

Edelweiss Board of Directors Meeting of April 6, 2015

Present: Alan Fahnestock (V. Pres), Steve Ralph (Secretary), Jim McDonald (Treasurer), Bill Craven, Larry Halford, Josh Jankowski, Will Fohrell, Chris Skagen.

Absent: John Kirner (President)

Staff Present: Dick Volckmann and Craig Hook

Guests: Tom Lasater (Chair, Long Range Planning Committee)

Chair: Alan Fahnestock

Minutes Recorder: Steve Ralph

Meeting was opened at 5:30 PM and closed at 7:30 PM

1. Minutes of the Last Meeting

The minutes were referred to and a motion to approve as written was made and a voice vote of approval was made.	Approved
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Treasurer's Report

<p>Jim McDonald provided a summary of his financial report (available upon request from Dick Volckmann). Highlights include:</p> <ul style="list-style-type: none"> • Water Fund – waiting for most of the dues to be paid for the year. He transferred 40% (~\$16,700) to the fund. Line item for water meters of ~ \$7000+ is accounted for. • Other ordinary income came from the sale of the snowplow, and reimbursements from OCEC for their portion of the cost of installation of the conduit under West Fawn Creek last fall. • Under Payroll Expenses, our Payroll Tax line item shows \$5211.80 which is 77.4 percent of budget. This was the result of an over-payment and will be corrected. • Another \$3000 is transferred to our legal fund, for a total of ~ \$9000. • Pool funding – will meet with contractor tomorrow. We now have a pool construction fund set up with Capitol One bank. Pool Funding: Dick and I are meeting with our CPA firm tomorrow to discuss how to handle the loan proceeds and the assessments. So we should have a framework set up soon. I have also drafted a Promissory Note for discussion and established a Pool Construction Fund at Capital One (funded with \$.01). I envision transferring the \$150,000 from our Sewer Fund once the loan is in place and construction is scheduled. And then taking draws from this account as needed. The draws 	
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would be tracked and would be the basis for the loan repayment. This will make it easy to see how much funds have been used and how much remain.

3. General Manager

Dick Volckmann prepared and distributed a report on general management and operations report for March 2015. Of note, Dick attended the Washington (water) Operators Workshop in Lynnwood, WA in order to earn the balance of the CEUs necessary by December 31, 2015 for his drinking water certification requirements.

He also attended a meeting concerning the taxes on a parcel of land that we have ceded for use by the Methow Conservancy, and made an application to the County for a reduction in taxes by asking that it be designated as “open space”.

In addition, as required by law, herbicide applications to control noxious weeds will soon begin in selected areas. Jim Wright Construction has been authorized to proceed with the water line up to Eagles Nest. The OCEC will pay \$12K + for their share of the line up the hill, so that reduces our overall expense.

Dick sent out a water shutoff policy aimed at some of the residents who have not paid. Michael Brady suggested we’re on thin ice in terms of shutting off the water for any unpaid bills not related specifically to water issues. (For instance if they haven’t paid their plowing bill.

Snow plowing/sanding expenses for this past year, will be an additional \$169 per homeowner, added to the \$100 already paid for the year.

Dick and Craig will be walking the fence-line to take stock of their condition to keep cows from entering the community.

In regards to operations, Craig Hook (Operations Manager) summarized noteworthy events including the condition of roads after the winter season, and miscellaneous issues that arose and were resolved.

Board Membership – Three vacancies on the EMC Board will be up for being filled at the elections associated with the annual meeting in May. Three board members terms are up including:

- o Alan Fahnestock
- o Will Fohrell
- o Chris Skagen

These members are undecided if they will run for an additional 3 year term.

4. Old Business

Water meter installation will move forward this summer and next.

Need some advance preparation for annual meeting on weekend of 23rd of May We have elections coming up, and we’ll have a few board membership openings. Also need to make some assignments to ensure that the annual meeting is productive.

Someone may need to talk about fire-wise. We may propose a community wide fire ban to reduce the risk of fire in the community (Josh Jankowski was volunteered to take this on).

Alan noted that any outgoing board members who will not seek re-election will need to recruit candidates to fill those vacancies. Whether or not to have an audit? We have to have a vote on this every year. Alan will talk about this at the annual meeting.

Pool Progress to date – Tom Lasater.

Tom is meeting with a few more contractors for installation. We will have two bids at a minimum. We're sticking with the selected design, and have engineering drawings for that finished design, now we just need to get about \$500 of structural engineering work done to finalize the specs. Tom hopes to get these bids in the next few weeks. Once the project begins, it will take about 2 months to complete the actual pool construction, including site prep and demolition. Have almost all of the permits in the next month; the county permits are a bit easier. We may not get it built this summer, as the selected contractor may not be available. If that is the case, we will likely repair the heating system by installing the heat-pump system that will then serve the new pool. The status will be reported at the annual meeting of members.

5. New Business

There was no business to bring up to the Board

6. Misc. Including Next Meeting Date

The next meeting was scheduled for the annual meeting, when we will set the summer meeting.

7. General Manager's Report

1- Water system –

Water meters - Letters have been sent to all the homeowners who will be receiving new Sensus water meters this year. Three different letters were sent, detailing whether the homeowner will be receiving only a meter, a meter and a setter or a meter and a new vault installation. Costs of the meters, setters and vaults were included along with approximate cost of installation of the vault. We have received all the meters, transmitters, setters and vaults. All installations are expected to begin soon.

New construction - Wright construction has been authorized to begin installation of the new 4" water line from Highland Road, under West Fawn Creek and up to Eagles Nest Road. Total cost, including tax is estimated to be \$48,931.76, with a 10% contingency. The Okanogan County Electric Coop has agreed to pay \$12,298.79 for a new conduit and their share of the excavation.

Reimbursement - EMC has received a check from OCEC in the amount of \$4193.15 as their share of the cost of installing a water line and electric conduit under East Fawn Creek in October of 2014. This will be deposited back into our water account.

Water shut-off policy – It is the opinion of attorney, Michael Brady that it would not be advisable to turn off the water to a residence for any other reason than the failure of

the homeowner to pay for his water bill.

Water System Education Requirements – Attended the ERWoW conference in Yakima and the WOW Conference in Lynnwood and in doing so earned all the Continuing Education Units (3.0) to meet the three-year requirement due by the end of December 2015.

- 2- **Dues Receipts** – Property Owner’s 2015 payments to date total over **\$200,000** with several checks yet to be processed. All dues and fees so far billed will become due on April 15th. Any dues or fees mailed after that date will be subject to penalties and interest.
- 3- **Snowplowing/Sanding** – Snowplowing and sanding bills for the 2014/2015 year have been totaled at \$47,773.57. Each homeowner (now totaling 178) will be responsible for a total of \$269.00, \$100 of which was billed in January. The final amount (\$169.00 each homeowner) will be billed in May.
- 4- **Herbicide application** – I will begin spraying the meadows and roadsides for noxious weeds as soon as they begin to emerge in one or two weeks.
- 5- **Fences** – Craig and I will soon begin to survey the winter’s toll on the National Forest fence line and make the necessary repairs in preparation for the introduction of the cattle nemesis in early June.
- 6- **Newsletter** – I expect to be sending out the spring newsletter by the middle of April. It will include the announcement of the 2015 Annual Meeting to be held on May 23rd.

Dick Volckmann