

## Edelweiss Board of Directors

### Meeting Minutes of May 2, 2016

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

**Absent:** Bill Craven

**Staff Present:** Craig Hook and Dick Volckmann

**Guests:** Chuck Armstrong

**Chair:** John Kirner

**Minutes Recorder:** Steve Ralph

### Meeting Agenda

1. Call to order by the President (John Kirner) @ 6:05 PM
2. Review of minutes - (Steve Ralph) - A motion to approve the minutes for the board meetings of April 11, 2016 was made, and approved by a voice vote.
3. President's report - (John Kirner) – John reminded the Board that at last meeting all agreed to forestall use of lignin on the roads this summer in order to save some money for road repairs, and that all in attendance agreed with this approach.
4. Treasurer's Report - (Jim McDonald) – Jim provided a Treasurer's Report dated April 11. In it, he discusses the quarterly financials (profit and loss – budgeted vs. actual expenditures). He gave a brief update on the pool fund, cumulative expenditures to complete the pool, and current balance in the pool fund (which is ~ \$115K). He expects to see additional payments from members into the pool fund in the next few weeks. Dick also discusses the pool fund in his manager's report.
5. Manager's Report (Dick Volckmann)- Dick sent out a combined report (dated April 11) that details various management /maintenance activities that have occupied he and Craig these past months. He posted this a few days ago to the website.
  - a. Pool Progress – The pool perimeter decking and coaming is in progress. Daryl Brandenburg poured a few new sections for the deck of the pool to make sure the color is satisfactory (sand color).
  - b. Pool Fencing - The perimeter of the pool deck was measured and will require new fencing for ~170 feet. Dick will order the new fence, and a few spare sections, expected to arrive in about 3-4 weeks. A temporary fence will be erected around the fence as required to ensure safety at the pool site. The pool will need to be plastered and filled with water very soon, and we will need to have a fence around it by then.
  - c. Pool Assessments – To date we have received \$197,160 in pool assessment payments. There are a few late payers. The new pool will not be open by the Annual Meeting on Memorial Day Weekend, but certainly will be open sometime in June.

d. Road repairs - The entrance road is in need of repair. The estimate from December was ~\$32K, but it is unclear if that includes any excavation that may be necessary. Dick is trying to get clarification on those points. We are getting a few new bids, including some excavation work from Jerry Palm. The newest estimate is \$10K less than previously submitted, but by a different company. Dick may get another bid to add to the mix. He will email to the board to get authorization to move forward once he gets all of the bids. There is also a need for a new culvert under Highland Meadow Rd., a result of some drainage problems encountered during the high runoff period in March. The timeline is still not yet determined, but we have to wait until there is no water in Cassal Creek before we can replace that culvert. Jerry Palm has given us an estimate of ~ \$3056 to install a 30" culvert, which is about twice the size of the former culvert.

f. Lignin application this year – As discussed, despite the already dusty road conditions, the Board reiterated its decision NOT to apply lignin to community roads this year in order to spend that sum on other road repairs that are more critical than dust abatement. There does remain the option to apply it at specific locations if certain homeowners want to do it at their own cost.

g. Short-term rentals – This issue has come up before, and the community wishes to reiterate that it does not allow or condone owners using their properties as short-term rentals (i.e. Air B&B). Michael Brady reviewed the CC&R's regarding short-term rentals; he has concluded that it is not currently allowed unless the CC&R's were amended. See attached note from Michael to Dick. The term "residential" precludes such overnight or transient rentals (<30 days) use of properties.

#### 6. Agenda for Annual Meeting Ballot Measures -

Board Elections: The terms of Jim McDonald, Larry Halford and John Kirner are up this year. Neither McDonald nor Halford will be seeking a third term, whereas Kirner will be seeking re-election.

Two people are interested in running - Chuck Armstrong and Neil Rotstan. (Since the meeting, another property owner, Sern Watt, has expressed interest in running for the Board.) Resumes of the willing candidates will be circulated prior to the meeting. Unless we get another possibility, Dick will make up the ballot for the annual meeting. In addition, the "audit" of the financial books will be on the agenda. Ideas for inclusion on the agenda were discussed, and will include the condition of the roads during spring runoff; utility of the new fire hydrant installed at the pool as a water source for fire-fighting; our financial situation, the pool, fire protection, entrance repaving, fire-wise and triage exercises; water systems improvements (covered under treasury report by Jim);

#### 7. Discussion of any new business –

a. Fire hydrant hook-up at new pool – The new hydrant should be protected from unintentional collisions with vehicles. Dick and Craig will come up with some ideas. In addition, fire fighters from the Mazama District 6 Fire Station will plan some drills involving hooking up the engine to the new hydrant, to gain some practice and understanding of what will be involved.

b. There will be a Board meeting immediately following the Annual Meeting – to welcome the new members and elect the officers. The Annual Meeting is scheduled for Saturday May 28<sup>th</sup>, at the pool

house. A potluck will start at noon and the formal meeting will start at 1:00 PM. 8. Adjournment of meeting - 7:30 PM

### **General Manager's Report**

**Pool Progress** – Brandenburg has poured a couple of small areas of concrete to check to see if we are happy with the color chosen for the pool deck and coaming. It is a sand color, and should be very attractive.

**Pool Fence** – Based on new measurements, the length of the pool fence is close to 170 feet. It will be placed next to the concrete perimeter of the pool deck. I hope to be able to order the fence tomorrow (May3rd) and it should be here in 3 ½ to 4 weeks. In the meantime, Brandenburg will assemble a temporary fence, which will meet State code.

#### **Pool Assessments –**

- To date we have received **\$197,160.00** in pool assessment payments. We are slowly receiving funds from late-payers.

#### **Road Repairs –** Two projects are paramount for this summer:

- 1- Repave and widen the entrance portion of Highland and Homestead Roads:

The current quotes are:

\$21,762.69 for paving – Omak Paving

\$4,333.23 excavation widening of the exit of Highland Road, widening of Homestead Road at the curve across from Bjornsen’s home – Palm Construction

- 2 - \$3056.83 Install a larger culvert (30”) where Cassal Creek goes under Highland Meadow Road.

– Palm construction

**Lignin** – The Board has voted to forego the application of lignin to Highland, Homestead and Cassal Roads this summer. However, there may be people who want to pay to have lignin put down in front of their property. We might want to let people know of that possibility at the annual meeting. I can make a list of the folks who want lignin and provide it to the Cascade Concrete. The individual owner will be responsible for delineating the stretch of road in front of his property and for making payments to Cascade Concrete.

**Short-term Rentals** – Michael Brady, Attorney has researched our CC&Rs, and his conclusion is that all property owners are barred from ‘renting rooms or residences on an overnight basis unless the CC&Rs are amended”. See a brief analysis of his opinion below.

#### **Dick Volckmann**

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#### **Michael Brady’s Opinion on Nightly Rentals in Edelweiss:**

“Section 3 of the CC&Rs is crystal clear that only “single family residential use” is allowed in Zone A .... Overnight rentals is a use that is different from single-family residential use, and uses other than single-family residences are prohibited. Both state law and the Okanogan County Code draw a distinction between residential use and what is variously called “transient accommodations” or “overnight transient accommodations” or “Bed and Breakfasts,” which all encompass overnight rentals. So it is clear that as a matter of law, “single family residential use” does not include using one’s residence as a source of rental income on a nightly or weekly basis (or renting out your residence on any basis other than a standard residential lease).

The Commission does not need approval of the membership to enforce the CC&R’s ban on any overnight accommodations. It appears to me that all members are barred from renting rooms or residences on an overnight basis unless and until the CC&R’S have been amended to allow that use in addition to single-family residential use in Zone A. Furthermore, it’s not clear to me that such an inconsistent use can be grandfathered in as a general matter, but specific instances could be grandfathered in depending on the circumstances.”

**Michael Brady, Esq.**