

Edelweiss Board of Directors

Meeting Minutes of October 26, 2015

DRAFT

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

Absent: Alan Fahnestock (Vice President), Bill Craven

Staff Present: Craig Hook and Dick Volckmann

Guests: Lynn Lasater, Pat Leigh, Mike Shirley

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 was made to approve the minutes for the board meetings of June 8 and August 31. All of those present voted in favor of this motion.

3. President's report - (John Kirner) – John did not have anything to report.

4. Treasurer's Report - (Jim McDonald) – Jim sent out the P&L and budget sheet for this last quarter. He stated that tracking pretty well on income versus expenses, even with the two recent and ongoing construction projects. These two projects involve (1) ongoing pool construction and (2) the Highland entrance water line project. This project (which crossed Goat Creek, Highland, and Homestead Roads, and extended down Lupine) was completed as a cost share project with the Okanogan County Electric Cooperative (we each were billed half of the excavation costs). For the latter project, our total costs will be about \$46,500 (awaiting final bill) and our net impact on our general fund will be ~ \$21k -27K, after member reimbursements and the OCEC payment of approximately \$14,000. Note: (Our Water capital construction project had been exhausted earlier this year by the cost of the new water line up to the Eagles Nest area). The Highland entrance project was more expensive than expected because of excavation costs, but it would have cost us twice that amount if done on our own and without the OCEC cost sharing. The OCEC reimbursement we received (about \$14,000) was for this year's project to run a new water line up to Eagles Nest area and across the W. Fawn Creek (which was done late last year). Our project also installed electrical conduit for OCEC. Total cost for this year's project was approximately \$52k. The pool construction funding is in place to cover all expected costs this year. The surplus checking funds will be transferred back to savings once the final bills have been paid for the year.

5. Manager's Report (Dick Volckmann)- Dick sent out a combined report that details his management activities as well as the maintenance activities that have occupied Craig this past summer.

- Final Update on water meter installation for 2015 - We have met our goal for the number of new water meters to be installed this year, and we have collected most of the money owed from lot owners.
- Update on water line/power line installation on Highland Road - This project is now completed.
- Pool construction to date - The construction to date is on schedule; the pool shell is formed and shaped and piping is installed to the equipment room. The pipe has been insulated and partially back-filled. A separate outflow line will be installed from the deep end of the pool to a hydrant near Cassal Road in the pool parking lot. The hydrant will serve as a source of water for fighting fires by allowing rapid refilling of fire pumper trucks. This will cost an additional about \$10K to add, but the Board felt it was worth the cost given

the lack of other readily available water sources. Even in winter, the residual water in the pool may provide about 30,000 gallons of water if needed.

- New pool assessments to date – We have received about \$111K so far from lot owners, with more to come. The next assessment will not be due until April.
- Property transfers – This year, we have had nine property transfers suggesting a possible upswing in planned housing construction.
- Properties in arrears on payment of community fees– All lot owners previously in arrears have made payments and are now current; there are a few others whom have yet to pay their share of the pool construction costs and those of their water meter installation.

6. Discussion topics

- Yurt in Campground Area – Dick has drafted a letter to Kirk Fraser about his reinstallation of a yurt in the campground area. The letter to Kirk Fraser, the owner of the lot who is re-installing a yurt at the site, was circulated among the Board members for their consideration. The letter is a compromise proposed to Mr. Fraser that will allow him to have the yurt in place for a limited time in any given year, and for a limited number of years. A motion was approved to send the amended letter with the stipulation that the yurt only be allowed for a three-year period.
- Letter to the Forest Service District Ranger Mike Lieu – This letter is in regards to possible improvements to E. Fawn Road to allow a second route in the event of an evacuation of the community. - This version reflects changes from comments provided by the Board. The letter as amended by discussion, was approved by the Board and passed around for signatures.
- Bylaws and CC&Rs – (Kirk Schumacher) - There has been ongoing discussions in consideration of revisions to the bylaws. Coventry and Pat are participating with Kirk to review and make recommendation on those changes needed. A number of issues have surfaced, including the current requirement that any substantial change to the CC&R's have to be voted on and approved by ~ 80% of the owners. This requirement is unrealistic given the diffuse nature of the lot owners within Edelweiss. Kirk is providing some ideas on this and other policy related issues. Kirk suggested we get a second opinion regarding the change in CC&R's that require an 80% positive vote of the owners. A motion was offered on moving on the second opinion, but wait until 2016 budget season. A vote was taken and approved, but action will not be taken until next year.
- Paving of the entrance in 2016 – The paved section of road at the entrance to the community is crumbling and needs serious repair work. Dick has obtained a cost estimate of \$30K plus tax, to repave the entrance road and continue up homestead for ~ 100 ft. past the intersection with Homestead. There was much discussion on how best to pay for this, and various alternatives were considered, including using funds from our road maintenance account (approximately \$18,000) plus deferring the application of lignin next year (which costs about \$17K. A motion was made to go forward with the paving next year, and explore options for paying the cost. Dick will put this in his next newsletter and will float this idea of using lignin dollars to pay for part of the cost. Dick can get a firm commitment from the Granite Paving Company so we know what it will cost. All present approved of the motion.
- Fire wise certification for Edelweiss – John strongly feels the community needs to revisit this potential action, and see what it would take to do a community wide treatment. This has been tried in the past with mixed results, which were not considered effective. Having “fire wise certification” could have benefits in terms of insurance, and there might be possible cost-share opportunities to be realized. Wilson Ranch is now Fire wise Certified. John will investigate including discussing this with Pat Leigh, who spearheaded the effort last year.

7. Discussion of any new business – Larry Halford raised two issues.

1- The various piles of rock at the entrance needs to be disposed of. Some of this is already happening, and Dick will pursue other options.

2- Second, Larry went to the meeting at AeroMethow on disaster preparedness training. This training focuses on forming neighborhood groups to help respond in a coordinated fashion during a natural disaster. These groups can become familiar with their neighbors needs and capabilities and help support each other in the event of a natural disaster or other emergency. Larry is suggesting that this may be a model that others in the Edelweiss community may want to become trained in and familiar with.

8. Budget for 2016 – A group needs to be formed to prepare the 2016 budget. Dick, Jim, John Kirner volunteered to be on it. They will meet on this issue for the first time Wednesday, October 28.
9. Establishing of date and time of the next meeting – December 14th Monday, at 6 PM
10. Meeting was adjourned at 8:30 PM.

General Manager's Report

Water Meters – All the water meters scheduled to be installed in 2015 are now in place. A total of 61 iPerl Sensus meters and 15 coiled meter vaults were installed during the summer.

Water Line Construction - The trenching and power/water line installation up Highland Road to the intersection of Fawn Road has been completed. In addition, water lines designated for future use have been installed under Highland road and Homestead Road.

The water line installation on River, Lupine and Highland Roads was done by taking advantage of the fact that we could split the cost of excavation with the OCEC which was trenching for new power line conduits under those roads. The cost of the project ran EMC over its water system budget, as we knew that it would. However not to have done it would have meant that in order to install the needed new 4Inch lines, the roads would have needed to be re-excavated at a future time. Further, it would have cost us twice as much by not taking advantage of the cost-sharing arrangement with OCEC. The cost over and above the water system budget is approximately \$28,000. This means we may have to draw some of the funds from our savings account, currently at \$61,651.00. With no significant water system upgrades planned for 2016, we should be able to replenish the savings account with next year's water use income.

Arrears – To date, no property owners are significantly in arrears, although some are late with their pool assessments. I'll send out reminders next week, but I'm reluctant to add penalties until the end of November.

Pool Progress – Construction of the new swimming pool has progressed to the final concrete stage. It will be left over the winter to cure, before final plastering in the spring. Backfilling of the outside of the pool will commence shortly.

Currently there is a discussion about the depth of the pipes coming from under the pool to the equipment room, the concern being that they may be too shallow to resist the winter's freezing temperatures. We have been assured by the pool contractor that by wrapping the pipes in fiberglass insulation, the freezing can be mitigated. Also, the excavation contractor has assured us that by installing a double layer of blue insulation board over the pipes, the freezing should not be an issue.

Fire Mitigation - In addition to the pool construction, it was decided to install a 6 Inch pipe from a separate drain in the deep end of the pool to a location (TBD) at the edge of the pool parking lot. John Kirner traveled to Tacoma to

pick up two surplus, but rebuilt, fire hydrants at very low cost, one of which will be installed at the end of the pipe from the pool. Fire pumper trucks will be able to fill quickly from that hydrant, giving us over 40,000 gallons of fire-fighting water.

Assessments – To date we have received **\$111,420.00** in pool assessment payments, with the owners of 52 lots having paid the full estimated total of \$860.00. The owners of 52 lots still owe \$300.00 for the 2015 assessment.

Assessment billing - I suggest that the pool assessments (\$300.00) for 2016 should be included in the January invoice for dues, water, garbage, and snowplowing. I further suggest that we extend the due date of the 2016 assessments to April 15th, along with the water and garbage fees. If history repeats, many people will pay in advance of that date anyway.

Property transfers – As a point of interest, there have been 9 property sales, including lots and homes in the past year, resulting in \$1350.00 in property transfer fee income.

Dick Volckmann