

Edelweiss Board of Directors Meeting

Date 10-24-13

Present:

Coventry Jankowski, Larry Halford, John Kirner, Jim McDonald, Don Fitzpatrick, Jr., Lisa Tabbut, Will Fohrell.

Absent: Chris Skagen, Alan Fahnestock

Staff Present: Craig Hook

Guests: Karen Reneau, Josh Jankowski, Pat Leigh, Tom Lasater

Chair: John Kirner

Minutes Recorder: Don Fitzpatrick, Jr.

Meeting held at John Kirner's home. It was opened at 6:00 PM and closed at 9:10 PM.

1. Minutes of the Last Meeting	
Approval of the minutes of the last meeting, as mailed out and posted, was moved by Larry Halford Second by Jim McDonald Passed unanimously.	Minutes approved
Treasurer's Report	
<p>Jim McDonald reviewed previously mailed P&L versus Budget, and current balances.</p> <p>He said that we are required to keep financial records for seven years and that can be difficult with treasurers on a volunteer board changing from time to time. He has arranged for our records to be kept by our accountant from now on.</p> <p>Jim McDonald said we had expenditures for which we had no budget, such as our Water System Consulting and some upgrade expenses. (This is money that will come from our water account. Due to the fact that these expenses would not come out of the operating account, the Board had talked with Bradshaw last year and decided not to include them in the budget.) Jim McDonald is uncomfortable with this system and will change it in the future. Coventry Jankowski suggested a footnote could help explain it this year, to those who might be unfamiliar with the budgets and expenses. The Board concluded that Jim McDonald had a good point and agreed to include line items next year, even if they were very rough estimates.</p> <p>Jim McDonald then talked about the items where we might expect to see some changes in the budget for next year, based on what he sees our expenses are three quarters of the way through the current year.</p>	
3. General Manager's Report	
<p>Dick Volckmann submitted a written report from he and Craig Hook. This was not received by everyone, so Don Fitzpatrick summarized it for the Board.</p> <p>Jim McDonald moved that we approve Dick Voleckmann signing a contract with J.A. Wright for approximately \$14,057.45 to install the sewer pod in the lower meadow, provided it is completed by the end of November, passes all required tests, and functions properly before final payment. Second by Don Fitzpatrick.</p>	<p>Sewer Drainfield Contract approved</p>

Under discussion the Board felt that Dick Volckmann should have come to the Board for final approval earlier due to the figure being above \$10,000, which is Board policy. Also, we should have received 3 bids on the job. However, due to pressure on Dick Volckmann to get this matter finished this year; the importance of getting the project done in the dry fall weather rather than wet spring weather; the improbability of finding any other contractor who could do it this year; and the apparent reasonableness of the amount in question, based on the work involved; the Board elected to give approval and the motion passed with one nay vote by Coventry Jankowski.

At Dick Volckmann's request, the board discussed giving management authority to shut off water and lock the water meter of homes that have not paid dues and or fees within a reasonable time after notification, such time to be determined.

After discussion, the Board determined that this procedure probably does need to be put in place, but, since only one person is now in arrears, and that lot has had a lien put on it by Edelweiss, we have the time to do more research on what is legal for us to do and the procedures involved. John Kirner will call the State Department of Health and get information and propose a suggested timeline for such a process at our next meeting.

4. Old Business

Progress of the Water System Analysis by Will Fohrell

The engineering by Erlandsen Co. is almost finished. There are a few specific details on PRVs (pressure reducing valves) and location of the vaults for them that need to be clarified so not only we understand, but to make sure that Eric has all the information we might have. Following those details a final report should come out that is expected to be on budget.

After the final report, we can expect to install the PRVs and perhaps do some other construction, which the Board will discuss and determine scheduling for. This should address our high pressure issues.

Will Fohrell said the next step is to get a proposal for engineering to address our low pressure issues on Trillium, Eagle's Nest, and other areas. This is referred to as Task 2 in our initial specifications of work for Erlandsen. Will Fohrell hopes we can get this engineering done this winter because that keeps us on schedule and allows us to use Erlandsen during their slow season. Tom Lasater said that this engineering is very important to the Long Range Planning Committee so they can plan ahead.

Will Fohrell will develop a Request for Proposal on Task 2 so we can get a bid. The Board agreed that we will ask Erlandsen to give us a bid for the engineering for Task 2 so it can be done this winter.

Will Fohrell will develop RFP and seek a bid on Task 2.

Tom Lasater said the Long Range Planning Committee will need to address a plan to implement the significant capital improvements in the water system that we anticipate. From talks with the engineer about servicing the community through its ultimate build out, he said we can expect pipe upgrades, new pipe installations, new pumping equipment, additional reservoir capacity, repairs and improvements, etc. that could cost upwards of \$400,000. While no one knows the total of these costs at this time, Tom said it is the right time to address a plan to implement these significant and necessary capital improvements.

Currently we have four sources of money:

- Water hook-up fees
- Money from the existing water fund
- Any excess water from the annual budget
- Any future special assessments

Karen Reneau presented a survey she completed, of costs at other towns, cities, and homeowner associations in the Valley.

Based upon the Board and the Long Range Planning Committee having good future design reports from the engineer, the Board directed Tom Lasater and his committee to put together a plan, including prioritization, of needs and costs, which include any special assessment and fee increases. Tom Lasater said that his committee will address the future assessments, but he felt the Board should address the regular fees. Both Tom Lasater, for his committee. And the Board agreed.

Due to our current meter installation program which is planned to meet the State Laws over the next couple of years, it is not likely that we will have any assessment soon, but we need to have the plan. Fee increases could be expected sooner and continuously as costs rise. The specific capital improvements will likely be over a period of 7 to 10 years.

**Discussion of member questionnaire, to include:
CC&Rs, Roads, Pool**

Progress on the study of the Bylaws and CC&Rs by Coventry

Coventry Jankowski presented the options that she and our legal counsel have determined are available to us, as well as questions for the member survey. Lisa Tabbut will try to simplify the presentation prior to including it with our survey.

Roads

Tom Lasater determined that we face approximately \$700,000 in pipe installation and repair, or connections, under the proposed paved roads. This would be in addition to the \$300,000 to do the paving. Due to the cost and issues the Board felt that paving the roads in the near future would be cost prohibitive for our resources; however, we felt the community should still have the opportunity to comment and will leave the questions on the survey.

LRP Committee will develop a plan with priorities. Board will address fees.

Lisa Tabbut will review and simplify questionnaire document

<p>Coventry Jankowski moved we strike the lignum questions from the survey. Don Fitzpatrick seconded. It passed unanimously.</p> <p>During discussion we learned that the lignum has a long term benefit that makes the roads stronger and reduces grading and maintenance. Also, the cost of the application is not the total cost. Part of the cost is grading in preparation, which we would have to do anyway.</p> <p>Katherine Bill requested the Board to consider re-imbursement for lignum they applied on the West Fawn Creek Rd. and also requested application at community expense in the future. The Board was sympathetic to their situation, but did not think we could justify the expense for three homes on a road that does not even belong to the community (it is a Forest Service Rd.). John Kirner said he will communicate with Katherine about our decision.</p> <p>Pool</p> <p>During the review of the pool options and questionnaire, the Board suggested that we make it clear that Option 1, to minimize expenditures for annual upkeep of the pool and do only patch work now, will be a very short term fix. We will need to do some repairs and safety improvements that could be expensive and will still be temporary at best.</p> <p>Tom Lasater provided some rough estimates of costs for necessary repairs and replacements. Option 2 to do a comprehensive upgrade, including more efficient equipment and new piping, would probably cost about \$65,000 from the estimates we have obtained. Option 3 to build a new pool, slightly larger, would likely cost about \$100,000. Both of these include an estimate of \$5000 for a structural engineer to design the pool because we found out that this is necessary for a public pool.</p> <p>The survey questions seemed to be pretty good, but will be revised one more time to make sure we determine 1) What the desires of the community are; and 2) What method of payment the community wants to use to pay for it.</p>	<p>Motion passed not to have Lignum questions on survey</p> <p>John will communicate to Katherine Bill</p>
<p>5. New Business</p>	
<p>Josh Jankowski was given time at the beginning of the meeting to advise the Board of an uncomfortable experience he had with J. A. Wright, regarding his septic tank inspection and subsequent suggested pumping by J. A. Wright. He got a second inspection, which conflicted with J. A. Wright. His attempts to get more information or resolve the issue with J. A. Wright were not satisfactory and he thought it should be made clear to Edelweiss membership that their inspections are not mandated to be done by J. A. Wright. Josh Jankowski, like many others, is on the community sewer service and must have the inspections, but there are several who can do this, as well as</p>	

any necessary pumping. The Board has a list of qualified County companies who can inspect tanks and/or pump tanks.

Yurt construction by Kirk Frasier on Lot 17 of the campground.

Larry Halford moved we retain a land use attorney to advise us of our options on dealing with violations of Edelweiss covenants. Second by Lisa Tabbut. Under discussion the Board expressed concerned about the current erection of a large yurt by Kirk Frasier on a campground lot. Craig Hook reviewed our previous discussions with him and made it clear to Mr. Frasier that he can only erect temporary structures. This is interpreted to mean that it must be removed once each year. The Board’s concerns centered around the amount of effort it would take to remove this structure and the prospect of Mr. Frasier wanting it to be permanent; the parking issues; the sanitation issues; the unusual pressure of someone using the restroom, laundry and shower facility that is maintained for the use of Edelweiss members for more than it was intended, and the effect on other campground owners.

The motion passed unanimously.

Budget Committee

John Kirner appointed a budget committee consisting of:
Jim McDonald, Dick Volckmann, Alan Fahnestock, and himself (John Kirner).

Firewise Work by Pat Leigh

Pat Leigh had previously advised the Board of work being done by a large group of Edelweiss lot owners and some property owners outside Edelweiss, to receive a grant for firewise work on their properties. This is a tremendous undertaking and requires a lot of work. The owners have to pay up front, do the work, and then receive the reimbursements.

She said the area they are working on includes two common areas that belong to Edelweiss and she, and the other owners in the program, would like to include those lots in the clean-up work. They will do the work, but she needs permission from Edelweiss. Coventry Jankowski moved we approve this work to the two specific areas with identification to be provided. Lisa Tabbut seconded. It passed unanimously. The Board thanked Pat Leigh for all her work, which will be a great benefit to the entire community.

Motion to hire a land use attorney passed.

Budget Committee selected

Motion passed to allow firewise work on common areas.

6. Misc. Including Next Meeting Date

The next meeting was scheduled for December 3rd, the first Tuesday in December.

7. Executive Session (if any)

General Manager's Report:

Drainfield:

I have received Erlandsen's plan for expansion of the drainfield in the lower meadow. The plan was sent to Richard Benson at the DOH. He has approved it, is in receipt of the \$400.00 fee to DOH and he has given Edelweiss the go-ahead to move forward with construction of the 4th pod. I have given a copy of the plan to Jim Wright for his estimate, and have told him that, given approval by us of his estimate, he may move forward with the construction. It is questionable as to whether he will have time to do the work this fall, but if not, we can start first thing in the spring. Benson is aware of this possibility and has no problem with it as long as we have no further hookups in the lower meadow (without his approval) before completion of the 4th pod. Benson's approval will be contingent on a 'squirt test' inspection, either by him or by Erlandsen, prior to back filling the trenches. Erlandsen has expressed willingness to come up and make the inspection. There will be an additional fee for this inspection; however, it will certainly be less than the \$500.00 that Benson would charge.

One other note - - based on his recalculations, Benson has increased his approval (after construction of the 4th pod) from 7 hook-up to 8 hook-ups. This should carry us through for many years to come.

Paving and Roads:

1- The deterioration of the edges of the pavement at the Edelweiss entrance continues to get worse and worse. Craig and I have discussed the problem of repaving this area, but up until recently Edelweiss has not had the funds to do much about it. However, now that we have a dedicated Road Fund with a balance of over \$18,000, we feel it may be possible to afford a repair. I have contacted Mitchell Paving in Wenatchee about giving us an estimate, the next time they are in the area, to repair the ever-widening area of broken pavement. (They are the company that paved Bjornsen's driveway). Actually, I've made several calls to them, and am still waiting for a call-back from their estimator. I'll keep trying.

If we decide we can go ahead with the repair, we may - depending on cost - think about extending the pavement a few hundred feet past its current terminus, so that it doesn't end in such an awkward spot - right at the top of the hill, and on a curve.

2- Some of the EMC roads were heavily washed out during the recent heavy rains. Craig has done a good job of smoothing out the worst of the ruts with the tractor. We should be able get through the winter with the roads in their current condition. We'll attend to additional grading in the spring.

3- As always, some residents felt that the lignin application this summer was well done - others thought it was a bad job. Granted, there was some evidence of a thin edge along the sides of some of Highland and Homestead roads. After meeting with Jeremiah of Cascade Concrete, I authorized an additional spot treatment of lignin, which seems to have solved the problem. The total cost, with grading and watering, was \$17,297.93 still less than the \$18,000.00 we had budgeted. Of course, since we had the lignin put down, it has rained enough that it was probably a wasted effort.

I feel that we should think about the possibility of not applying lignin in the future. No matter when we have it applied, there is always going to have a significant period of time when the roads are dusty anyway. We can do a lot with an extra \$18,000, like replaster the pool for instance.

At any rate, the lignin issue will included with any survey regarding the roads, paving, etc.

4- On another lignin issue, the Board has been contacted by Katherine Bill about the possibility of having lignin applied, at Edelweiss expense, along the section of West Fawn Creek Road in front of her home. I promised her that the issue would be discussed at this Board meeting.

Snowplowing:

Jerry Palm has agreed to do the snowplowing of EMC roads for the same amount as in the past five years. I've sent him the contract for 2013-2014 winter season, and he has signed and returned it. He and his crew have been extremely responsive to my calls for plowing in the past, and I do not expect otherwise in the coming winter.

Water:

On Saturday, September 7th, the upper part of Edelweiss ran out of water. Craig found that the problem was a faulty telemetry transmitter at the well house. He took it down and sent it to the repair facility, Isaacs & Associates, in Walla Walla. We then had to run the well pumps manually. The transmitter was repaired and returned to us by Thursday afternoon the 12th and installed on Friday the 13th. Quick turn-around. Everything is now running as it should be

Cattle:

While I was out of town at the beginning of September, I received word that a cow had managed to escape the confines of the National Forest up near Eagles Nest. Apparently the threat of retaliation from Don Fitzpatrick's dog, Mauly (sp?) caused the cow to rethink her position, vis a vis freedom, and thus retreated through a loose set of wires back into the grazing range. Upon returning to Edelweiss, Carol and I located the escape route, tightened the wires and put in an additional post.

A few days ago, two cows were spotted strolling down Goat Creek Road toward the Weeman Bridge. They had blue ear tags. A search along the possible areas of egress - open gates, etc. - showed no sign of a place that cows could have gotten out of the National Forest. However I called the rancher, Troy Accord, and left a message. He called back after he had come up to investigate. He had found the cows on Rte 20 near the Big Valley. They weren't his cows - his have red ear tags.. He shoed them into the Big Valley field. Yesterday (22nd) the same two blue-ear-tagged cows wandered up East Fawn Creek road, into the upper meadow and then up the hill toward the East Fawn cattle guard, which is where they apparently disappeared. At least I could never find them.

Then on October 6, I spotted 9 cows wandering along goat Creek Road toward the campground, where they obviously hung around for awhile as evidenced from their bovinely evidence. I called the owner, Don Lundgren, who must have picked them up, as they eventually were no longer to be seen.

I haven't figured out how to keep cows from coming *up* into Edelweiss! But we learned that red ear tags mean 'our' cows from across 'our' fence. We have no control over any other color.

Yurt:

Kirk Frasier has begun constructing his yurt on lot #17 of the campground. He has been told at least twice that it cannot be left up as a permanent structure. We'll have to wait and see if he adheres to this requirement.

Subject for discussion. How much control should EMC continue to attempt to exert over activities at the campground?

Collections:

As of October 15th only Thomas Destefano, Lot #554 on Bitterbrush, is seriously in arrears. As discussed previously, he has a long term renter who he claims should pay for the water and garbage, however he also owes for the final snowplow bill. He has not responded to any requests for payment. His account is now up to \$605.94 with added penalties and interest. I have filed a lien against him with Okanogan County.

Regarding the non-payment of EMC dues and fees, the Board of Directors has, in the past, discussed the possibility of shutting off the water to a home whose owner is seriously in arrears. However, the issue has never been become definitive.

Subject for discussion. I am herewith asking the Board to establish a rule that would allow management to shut off the water and lock the water meter to a residence, if, after due notice, dues and/or fees are not paid, within a period of time (to be determined).

Accounts: (As of October_15, 2013)

Farmers Checking.....	\$ 57, 247.51
Road Fund.....	\$ 18,063.93
Water Fund.....	\$ 43,707.50
Savings Account.....	\$ 60,462.27
Drainfield Fund.....	\$ 202,078.54

Dick Volckmann