

## Adam Zack

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**From:** VALERIE JUSELA <vjusela@mac.com>  
**Sent:** Thursday, July 15, 2021 11:00 AM  
**To:** Erika Shook; Sheila Gaquin; Vacation Rental Comments  
**Subject:** Vacation Rental Comments/Expanding Short term rental moratorium  
**Attachments:** Julie Thompson\_SJC Dept Land Use\_Planning\_VR Permit LANDUSE 21 0084.pdf

**CAUTION:** This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Hello Sheila, Erika and members of the Planning Commission,

I am attaching a letter that I forwarded to the SJCC members regarding short term vacation rentals. This letter was originally sent to Julie Thompson requesting denial of a vacation rental permit on Buck Mountain that is located within the Buck Mountain Owners Association. A copy of my email to the SJCC is also included at the bottom of this page. Jamie Stephens responded to my email but instead of granting my request he suggested that "A faster and simpler solution is for your HOA's (Buck Mtn and Eagle Ridge) to restrict VR's." Jamie's bio states that he manages commercial and residential real estate on Lopez. I believe that he would be familiar with WA State law for HOA's and know that the law requires 100% of the members to approve a new CC&R eliminating vacation rentals. That won't happen because the county has already allowed vacation rentals to populate within private HOA developments. Approving a new CC&R limiting new permits in an HOA would depend on what the governing documents state is needed for approval. Generally, 80% of the members would have to vote approve a new CC&R. This process is neither faster nor simpler than having the San Juan County Council impose an immediate moratorium for vacation rental permits in Buck Mountain Owners Association and Eagle Ridge Owners Association.

I also virtually attended the SJCC meeting on June 15th to encourage the Council Members to expand the current moratorium. I was not successful.

I am reaching out to all of you in the hope that you would be supportive of prohibiting vacation rental permits in HOA's and possibly all rural residential areas where roads are private and water supply for fighting fires is limited.

Please let me know if you have any questions or need additional information.

Sincerely,

Valerie A. Jusela  
Orcas Island  
[vjusela@mac.com](mailto:vjusela@mac.com)

Email to SJCC Members  
June 9, 2021

Dear Council Members,

I am forwarding to you a letter that I sent to Julie Thompson regarding vacation rental permit LANDUSE-21-0084. My understanding from my conversation with Julie on Monday, July 7th, is that she is limited by the current regulations on vacation rentals as to what she can do to deny or regulate this permit.

I am requesting that you work with her to deny this application and place an emergency moratorium on vacation rental permits on the Buck Mtn Plats which would cover Buck Mountain Owners Association (BMOA) and Eagle Ridge Owners Association (EROA). My letter details the reasons why I am requesting this emergency moratorium. I am deeply concerned for the safety of the residents that live on the Buck Mtn Plats (BMOA and EROA) as well as visitors safety.

Please let me know if you have any questions about the information that I have included in my letter or need additional information.

Sincerely,

Valerie A. Jusela

June 9, 2021

To: Julie Thompson  
Department of Land Use and Planning for San Juan County

Re: Vacation Rental Permit Number – LANDUSE – 21 – 0084  
Project Location - 799 Buck Mtn Rd. Orcas  
Tax Parcel Number – 171750079000  
Project Description – Vacation Rental – See attached notice

Hi Julie,

It was good to speak with you on Monday morning. I am sending this letter to detail the issues we discussed in regards to the above application for a vacation rental permit for 799 Buck Mountain Road.

1. **Buck Mountain Owners Association (BMOA) and Eagle Ridge Owners Association (EROA) – Roads** – The above referenced parcel is located in BMOA. All of the roads are private and were never intended for traffic by non-residents. This creates a huge liability for BMOA and their owners. The development that I live in is Eagle Ridge Owners Association (EROA) which is adjacent to BMOA. We have a Master Road Easement with BMOA allowing them to access our roads. Our roads were never intended to be used by anyone other than owners and their immediate guests. This opens up our small HOA (23 lots) to significant liability. San Juan County is choosing to make our private roads public while exposing BMOA and EROA to significant additional insurance liability and financial burdens in regard to insurance premiums and claims and to extra road maintenance due to the extra wear and tear on our roads.

2. **Fire** – I am sure when individuals and families come to any of the islands and stay in a vacation rental they assume that San Juan County regulates these rentals so that their safety is reasonably insured. That really isn't the case. These vacation rentals are not regulated by the county and depend on the honor system in regards to whether there are any fire extinguishers on the premises and are in proper working order. They are not annually verified by the county with a visual inspection of the premises. We do not have fire hydrants on the mountain (EROA and BMOA) that would be available for fire mitigation efforts. Not only are the renters lives at risk, so are the lives of the residents of these developments. There

currently are no restrictions against renter's having open and/or unsupervised fire pits and/or outdoor grills.

The Washington State Survey and Rating Bureau rates properties based on their fire risk. BMOA ranges from a 6 – only at the very lowest level parcels - **if** they are close to a fire hydrant – to a 9. The majority of parcels are in the 7-9 range. When a parcel is rated a 9, they are considered uninsurable. An owner would have to go to a carrier that would be willing to insure high risk properties with a corresponding premium to reflect that risk, an expensive proposition. In EROA all parcels are rated a 7. I have checked with my State Farm Agent in Anacortes and they have confirmed that they will not insure a property with a rating of 9.

When there is an uncontrolled fire (like the Paradise fire in CA where 85 lives were lost because the roads were engulfed with fire) and several homes are involved, the insurance carriers will look at what the county did to mitigate the risk of fire and regulate vacation rentals. If they determine that the county was negligent in regulating and inspecting vacation rentals, they will band together and sue the county for damages. This would be very costly for the county to defend and, in the end, the financial burden would fall on the all of the homeowners in San Juan County.

3. **Insurance** – Currently, there are only a limited number of insurance companies that are still willing to insure HOAs that have vacation rentals. If an insurance claim were to be filed by someone who is renting a vacation rental, the insurer has the following options –

- a. requiring the HOA to eliminate all vacation rentals,
- b. cancelling the policy with 45 days notice, or
- c. cancelling the coverage on the renewal date.

The consequences of having the insurance coverage cancelled is that the HOA is now placed into a **surplus lines category** and would be required to pay significantly higher premiums – **25 times higher** – if they can afford the significantly higher premiums and can find a carrier willing to take on this risk.

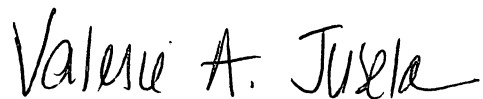
In regards to owners of the vacation rentals in the San Juan Islands, they are not required to have any commercial liability insurance. Adequate insurance would be at least \$2M per rental of commercial liability insurance. If owners of vacation rentals have only **personal** liability insurance, they will not be covered by their insurance company because they are engaged in a **commercial** business.

I attended the March 9<sup>th</sup> SJCC meeting and read a letter that I submitted to them outlining these issues. I have done more research since then so this letter is more comprehensive as to the risks involved on Buck Mountain Plats (BMOA and EROA).

I have met with Christine Minney with another resident from San Juan Island, Wendy Gaster Tillman, to discuss these issues and have had a conversation with Cindy Wolf when I sent my letter to her that I read on March 9<sup>th</sup> when I attended the meeting on vacation rentals.

Due to the lack of regulation to protect the individuals and families that are renting these properties as well as the owners of properties in BMOA and EROA on the roads and in case of a fire (possibly uncontrollable), I am requesting that this application for approval be denied. There are lives at risk and financial risk to San Juan County as well as individual property owners.

Sincerely,



Valerie A. Jusela  
PO Box 1540  
Eastsound WA 98245  
[vjusela@mac.com](mailto:vjusela@mac.com)