

Edelweiss HOA Annual Meeting Minutes

May 25, 2019

The annual HOA meeting began with a pot-luck barbeque at 1200.

Call to Order and Presidents Introduction to Meeting: **J. Kirner** called the HOA meeting to order at 1300.

Review of 2018 Minutes: Prior to the meeting **D. Volckmann** sent each homeowner (via Email) electronic copies of the 2018 minutes. In addition, **C. Timchalk** had copies of the 2018 HOA Annual Meeting Minutes distributed for those who wanted to review at the meeting. He asked if there were any questions, and no questions were raised. **C. Timchalk** called for a motion to approve as written. The motion was made, seconded and **unanimously approved**.

Presentations by candidates for the Board of Directors: The following candidates were running for 4 board positions and were asked (if present) to provide a brief bio-background to the community.

John Kirner - Incumbent - Full time homeowner (Present)

Sern Watt - Incumbent - Part time homeowner (Present)

Katherine Bill - Full time homeowner (Not Present)

Jon Fewster - Lot owner (Present)

York Marble - Part time homeowner (Not Present)

State Requirement/Remedy for an HOA Audit: **S. Watt** discussed the pros and cons on whether to have an audit prior to voting. We are required by State law to vote on whether or not to have an outside audit done on our finances. He reviewed advice that was provided by EMC CPA Bart Bradshaw, which suggested that an audit is not needed. **S. Watt** also stated that in his opinion an audit is not necessary and he did not recommend it. He believes that the accounting system utilized by EMC is straight forward, but indicated to the HOA members that he would be happy to go over our systems in general and in specific for anyone who it interested. **S. Watt** took a number of general questions by the community members prior to the vote.

Ballots were handed out to all members, to vote on 4 board positions (three, 3-year board positions and one, 1-year board position (replacing **A. Fahnestock**)). The top 3 candidates will be for the 3-year term, while the 4th position candidate will be for the 1-year term. Ballots were collected and counted and the results shared at the end of the meeting.

Results:

New EMC Board Members

John Kirner 3-years

Sern Watt 3-years

Katherine Bill 3-years

Jon Fewster 1-years

On the need for a Financial Audit:

60 no 5 yes So, there will be no audit.

Treasurers Report: S.Watt provided the following report. Our situation is good. Thanks to the very strong support of our members in 2018 we are in better shape than at any time I can see in the past. Although we have a long-ways to go to build up appropriate reserves, we are clearly headed in the right direction with plans that are prudent and responsible in both the short and long terms. The following breakdown was provided.

Operations Budget: The funds in the Operations Budget come from our annual dues. They are meant to be spent, in general, in the year in which they are collected on predictable and recurring expenses, such as salaries, equipment and supplies. So far in 2019 our income and expenses have been as predicted and we expect that we will be able to meet our responsibilities in this area. These funds are held in the Farmer's checking account, and include funds for the water system upgrades.

Capital Reserve Account: This is a new account that holds funds that come from our 10-year plan to build our capital reserves. It was created in response to the Reserve Study that was conducted in 2018. The current balance, \$65,500.00, reflects funds that have been collected in 2019, which is the first year of a 10-year plan. These funds are held at Capital One.

Our intention is to manage these funds quite conservatively, with an emphasis on building our reserves. There will be some demands on these funds, for example for a newer tractor and pickup truck, but our plan is to run our current equipment as long as possible. Still, it is good that we will be in a position to replace equipment as needed without it being a financial crisis.

Water System Replacement Funds: These funds were also approved by the membership in 2018 for collection over a 10-year period starting in 2019. At this time the balance in this account is \$80,400.00. Most of this money will be spent in 2019 on long range infrastructure costs of our water system. If there are funds left over they will be held in this account for use in 2020.

Historical Capital One Reserve Accounts: These accounts were funded by collections based on specific fees, as well as funds that were set aside from the Operations Budgets in years past. They currently are counted in as part of our overall reserve funds. The Drain Field Reserve Fund came from fees paid only by lots that are part of the drain field system and are not available for any other use. The other funds, (Common Reserve, Road Fund, Legal Fund and Water Fund), are kept to allow us to respond to needs in each of these areas.

Account Balances (May 22, 2019):

Farmer's Checking:	\$234,026.27
Capital One Accounts, as of 5/22/2019:	
Drain Field Reserve-	\$189,782.81
Common Reserve-	\$32,742.61
Road Fund-	\$30,563.65
Legal Fund-	\$11,207.20
Water Fund-	\$6,761.00
Capital Reserve Account:	\$65,500.00
Total Capital One Accounts:	\$336,557.27

Total Capital One Accounts, minus Drain Field Reserve: \$146,774.46

Total Usable Operating Budget and Reserves: \$380,800.73

(Farmer's Checking and Reserve Accounts, not including the Drain Field Reserve.)

Report on the Reserve Study: P. Speer provided a brief review on the status of the reserve study. Inputs have been put together for this year's review and will be sent in shortly. This process will happen again next year. Should get info back in 2-weeks. It is anticipated that water system will be more expensive due to different pipe diameters. This is being included in this year's reserve study assessment.

Manager's Report: D. Volckmann provided a review of the Manager's report.

Water System: We've had some significant issues with the water system in the last year, some good, some not so good, but it's all worked out OK!

- We had a major water-line installation along Highland Meadow and Homestead Roads, which lasted through the summer and into the fall. This was done in cooperation with OCEC as they installed conduit for their electric power lines. The work was slowed by encounters with large boulders, and unmarked power and sewer lines. Two leaks were discovered, and in several places it was found that the original pipes were not buried deep enough to avoid possible freezing. Thanks to the patience of those homeowners who were inconvenienced by the work.

- At the same time, we had the opportunity to connect into a 6-inch pipe on East Fawn Creek Road, that was installed several years ago in anticipation of it's eventual use. This bypassed a section of water line that had been leaking for years. We couldn't fix it because it ran under a home!

- We now have all new equipment controlling the pumps that run the Cassal well system. Mechanical floats and relays have been replaced with digital modules. We can now monitor the depth of water in the tanks and the functioning of the pumps supplying them on our computers and cell phones. That's not to say that everything is foolproof. An electrical outage one day fried some of the digital equipment in the booster pump house. C. Hook was alerted on his phone and was able to avert a water outage by switching the pumps to manual mode until the problem was repaired. We now have more powerful circuit protectors which will, hopefully, prevent further problems of this nature.

- It has been discovered that the power line leading to the Cassal well field is undersized and should be replaced. We are apparently operating on borrowed time with this, and we have authorized Irrigation Technology Control to make a replacement this summer. It could cost as much as \$10,000.

- Water testing has shown no contaminants in our water. None! We have some of the finest water in the country. The water is tested monthly for total coliform, an indicator of organic contaminants. It has come out negative for the past 12 years – at least. In November 2018 the water from both wells was tested for gross alpha and Radium radiation. Each tested far below acceptable levels.

- Analysis shows that the amount of system water loss from leaking is 8.1-8.78% during peak usage. Anything less than 10% is considered excellent. Even so, everyone is encouraged to

conserve water whenever possible. It's a precious commodity, and we are blessed with lots of it. Let's keep it that way.

Postal Issues: Last year the old rural postal facility was dismantled and a row of new postal 'Cluster Box Units' (CBUs) were installed at the campground turn-around. I don't know of anyone who is not happy that they don't have to be concerned about being struck by an errant vehicle coming over the hill at the old facility, and the postal carriers love it! The CBUs have been pretty much paid for by people requesting a box in them. There are still 4 spaces available, at a cost of \$97.00. Once those are filled, we'll need to add another CBU to accommodate any more request.

Other Items:

- '**Green waste**' became an issue when Okanogan County declared that, because of the apple maggot infestation possibility, locally produced fruits and vegetables or yard waste could not be put in with the regular garbage. Instead it would have to be taken to the Twisp transfer station and placed in a 'special' bin. Where it goes from there is unknown!

- **The pool** had to be closed early last summer because of the amount of ash falling into it. The ash was created from the fires that were burning in the mountains north and south of Edelweiss. Luckily our community was never directly threatened by either Fire.

- We had the same old problem with **cows** not understanding that the fence is there for a reason! When will they ever learn....

- **The black Ford truck** had a host of problems which necessitated taking it to the Ford dealer in Omak – twice. Then the sand in the sander on the truck froze and had to be chipped out. Then the conveyer of the sander broke, and is being repaired as we speak. I love the black truck...

- **Cougars** were in the Edelweiss news. If you haven't seen the photos of the 4 of them that were hanging around Bitterbrush, talk to Pete Speer. He has a wonderful series of photos that he'll share.

- And, finally, this last year, the calling cards of several bears were evident. Especially during apple season. Ahh, fall in Edelweiss!

The EMC board recognized **D. Volckmann's** contribution to the community and wished him "happy trails" on this next adventure.

Address from new Managers: **D. Volckmann** introduced **G. Strome** to the community, and Greg provided a brief introduction and background. **C. Hook** also provided a brief update on a number of ongoing projects dealing primarily with water line upgrades and issues concerning the community septic system/fields.

Report from the Roads Committee: **N. McCullough** provided a brief update on the recently formed Roads Committee with a particular focus on issues (in no particular order) that the committee has identified. **N. McCullough** asked for additional input from the community at large. The following is an initial list of things being considered by the committee:

- Transportation Issues
- Improve USFS Rd 100
- Reduce dust
- Fire Truck turnouts and adequate road width
- Fix drainage
- Reduce washboards
- Pavement?
- Reduce speeding
- Add crown to roads
- Non-residents use of roads
- Adequate speed and info. signs
- Sight distances
- Winter road maintenance

Report on Firewise activities: C. Timchalk provided an update on ongoing Firewise Committee activities. He reviewed what was accomplished in 2018 and focused on providing a summary of the major focus areas for the Edelweiss Community Firewise Plan. He noted that the community would seek Firewise recognition this year. With the completion of the Firewise Plan he stated that the next phase of community activities would focus on the implementation of the Plan.

Key Successes:

Establishment of a Firewise Committee
 Completion of the Community Firewise Assessment (2018)
 Development of the Firewise Plan (2019)
 Community Chipping Event
 Individual Homeowner's Firewise Assessment (ongoing effort)
 Regular Bulletin Communication
 Key Support by EMC Board

The meeting was completed around 2:15 pm and the board subsequently convened a board meeting to elect officers.