

Edelweiss Board of Directors

Final Meeting Minutes

Date: February 2, 2015

Present: John Kirner (President), Alan Fahnestock (V. Pres), Steve Ralph (Secretary), Jim McDonald (Treasurer), Larry Halford, Josh Jankowski,

Absent: Chris Skagen, Bill Craven, Will Fohrell.

Staff Present: Craig Hook and Dick Volckmann

Guests: Karen Reneau, Pat Leigh

Chair: John Kirner

Minutes Recorder: Steve Ralph

1. Minutes of the Last Meeting	Action
<p>Minutes from the last meeting (December 8, 2014) were reviewed and approved by voice vote.</p> <p>There is no president's report other than noting that we've come a long way on a number of important issues over the last few months, and it's good to measure our progress.</p>	<p>Minutes approved</p>
2. Treasurer's Report	
<p>Jim McDonald went over his year-end financial report for 2014, including his excel spreadsheet showing the total for budgeted items and the actual costs of those items. Excluding the water meter income, our total income was almost \$212,500 compared to our budgeted forecast of \$210,244 (about 1% over budget). Total income also includes about \$44,500 in snowplowing fees, which is also based on our expenses billed to our members (it is an approximate wash with our expenses). Total expense was approximately \$5800 under budget. This was primarily related to items that were significantly under budget and a lot of items that were over budget, including some savings from not applying lignin to the roads as anticipated. We ended the year with \$23,326.04 in our operating fund (checking account). This balance includes the loan payments to OCEC for about \$850 per month (\$10,300 per year) and is not shown on our financials anywhere else. If more details are of interest, copies of this financial report are available by calling Dick Volckmann.</p> <p>Guest Karen Reneau suggested we get a second opinion regarding some financial issues regarding our account and expenditures to date on legal services. Karen had a few questions, regarding some residuals in the account, i.e. \$6,000 left in our account with a \$3,700 amount in the expense column. Water metering shows up in a few columns which it shouldn't have; should all be in the water income fees. Jim prepared and distributed a response to her comments that are also available by request to Dick V.</p>	

3. General Manager's Report

A one-page manager's report was prepared by Dick Volckmann and follows below.

1. Water system requirements – The Cassel well system was historically considered by EMC to be one well, but the Dept. of Health has called it two separate wells, SO3 & SO4. So, Dick spent \$600 for analysis of water samples that showed water from both wells in continuity, thus they should be considered a 'well field.' DOH has agreed and will record it as such, with the new designation as SO5. This will obviate the need for two separate samples, when required.

2. Pool balloting has concluded: 78% of the total number of votes is in favor of a new pool (197 responses /325 owners, > 60% of voter's participation). Voting by email is valid, as is US mail. Still, there existed some concern about using funds for septic system for short-term funding. However, the director of Okanogan County Public Works has sent a letter in support for doing this, as long as the repayment schedule is as stated.

Motion on pool passed by voice vote of members present.

Jim's motion was passed by voice vote to delay the assessment (see below).

4. Old Business

1. Homeowners in arrears on paying their share of community dues and expenses – One member in arrears has now paid his bill, leaving only one home owner still in arrears. This requires a resolution of the Board, and Dick will put together the appropriate language to be acted upon at the next meeting by a voice vote of the Board.

2. Water line from Highlands Rd up to Eagles Nest Rd. – we now have an estimate from Jim Wright on the cost to replace the water line; it came in at \$48,931.76. Approximately 1/3 of this cost will be shared by OCEC so they can run electrical service line.

3. Contractor evaluation form – Craig Hook and Will Fohrell have put together a form to help archive a contractor's performance.

5. New Business

1. Action on moving forward on the pool construction: John wants to have a formal agreement with a contractor on the schedule and price before we can move forward. Tom Lasater will be contacted and asked if he will continue to take the lead on getting things going with the contractor and get a schedule nailed down.

John suggested we have a ***motion*** to move forward with a new pool with the intent of having it completed by early summer 2015 or a soon as feasible. Will depend upon availability of contractors, etc. As an interim measure, if needed, we will consider replacing the current pool heater for 2014 to allow the pool to continue operational for this upcoming summer.

Motion: Jim McDonald suggested another motion that would defray the assessment on owners as follows: The first property assessment (~ \$225/each owner) will not happen until just 30 days before the project is initiated. Will Fohrell did suggest we delay construction of the new pool a year (2016) to allow a deferral of the assessment to ease financial burden on owners. The loan taken from the drain field fund can be tapped

immediately, so there isn't really a strong need to delay initiation of construction.

Guest Karen Reneau – brought up a concern of her's that we're being charged too much on property taxes for a piece of floodplain property – one parcel. This one is taxed at \$2000/yr., while the other properties are zero. Dick said this isn't quite as it seems, and this is the amount we pay in total for all of our lots held in common. Dick will look into this.

2. Water System leak detection – Craig has a line on a company that does this for other communities and he'd like to employ them to help out. They did this for Wolf Creek water supply. For two days of work it's just under \$3000 to detect leaks. This could be a big help in detecting where the worst leaks are and then would help on prioritization of what to replace first. This will help with our conservation standing with Dept. of Health and DoE for water conservation. This seems like a good investment and was not on our agenda for the other recent work done by our engineer who has been investigating our water system.

Pat Leigh had a few comments about using \$\$ from the drainage fund to the use of our funds to pay for capital improvements. These transactions need to be transparent and on the books.

6. Misc. Including Next Meeting Date

The next meeting was scheduled for **April 6, Monday, at 6 pm, at John Kirner's home.**

7. Executive Session (if any)

n/a

8. Managers' Report

1- Water system requirements – As reported at the last meeting, The DOH Office of Drinking Water has decided that our two Cassal wells, SO3 and SO4 (15 feet apart) need to be sampled as two separate entities unless we can establish them as a 'well field'. As required, in November 2014, I took IOC samples from each well as it was running, submitted them to Anatek Labs for testing.

The tests showed that the chemistry of the two samples is similar enough to warrant the two wells be considered a 'well field' for the purpose of future sampling. The DOH has designated the two separate wells as SO3 and SO4. The designation of the new well field is SO5.

2- Pool Balloting – The results of the pool ballot sent to all property owners have been tallied. Of the 327 individual properties, including those of the campground, we have received 196 responses – well over 50% participation.

The results are:

151 in favor of a new pool

18 in favor of repairing the current pool

27 in favor of eliminating the pool altogether

149 responses were by e-mail

47 responses were by US mail

- 3- Voting by email** – The question had arisen (perhaps after the fact) as to whether voting by e-mail on Edelweiss matters is permitted by our Bylaws. It is the opinion of our attorney, Michael Brady, as stated in a letter sent to John Kirner and myself, dated 01/28/2015, that our Bylaws do, indeed, permit voting by e-mail as stated in the conclusion of his letter:

“When the Board calls for “a vote of the entire membership by mail” on a special assessment pursuant to Section 7.3 (of the Bylaws, it has the discretionary authority to allow members to vote by e-mail as well as by postal mail—provided the notice to the members advises them of both the e-mail and the postal addresses to which the votes may be sent, consistently with Section 1.6(c). In addition, Section 1.6(c) allows the Board to count any vote cast by e-mail as a vote delivered in writing to the principal office of the Association.”

- 4- Water Line from Highland road up to Eagles Nest Road** – Edelweiss has received an estimate from Jim Wright to replace the water line on the steep north bank of West Fawn Creek. The estimate is \$48,931.76 for all work, including tax. I have asked for a ‘not to exceed price’ which I am waiting for at this time. Keep in mind that OCEC will share in the cost of excavation and set up, as well as paying for the electrical conduit.

- 5- Dues Receipts** – Property Owner’s 2015 payments to date total **\$87,719.66**. Only one owner, Laurie Renne, is seriously past due, had paid none of 2014 dues and fees and has had a lien placed on her property. One other property owner who had been seriously in arrears has paid his outstanding bill and the lien which was placed on his property will be lifted as soon as his check clears.

Contractor’s evaluation form – Craig and Will Fohrell have developed a form on which we can rate the performance of a contractor.