third year. When this occurs, LISECC may immediately place a lien on the property for the current dues

year if unpaid. LISECC may elect to pay such property taxes and acquire a tax lien against the lot to prevent foreclosure by Whatcom County.

### **MEMBER RESPONSIBILITY**

NOT WITHSTANDING any provisions herein relative to LISECC invoicing or billing members, all members are responsible for paying all charges on time as spelled out in the Bylaws (i.e.: dues are due January 1st and July 1st) and all special assessments and other charges that are due and payable by a date certain (i.e.: the date specified in a special assessment), regardless of whether they are sent an invoice or billing statement for such charges, it being the member's ultimate responsibility to make sure that their account is current. FURTHER, if a member wishes to change the method of payment (i.e. from monthly to semi-annual, etc.) it is the member's responsibility to notify the LISECC Bookkeeper in writing to ensure that the member's account is credited accordingly.

*Effective 18 April 1993, revised 11 January 1998, 11 June 2000, 13 January 2001, 16 June 2002, 5 December 2004, 19 February 2006, 18 November 2007, 20 July 2008, 21 February 2010, 12 December 2010, 28 August 2011, 15 January 2012, 20 November 2016, 17 December 2017, 17 November 2019, 27 February 2022, 26 March 2022, 21 January 2024 by Board Approval.*

*Approved by the Board of Directors in regular session 18 April 1993.*

POLICY STATEMENT #8

**SALE OF LOTS**

From time to time the Club acquires lots which are being foreclosed upon to satisfy debts. These lots will be resold to recover the dues, assessments, costs, interest, etc., charged to the property over a period of several years. These lots will be posted on the bulletin board at the clubhouse and included in normal correspondence, such as the Newsletter, to all members. Any profit realized through such sales shall be unrestricted and credited to the reserve fund.<sup>13</sup>

Anyone interested in purchasing a lot or lots should contact the LISE at 1211 Island Drive, Lummi Island, Washington, 98262. Include at least \$100.00 (U.S.) earnest money and state your total purchase price, down payment, monthly payment amount and interest rate you are willing to pay.

All offers will be acted upon by the Board and the action of the Board will be final.

Anyone wishing to receive notification of lots available for sale may request a list at any time from the Board by writing to the club office at 1211 Island Drive, Lummi Island, WA 98262.

*Effective 10 April 1982, revised 13 March 1988, 27 February 2000, and 11 June 2000, 22 February 2023.*

*Approved by the Board of Directors in regular session 10 April 1982, Wallace W. Croy, President.*

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<sup>13</sup> Revised 22 February 2023

POLICY STATEMENT #9

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**MARINA**

1. Lummi Island Scenic Estates Community Club (LISECC) assumes no responsibility for boats or other vehicles moored or parked on club property.
2. All boats must be identified with a LISECC marina decal which may be purchased from the LISECC office for \$5.00 per boat. Skiffs, dinghies, canoes, kayaks, and other non-powered vessels must have a LISECC identification decal as well, provided free of charge at the Office. Temporary permits (also available from the Office) are required for members' boating guests.
3. Moored vessels without a LISECC registration of some type are subject to immediate towing.
4. Boat owners are responsible for their skiffs, rowboats, etc. and should remove them when they are not being used during the off season.
5. The "RED ZONE" on the dock facilities is moorage area for loading and unloading with a 30-minute time limit or while in the active process of loading or unloading. All vessels are allowed access to the RED ZONE for loading or unloading.
6. No overnight moorage is permitted in the 30-minute "RED ZONE".
7. No boats can be moored at the dock longer than 3 days and must be in active use. At the end of three days boats must be removed for 24 hours. However, during holiday weekends and crab season, vessels must be removed for 72 hours.
8. Dinghies: LISECC registered dinghies used as tenders may tie up in the BLUE ZONE located directly across from the RED ZONE. These vessels must be secured by a bowline (painter) with sufficient slack as to allow maximum use of this area. Engines should be left down to minimize potential damage to other craft. Under no circumstances is this area to be used as storage.
9. Personal buoys fall under the auspices of the Department of Natural Resources. All buoys must be properly permitted and are subject to removal by that agency.
10. Boat trailers are to be parked only in the upper lot.
11. Vehicle parking is restricted to members and visitors who are actively using the marina or clubhouse facilities. Overnight parking is allowed with written approval from the LISECC General Manager. No vessels or vehicles are to be "stored" or otherwise abandoned on LISECC properties.<sup>14</sup>
12. Marina Facilities are for use by members for recreational use only.

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<sup>14</sup> Revised 22 May 2022

13. For boats or vehicles in violation of this policy (Policy #9), owners will be assessed a fine of \$50 per day. Boats and vehicles in violation of marina rules are subject to towing at the owner's expense.
14. Dogs are allowed in the marina area so long as they are on leashes. Owners must remove waste and dispose of it properly. However, no dogs, other than service dogs, are allowed in the Clubhouse area.
15. RULES RELATIVE TO LAUNCHING, DOCK USAGE, AND TRAILER STORAGE ARE IN EFFECT THROUGHOUT THE YEAR.

THE FOLLOWING SIGNAGE WILL BE POSTED IN THE DOCK/BOAT RAMP AREA:

- A LISECC decal is required on the front of the boat in order to use the LISECC marina. Temporary permits are required for members' boating guests.
- Boats left on the dock are done so at the owners' own risk.
- Any boat without a motor or a sail, other than tenders, shall not be moored on the dock. Tenders may be tied up in the designated tender area only (BLUE ZONE).
- No boat can be left on the dock longer than 3 days and must be in active use. At the end of three days boats must be removed for 24 hours.
- LISECC boat owners must limit dock mooring to 72 hours (3 days) on holiday weekends and during crab season. They must then be removed for 72 hours.
- Red zone use is restricted to 30 minutes. No boat shall be left unattended in the Red Zone. All vessels are allowed access to the RED ZONE.
- BLUE ZONE use is restricted to tenders only. These vessels must be secured by a bowline (painter) with sufficient slack as to allow maximum use of this area.
- Dock use is restricted to one boat per family at any given time.
- Use of docks by boats over 25 feet is restricted to loading and unloading only.
- Boats must be removed if the owner leaves the island for 24 hours.
- No parking is allowed in the dock/boat ramp area. Trailers and vehicles must be parked in the upper lot.
- All dogs must be leashed, and owners must remove all waste and dispose of it properly.
- For boats or vehicles in violation of marina rules, owners are subject to fines of \$50 per day. Boats or vehicles in violation of marina rules are subject to towing at the owner's expense.
- RULES RELATIVE TO LAUNCHING, DOCK USAGE, AND TRAILER STORAGE ARE IN EFFECT THROUGHOUT THE YEAR.

*Effective 9 February 1997, revised 8 February 1998, 8 November 1998, 11 June 2000, 16 June 2002, 24 April 2022, 22 May 2022.*

*Approved by the Board of Directors in regular session 9 February 1997, James Lawson, President.*

POLICY STATEMENT #10

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**ACCESS TO RECORDS**

In compliance with LISE bylaws 4.5.3.1. and 4.5.3.2, and Revised Codes of Washington: 24.03.135 (Non-Profit Corporation Act) and 64.38.045 (Homeowner's Act), LISE will maintain the following documents:

1. Current articles and bylaws;
2. A list of members, including names, addresses, and classes of membership, if any;
3. Contact and adequate statements of accounts and finances;
4. A list of offices' and directors' names and addresses;
5. Minutes of the proceedings of the members, if any, the Board, and any minutes which may be maintained by committees of the Board.

These documents will be maintained at the LISE offices or the office of the LISE Secretary, and will be provided to members upon receipt of signed records request. The Community Club may impose and collect a reasonable charge for copies and any reasonable costs incurred by the Community Club in providing access to records.

Use or sale of members' lists by such member if obtained by inspection is prohibited.

LISE will not release or provide member telephone numbers, except in cases of medical emergency or emergencies of similar importance. The Secretary, individual members of the Board of Directors, and LISE staff have discretion to determine if such an emergency exists.

The Secretary reserves the right to refer any information request to the Board of Directors for approval.

*Effective 16 February 2003, revised 26 October 2003, 15 January 2006 and 24 June 2007, 17 May 2009.*

*Approved by the Board of Directors in regular session 16 February 2003, Bob Bowman, President.*

*Approved by the Board of Directors in regular session January 27, 2013, Mark Sexton, President.*



POLICY STATEMENT #11

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**RELATING TO RIGHTS AND RESPONSIBILITIES FOR BETTER COMMUNITIES**

WHEREAS, Section 4.4 of the Bylaws of Lummi Island Scenic Estates Community Club assigns the Board of Directors (“Board”) all powers and duties necessary for the administration of the affairs of the Community Club (“Association”) and states that the Board may do all such acts and things, except those matters that the Board is prohibited from doing by law or the governing documents;

WHEREAS, Section 4.4 of the Bylaws provides that the directors shall exercise their powers and duties in good faith and in the best interest of the Association and its members;

WHEREAS, the Board of Directors wishes to establish standards for the operation and governance of the Association that serve as guiding principles for both volunteer leaders and members of the Association; and,

WHEREAS, the Board has determined that it is in the best interests of the Association and the Association’s members to adopt *Rights and Responsibilities for Better Communities*.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors hereby adopts *Rights and Responsibilities for Better Communities*, as a guide to the relationship between the Association and its members.

*Effective 22 June 2003.*

*Approved by the Board of Directors in regular session 22 June 2003, Bob Bowman, President.*

**POLICY STATEMENT #12**

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**RENTAL PROPERTY**

Rental of any property of Scenic Estates shall not exceed the capacity of property septic tank limitations. Rental agent or owner must notify tenants of rules and regulations as posted. Short-term rental owners or agents must notify the Operations Manager<sup>15</sup> and verify appropriate rental insurance.

**RULES AND REGULATIONS FOR GUESTS AND MEMBERS OF SCENIC ESTATES**

As a courtesy and consideration of your neighbors, no loud noise or music is to be permitted after 10:00 p.m.

If you have a pet dog, it is to be kept under control on a leash, so as not to chase wildlife or be disruptive to neighborhood property. No dogs are allowed at the Lake site.<sup>16</sup>

No fireworks except on designated days, and then only on saltwater beaches directed over water.

**MARINA**

- The dock is not available for boating, but short-term guests may use the boat ramp, barbeque, beach, and clubhouse restrooms.
- An adult may light fires in the fireplace only. The fire must be fully extinguished prior to leaving the area.
- Saltwater fishing, clam digging, and crab fishing are subject to State of Washington regulations.
- No “horseplay” such as running on the clubhouse deck, docks, or climbing and playing in landscaped area is permitted.

**LAKE**

- The lake is available to guests, but adults must be responsible as there is no lifeguard on duty. Swim at your own risk.
- No hard-construction boats, with or without motor, permitted on lake.
- Open fires not permitted.
- No overnight camping allowed at beach or lake area.

*Effective 5 December 2004, revised 22 May 2022.*

*Approved by the Board of Directors in regular session 5 December 2004, John W. Mulhern, President.*

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<sup>15</sup> Revised 17 December 2017

<sup>16</sup> Changed 22 May 2022

POLICY STATEMENT #13

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**INVESTMENT OF RESERVES**

The Board of Directors shall have the power to invest and reinvest association funds and to take all actions necessary and proper in connection therewith.

**GOALS AND OBJECTIVES:**

The association's capital replacement reserve assets shall be invested to achieve the following objectives.

1. Promote and ensure the preservation of the reserve fund's principal.
2. Structure maturities to ensure availability of assets.
3. Mitigate the effects of interest rate volatility upon reserve assets.
4. Achieve long-term investment performance that exceeds inflation.

**INVESTMENT STRATEGY:<sup>17</sup>**

Select and stagger investments so that they mature in one-month to seven years.

Reserve account investments will typically benefit from long-term rates, which are often higher than short-term rates, while maintaining ready availability of funds and cash flow.

The association may veer from this strategy when reserving a portion for a specific expense or more favorable interest rates. The General Manager and Treasurer will review the most recent reserve study to match the effective maturities of investments to the dates of the expenses.

Effective maturity may be sooner than stated maturity.

**SELECTION CRITERIA:<sup>18</sup>**

Investments will be selected with an emphasis on these characteristics: preservation of capital; quality; effective maturity; net after-tax return. All investments will be fully Federally insured (by FDIC, SIPC, or NCUA, etc.). The General Manager and Treasurer will review account statements on a monthly basis to ensure that aggregate balances at each financial institution do not exceed the maximum insurance limit (\$250,000 as of 2023).

The approved investments for such funds are:

1. Money Market Funds (insured by FDIC, NCUA, or SIPC)
2. Certificates of Deposit (insured by FDIC, NCUA, or SIPC)

*Effective 18 September 2005, revised 17 December 2023.*

*Approved by the Board of Directors in regular session 18 September 2005, John W. Mulhern, President.*

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<sup>17</sup> Revised 17 December 2023

<sup>18</sup> Revised 17 December 2023

POLICY STATEMENT #14

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**PURCHASING POLICY**

It shall be the policy of Lummi Island Scenic Estates Community Club (LISE) to purchase appropriate supplies, equipment, materials, and services necessary for its operation at the least cost of LISE funds.

When possible and feasible, LISE shall utilize recyclable materials and purchase goods containing recycled materials. In order to make purchases in a systematic, uniform manner; the following procedures shall be followed:

1. All single purchases totaling \$2,000 or more shall have prior verbal approval from an Officer of the Board or the General Manager.<sup>19</sup>
2. Vendor selection shall be based on price, availability, reliability, product, and service quality. Purchase from the lowest price vendor is not required for special purpose or unique items that are available from a single source or in cases where the lowest cost vendor is not able to provide product or services in a timely manner. To assure that funds are expended in a cost-effective manner, the following procedures shall be followed:
  - Purchases of less than \$2,000 No price quotes or bids required.
  - Purchases of \$2,001 to \$7,999 Two verbal price quotations required.
  - Purchases exceeding \$8,000 Three written price quotations required.<sup>20</sup>

(The above stated amounts in item #2 refer to a single purchase of goods or service and shall not apply in case of an emergency.)

*Effective 16 December 2007, revised 28 April 2024.*

*Approved by the Board of Directors in regular session 16 December 2007, Mark Buford, President.*

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<sup>19</sup> Revised 28 April 2024

<sup>20</sup> Revised 28 April 2024

## **RECORDS RETENTION POLICY**

Meeting minutes and financials (checks, invoices, etc.) will be kept indefinitely or as determined by a majority vote of the Board.

Other records, letters, receipts, notices, etc. are to be kept for a period of 7 years in the corresponding property file. Clubhouse rental requests will be discarded after one year.

Property deeds will be kept for the current property owner. In the event a property is sold, deed from previous owner will be discarded after a period of 7 years.

Documents relating to any legal action shall be kept for a period of 7 years from the last date of the most recent correspondence and will only then be discarded upon a majority vote of the Board.

*Effective 20 April 2008.*

*Approved by the Board of Directors in regular session 20 April 2008, William Boulton, President.*

POLICY STATEMENT #16

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**STAFF DIRECTIVE**

The LISE Board directs our water system operators to abide by the optimization standards of the Washington State Department of Health.

*Effective 18 January 2009.*

*Approved by the Board of Directors in regular session 18 January 2009, William Boulton, President.*

## **RECORD KEEPING POLICY**

To facilitate LISECC communication and record keeping activities, records will be maintained in the LISECC Water Treatments Plant records office.

Digital records will be maintained on the LISECC website according to security and privacy requirements.

**PROCEDURE FOR LISECC LOT SALE AND CHANGE OF MEMBER RECORDS**

1. Respond to incoming call or letter from Title/Escrow company notifying LISECC of pending sale of member lot by completing a (Title/Escrow company-provided) transaction-details form, including all of the following for the lot(s):
  - \$100 Lummi Island Scenic Estates transfer fee, for each lot being transferred,
  - Total year's assessed annual dues, remaining balance owing, and date due.
  - Total annual water fees, remaining balance owing, and date due.
  - Total annual Washington State water loan payment, remaining balance owing, and date due.
  - Total other fees and charges, remaining balance owing, and date due.
2. Keep a copy of the above statement, pending receipt of the Title/Escrow company check after the transaction closing date. Reconcile and post payments to the member account on LISECC accounting system.
3. Update LISECC lot record with new member name, address, phone number, and email address.
4. Prepare and mail New Member Welcome Letter and New Member Lien Awareness Letter.
5. File copies of all the above in the Lot file folder in the LISECC Administrative Office.

*Effective October 17, 2010.*

*Approved by the Board of Directors in regular session October 17, 2010, William Boulton, President.*

*Approved by the Board of Directors in regular session January 27, 2013, Mark Sexton, President.*



POLICY STATEMENT # 19

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**PROCEDURE FOR MEMBER DELINQUENT ACCOUNT REPAYMENT PLAN PROPOSALS**

At regularly scheduled LISECC Board of Directors meetings, the Board will review and consider for approval delinquent account repayment plans submitted by members.

Delinquent account action by LISECC, including but not limited to water shut-off and placement of liens, will not be delayed or postponed until such time as the Board approves the member-submitted repayment plan. If a repayment plan is approved by the Board, late charges and interest will continue to be routinely assessed on the delinquent balance until paid in full.

If a repayment plan is approved by the Board and the member subsequently defaults on said plan routine delinquent account action, including but not limited to water shut-off and liens, will resume without delay.

Approval of a member's repayment plan proposal by the LISECC Board is not a guarantee that future repayment plan requests by that member will be approved.

**REPAYMENT PLAN PROPOSAL FORMAT**

- To ensure that the proposal will be placed on the Board Meeting agenda, all materials should be submitted to the LISECC Bookkeeper<sup>21</sup> at least one week prior to the scheduled Board Meeting. Board Meetings are usually held on the 3<sup>rd</sup> Sunday of each month, but the scheduling is subject to change to accommodate Director's schedules. A specific meeting date can be confirmed by checking the Lummi Island Scenic Estates website: [www.lisecc.com](http://www.lisecc.com) or calling the LISECC Officer Manager at 360.758.2699.
- The proposal should include a detailed letter written by the member outlining the circumstances that created the delinquent balance as well as the member's reasonable expectation of success if the plan is approved.
- The proposal should include a detailed financial spread sheet reflecting the following:
  1. Current delinquent balance including all late charges, check fees, and accumulated interest.
  2. A "good faith" initial deposit.
  3. Proposed monthly payments to bring account current over a 12 to 24 month period.

Members that require assistance in data compilation and spread sheet preparation may contact the LISECC business office and request repayment plan preparation support from the LISECC Treasurer. Assistance from the LISECC Treasurer is available as a courtesy to members and should not be construed as a pre-approval of the proposal.

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<sup>21</sup> Revised 17 December 2017

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*Effective October 17, 2010.*

*Approved by the Board of Directors in regular session October 17, 2010, William Boulton,  
President.*

POLICY STATEMENT # 20

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**EMPLOYEES' CREDIT ACCOUNT**

This policy statement implements a motion passed August 3, 2006 at a regular meeting of the Board of Directors with revisions added at a regular meeting of the Board on January 27, 2013 and April 28, 2024. This policy attempt to balance a number of requirements:

- The employees must purchase goods and services as part of their normal duties.
- At times these transactions need to be conducted expeditiously and during unpredictable hours.
- The Board must be able to control and monitor the expenditures made on behalf of LISECC.
- It should not be possible to spend too much, or incur large obligations that LISECC must satisfy.
- It should be possible to spend enough to take care of normal expenditures without a lot of intervention by the Board.

Therefore, LISECC shall:

- Provide a credit card for use by the employees who have been authorized by the Board of Directors as signers on the account in accordance with bank regulations.
- This credit card will have a limit of \$5,000.
- Except in an extreme emergency, any expenditure of more than \$2,000 must be pre-approved by the Finance Chair or Treasurer and reported immediately to the General Manager.
- Whenever possible, employees are encouraged to set up accounts with vendors or pay with a pre-approved check acquired from the General Manager.
- Receipts for all expenditures must be kept and given to the General Manager who will provide them to the Finance Chair and Treasurer for review.<sup>22</sup>

*Effective 12 December 2010. Revised 27 January 2013, 17 December 2017, 28 April 2024 by Board Approval.*

*Approved by the Board of Directors in regular session, December 12, 2010. William Boulton, President.*

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<sup>22</sup> Revised 17 December 2017, policy updated 28 April 2024

POLICY STATEMENT # 21

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**PERIODIC AUDITS OF LISECC FINANCIAL RECORDS**

This policy statement implements a motion passed July 8, 2018 at a regular meeting of the Board of Directors. This policy attempts to address several issues regarding outside review of LISECC's financial transactions:

- Periodic audits by an outside CPA are an important tool for Board and Member oversight of LISECC.
- These audits can be costly, and funds need to be provided for in each year's draft budget prior to the AGM.
- The Board traditionally makes a recommendation to the membership each year as to whether an audit is advised, however it is the membership that makes the final decision via the AGM voting process.
- It should be possible to set aside less than the full audit expense amount every year, accumulating funds for those years in which the membership votes to have an audit performed.

Therefore, LISECC shall:

- Establish as Audit Savings Account to accumulate funds allocated for an audit through the budget process.
- Beginning with the year 2020 draft budget, the Board will include in each year's budget an amount equal to ½ of the anticipated current year audit expense.
- Unless the Board determines there is a compelling reason for a more or less frequent audit cycle, the Board will recommend to the Members that LISECC have an audit completed every two years.
- When accumulated funds held in the Audit Savings Account exceed two times the current estimated CPA audit expense, any excess funds will be transferred into LISECC's unallocated reserve account.

*Effective 8 July 2018.*

*Approved by the Board of Directors in regular session, 8 July 2018. Leslie Dempsey, President.*

POLICY STATEMENT # 22

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**SIGNERS ON BANK ACCOUNTS**

The board will generally authorize three individuals to be signers on its financial accounts:

1. Treasurer (may or may not be a board member)
2. Finance Chair (if different than treasurer)
3. One-two other board members (one, if the treasurer is not the finance chair or two, if the treasurer is the finance chair), as designated by the board.

The board will adopt formal resolutions to change signatory authority whenever appropriate.

*Effective 20 January 2019.*

*Approved by the Board of Directors in regular session, 20 January 2019. Paul Dempsey, President.*

POLICY STATEMENT # 23

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**NO FEEDING OF RACCOONS AND DEER**

Lummi Island Scenic Estates Community Club strongly discourages the feeding of deer and raccoons both on private property and on LISECC common areas. Though well-meaning individuals may feel that feeding wildlife helps them, this activity can actually cause serious health issues for the animals and can increase negative interactions between the animal and the community. Some of the negative results of feeding deer and raccoons include:

- Increased risk of vehicle collision,
- Increased aggression towards pets and people,
- Increased risk of disease transmission within the animal population and the human population as well,
- Increased dependency on humans for food,
- Loss of normal wild behavior,
- Increased negative impacts on wildlife diversity,
- Increased damage to fences, gardens and ornamental plants and trees,
- Attraction of carnivores such as bears and coyotes.

(Source: Washington Department of Fish and Wildlife,  
<http://wdfw.wa.gov/species-habitats/living/wildlife-feeding>)

For the above stated reasons, members are asked to refrain from feeding deer and raccoons. Members are responsible for conveying LISECC policies to visitors and renters. Be advised that this policy does not pertain to the feeding of birds.

*Effective 23 August 2022.*

*Approved by the Board of Directors in regular session, 23 August 2022. Ben Twigg, President.*

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**AMENDMENTS**

Amendments have been made from time to time and are incorporated herein. Amendments were as follows:

- (1) Statement #2, Changed “Resident Manager” to “Operations Manager, adopted 17 December 2017.
- (2) Statement #4, Changed “the Assistant Operations Manager” to “staff”, adopted 17 December 2017.
- (3) Statement #6-2, Changed “Any non-critical repair needs the authorization of the appropriate Committee Chairperson” to “the authorization of an Officer of the Board or the General Manager”; Changed authorized spending amount from \$1,000 to \$3,500, adopted 28 April 2024.
- (4) Statement #7, Dues and Assessments Preamble - Added “Any inconsistencies in wording or intent reflected in this policy, and the underlying action approved by the Board on a particular subject or matter addressed herein, the Board’s actual action and intent as reflected in approved Board meeting minutes shall control.”, adopted 17 December 2017.
- (5) Statement #7, Charges - Renumbered sections D (Special Assessments) through H (Miscellaneous Charges) to “E” through “I” respectively, adopted 17 December 2017.
- (6) Statement #7, Delinquent Accounts, A. Water Service Disconnection-Added, “A \$150 disconnect fee will be charged for any water service disconnection, including voluntary disconnection.”, adopted 27 February 2022.
- (7) Statement #7, Charges, B. Loan Fee - Changed “Office Manager” to “Bookkeeper”, adopted 17 December 2017.
- (8) Statement #7, Delinquent Accounts, B. Water Service Reconnection-Added “plus all costs associated with the installation of a backflow prevention device and annual inspection when there exists a potential for cross connection” and “Installation to be performed by LISECC staff or LISECC contractor.”, adopted 17 November 2019.
- (9) Statement #7, Charges, C. Water Readiness to Serve (RTS) Fee - Added “will be billed on a prorated basis with each supplemental water usage invoice. This means that LISE will invoice for RTS even if there is no water usage during any particular period.”, removed “Supplemental invoices reflecting water usage above the base RTS rate (zero gallons per month) will be issued on a quarterly basis, and will be due and payable within 30 days following the date of invoice.”, adopted 17 December 2017.
- (10) Statement #7, Charges, C. Changed “Water Readiness to Serve (RTS) Fee” to “Water Connection Base Rate”, adopted 26 March 2022.
- (11) Statement # 7, Charges, C. Water Connection Base Rate-Added “a monthly connection fee based on each tier of water usage beginning with the lowest (0-100 gallons per month) and extending through the highest (10,000-11,000 gallons per month) and “incorporated in each tier”. Removed “an annual water hook-up or RTS fee based on the lowest tier of water usage (zero gallons per month). This RTS fee will cover the period of January 1 to December 31 of each year and will be billed on a prorated basis with each supplemental water usage invoice.” and “RTS” , adopted 26 March 2022.
- (12) Statement #7, Charges - Added section “D. Water Usage: Supplemental invoices reflecting water usage, including the prorated base RTS rate, will be issued every two (2) months and will be due and payable within 30 days following the date of invoice.”, adopted 17 December 2017.
- (13) Statement #7, Charges, D. Water Usage-Added “the **monthly base water connection rate**”, removed “prorated base RTS rate”, adopted 26 March 2022.
- (14) Statement #7, Charges, G. Late Charges-Added “on March 1st.” Changed July 1st to “August 1st.”, adopted 21 January 2024.
- (15) Statement #8, Sale of Lots-Inserted “sales shall be ‘unrestricted and’ credited...”. Changed “credited to the water reserve fund” to “credited to the reserve fund”, adopted 22 February 2023.
- (16) Statement #9, Marina rules changed, adopted 24 April 2022.
- (17) Statement #9, Item 11- Inserted “vessels or” vehicles are to be stored, adopted 22 May 2022.
- (18) Statement #12, Rental Property - Changed “Resident Manager” to “Operations Manager, adopted 17 December 2017.
- (19) Statement #12, Rental Property-Changed “No dogs are allowed at the Marina or Lake sites” to “No dogs are allowed at the Lake site, adopted 22 May 2022.
- (20) Statement #13, Investment of Reserves, revised, adopted 17 December 2023.
- (21) Statement #14-1 , Changed “All single purchases totaling \$1,500” to “\$2,000”; Added “or the General Manager”; Changed “Purchases of less than \$1,500” to “\$2,000”; Changed “Purchases of \$1,501 to

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- \$4,999” to “\$2,001 to \$7,999”; Changed “Purchases exceeding \$5,000” to “\$8,000”, adopted 28 April 2024.
- (22) Statement #19, under “Repayment Plan Proposal Format” - Changed “Office Manager” to “Bookkeeper”, adopted 17 December 2017.
- (23) Statement #20, Changed four instances of “Office Administrator” to “Bookkeeper”, adopted 17 December 2017.
- (24) Statement #20, Changed title from “Employee’s Debit Account” to “Employees Credit Account”; Changed three instances of “Bookkeeper” to “General Manager”; Removed two instances of reference to “Administration”; Replaced “debit card” with “credit card”; Changed “This account will be maintained at a level of not more than \$3,000 nor less than \$1,000” to “This credit card will have a credit limit of \$5,000.”; Deleted statement referring to debit account balance; Changed “any expenditure of more than \$1,000” to “\$2,000”, adopted 28 April 2024.