

Edelweiss Board of Directors Meeting

Date February 26, 2013

Date: 2-26-13

Present:

Coventry Jankowski, Larry Halford, Don Fitzpatrick, Jr., Chris Skagen, Will Fohrell, Alan Fahnestock, John Kirner (by phone).

Absent, Leonard Yerkes, Lisa Tabbut

Staff Present: Craig Hook and Dick Volckmann

Guests: Tom Lasater

Chair: Coventry Jankowski

Minutes Recorder: Don Fitzpatrick, Jr.

The meeting was held at the home of Don Fitzpatrick and opened at 6:15 PM. Adjourned at 7:26 PM.

| 1. Minutes of the Last Meeting | |
|--|--|
| <p>Chris Skagen moved we approve the minutes of the January 3, 2013 board meeting as posted. Second by Alan Fahnestock. Passed unanimously.</p> <p>Don reported on the successful general membership meeting of February 9, 2013, at the campground building, which was held for the sole purpose of approving the budget.</p> | |
| Treasurer's Report | |
| <p>Coventry Jankowski passed out the P&L, Balance Sheet, and Treasurer's Report. They are all current as of 2-25-13. She reviewed the Treasurer's Report, which is attached to these minutes. Our financial condition is good, and our controls and record keeping continue to improve.</p> | |
| 3. General Manager's Report | |
| <p>Dick Volckmann said he had nothing to report in addition to his normal monthly written report, except that he said we have a 90% chance of 3 new homes being constructed this year.</p> | |
| 4. Old Business | |
| <p>Water System</p> <p>Will Fohrell reported that we have signed the contract with Erlandsen, which sets out the rules for us to work together, but does not give them permission to perform any work for pay.</p> <p>Each unit of work that will be performed for us by Erlandsen will require that Edelweiss approve a "Task Order" that includes the Scope, Deliverables, and a Cost Estimate for the work. The tasks can be as large or small as we want.</p> <p>The first Task Order is in the works and consists of two parts:</p> <p style="margin-left: 20px;">A. Build an updated computer model of the Edelweiss water system with the</p> | |

new, accurate location data and verify the accuracy of the model using field gathered pressures. This is the work that we have been working on for some time. The board approved this last fall when we asked three engineering firms to bid on providing the work.

- B. Evaluate and propose improvement changes to the system pressure zones. This is what we believe to be the most obvious and easiest issue that can be addressed with the computer model. The result of the analysis will provide us with guidelines for reconfiguring the current pressure zones. We expect that the implementation of the guidelines should result in reduced maximum pressures and better water circulation within the system.

Friday, March 1st, Will and management will meet with Eric Smith from Erlandsen to physically review our facilities. Following this he will submit a cost estimate document for part B of Task Order #1. The Board will be advised and will vote by email to accept or reject the proposed Task Order.

Will Fohrell then said that timing of any conclusions and any construction estimate is still unclear, but will likely follow this analysis. Any construction work details proposed to implement the guidelines developed by the computer model will be sent to the Board for approval prior to this work.

The Board discussed a possible rate structure change to bring us in line with our own water system costs as well as comparable communities. While it is hoped that we may have this information in time for our annual membership meeting, the Board felt that it would be premature to discuss any assessments until we know more about our long term requirements.

The subject of water meter policy also needs to be addressed. Within 4 years from this September (2013) we need to have the entire community equipped with water meters of the same type so we can effectively meet the new laws requiring metered measuring of our water use.

The Board feels it is very important to report to the membership at our next membership meeting in May on the progress we are making in our water system analysis; the changes, repairs, and improvements we expect; the metering options we are considering; and the financial ramifications involved for our community. The Long Range Planning committee will prepare a draft report for the membership to the Board for discussion at our next meeting. Tom Lasater said he would appreciate any information on rate structures for other water systems that we might be familiar with.

CC&Rs, By Laws, and Architectural (CBAR Committee)

Coventry Jankowski presented the Board with a very comprehensive report from the committee meeting (2-11-13) where changes to the CC&Rs, By Laws, and Architectural Committee Guidelines were reviewed. The report was 12 pages long! The Board was asked to review it.

| | |
|--|---|
| <p>Essentially the committee reported on 8 points they agreed upon:</p> <ol style="list-style-type: none"> 1) The CC&Rs are extremely outdated and fail to serve our community as it currently exists. 2) The CC&Rs are difficult to translate, confusing and contradictory. 3) The CC&Rs do not adequately address properties legally permitted as overnight rentals in our community. 4) The CC&Rs do not adequately address home based businesses. 5) The language in the CC&Rs is vague and leaves much to personal interpretation. 6) The CC&Rs require such a large percentage of homeowner participation that amending the documents is next to impossible. 7) The CC&Rs need to be revised in conjunction with EMC's other governing documents to avoid contradictions and ensure they support one another. 8) The committee agrees that modernization and clarification of the CC&Rs is a crucial step in maintaining the health and efficient management of our community. <p>The committee reported that they recommend the first place to start is with Paragraph 8. Amendments. To get clarification and assistance on this paragraph, in order that we can proceed with specific change proposals in the future, Chris Skagen moved we direct Coventry to see our attorney regarding paragraph 8 (which addresses changes to our CC&Rs), with a limit of \$200. Second by Alan Fahnestock. Passed unanimously.</p> | <p>Motion Passed to use Attorney for CC&Rs question.</p> |
| <p>5. New Business</p> | |
| <p>Coventry Jankowski proposed we assign someone to organize voting during our general membership meeting. Dick Volckmann volunteered to manage this in coordination with the meeting announcements, final snowplow billings, etc.</p> <p>The Board complimented both Will Fohrell and Coventry Jankowski for the tremendous amount of high quality work they have done for the benefit of the Board and the Community.</p> | |
| <p>6. Misc. Including Next Meeting Date</p> | |
| <p>The next meeting is scheduled for 6:00 PM, April 23rd, 2013, at John Kirner's home..</p> <p>The annual membership meeting is scheduled for Saturday, May 25th at 1:00 PM at the Pool Facility.</p> | |
| <p>7. Executive Session (if any)</p> | |
| <p>NA</p> | |