

## Edelweiss Maintenance Commission

### Board Meeting Minutes

February 5, 2018

**Prior to Board Meeting:** **J. Kirner** convened a general community meeting to ratify the 2018 budget. Upon voting and approval of the budget, **J. Kirner** moved on to the board meeting agenda.

**Call to Order:** The meeting was called to order at 6:00 pm by President **John Kirner**. In attendance were John Kirner (Board President), Steve Ralph, Will Fohrell, Alan Fahnestock (Vice-President), Sern Watt, Chuck Timchalk (Secretary), Chuck Armstrong (Treasurer), Kirk Schumacher. Also, in attendance were Dick Volckmann (General Manager) and Craig Hook (Operations Manager). Absent was Sara Knapp

Community members in attendance included: Don Fitzpatrick, Pete Speer, Lin Lasater, Tom Lasater, Gerry Evans and Paul Karas.

**Review of minutes of last meeting.** **C. Timchalk** provided electronic copies of the minutes to board members prior to the meeting along with hard copies (during meeting). There were no comments or changes and the minutes were approved as written.

**President's report:** **J. Kirner** provided a brief report to the board highlighting tonight's key topics for discussion. He noted again that OCEC will be aggressively replacing power lines within the community and that we need to be ready to coordinate with them to facilitate water line replacement which will save money. He then moved quickly into the meeting agenda items.

**Treasurer's report:** **C. Armstrong** provided the board with the following report. Cash from annual dues have been arriving in our checking account and the cash flow crisis of late last year is comfortably past--for now. We are about half way in collections for operating funds as well as the special assessment. This is near normal for this time of year and by the end of this month we expect most of our funding to be on hand.

Balance in the Farmers checking account is \$101,379.44 on Feb. 3

Balance Capital One Savings is \$242,103.81

Capital One accounts:	
EMC	\$ 32,170.42
Water Fund	3,192.42
Sewer Fund	168,761.48
Road Fund	27,416.43
Legal Fund	10,153.07
Pool Construction	409.99

**C. Armstrong** provide some perspective on what drove the Association's financial challenges in 2017 along with issues that the board needs to consider this year. From a financial perspective he believes that the restriction linking our budgetary increases to

CPI is unsustainable. In some years this yields \$8-\$10 budgetary increases, in some years \$0.

**C. Armstrong** suggested that we need to consider removing the budgetary restriction based on CPI rate increases in the bylaws, and is recommending that the budget be based upon projected needs each year. He proposed the following.

***Motion: The following motion was proposed. Recommend to the owners that the restriction on raising dues contained in the By-Laws (section 7.2) be deleted and that a maximum annual increase of 15% be considered which is based upon the yearly proposed budget.***

The motion was followed by a general discussion among board members. **S. Ralph** raised a question for clarification that the Special Assessment (\$250/lot/year) is separate from any increase in community dues. Consensus of the board is that any special assessments considerations are separate from dues.

The motion was seconded, voted upon with 100% board approval.

**C. Armstrong** discussed the merits of loan options (ex. Dept. of Agriculture), and does not feel this is the best financial approach at this time. He believes the best approach is to establish a specific scope of work and ask the community to support it through special assessments. With regard to the special assessment (for 2018) there was discussion and general recognition that we will need to extend this (possibly 10 years) to meet upcoming OCEC construction along with other infrastructure needs in the community. Communication with the community so they understand why this is needed is a priority.

**J. Kirner** raised some discussion on what was the appropriate reserve fund for our community? He was of the opinion that we need to determine how much of a reserve fund is needed to support our infrastructure needs. He proposed the following.

***Motion: The board needs to determine the appropriate amount of reserve funds that are required to maintain Edelweiss infrastructure. A report should be prepared and provided to the board and community membership no later than the 2020 annual meeting.***

The motion was seconded, and the board had a general discussion on the merits of the motion. The motion was voted on by the board with 100% board approval.

The board will review the continuation of the special assessment (\$250/year) at this years annual meeting based upon additional OCEC work that will be ongoing this Fall and into 2019.

**Managers Report. D. Volckmann** provided the following report:

**Booster pump system:** The pumping system that provides water from the Cassal wells to the reservoir – has been in place for more than 20 years. The mechanical controls are far out of date. EMC paid slightly more than \$14,000 in 2017 to Irrigation Technology Control (ITC), located in East Wenatchee. Some of the costs were for new telemetry equipment, but most of the charges were for simple repairs (stuck relay, corroded switch, etc.) that we were not capable of diagnosing. Each time that ITC comes up to Edelweiss there is a charge of at least \$1000.00 simply for travel expense.

ITC has given EMC a bid to replace all the mechanical controls for the system with digital ones. For example, they will replace the mechanical floats in the water tanks with pressure sensitive transducers that will relay tank volumes directly to digital read-outs at a master communication controller. We will be able to determine the state of the system with an app on our phones. The computer “wizard” at ITC will also be able to monitor our system from his office in East Wenatchee.

The bid for the Monitoring and Control System for the Cassal Well system is \$10,367.87. It represents a vastly improved upgrade to our water system and should be implemented as soon as possible in order to avoid any further wasteful service calls.

**Highland Meadow/Homestead Road Water line Replacement:** Based on the expected income from the 2018 assessment (\$250.00 per property = \$74,000), the 40% of water distribution fees (\$25,555) and the expected water hook-up fees (\$10,620), all totaling \$110,175, we should be in a good position to move ahead with cooperating with OCEC in installing a new 4” C900 pipe line as they install new conduit on Highland Meadows and Homestead Roads. With that expectation, we have informed OCEC that we will be ready to proceed with the project in the spring.

Contrary to earlier expectations, Okanogan County will not be accompanying EMC/OCEC in laying a new sewer line from the lift station on East Fawn Creek Road to the upper meadow Drainfield. Rather, they will excavate for the sewer line after we have completed the water/power installation including our new service hook-ups. **D. Volckmann** will be meeting with the county rep, John Burdick, and the engineer for the county, Steve Nelson, sometime in the next week or so.

Because the sewer line is no longer part of the excavation project, Palm Construction has reduced their estimate from \$147,000 to \$141,000. Unfortunately, because the county will no longer be cooperating in the excavation, EMC and OCEC together will be taking on a larger share of the cost. This may be mitigated, however, as we may be able to split the cost of final grading and gravel application with the county. This will all have to be worked out between EMC/OCEC and the county.

**D. Volckmann** calculated that the breakdown should be:

OCEC - \$64,051.84

EMC - \$78,188.19

On a further note, we are still waiting on an estimate from B&B Excavation, and hoping we can get that soon in order to make a comparison with Palm’s estimate.

**Owner payments to date:** As of 02/01/2018 property owner payments total \$133,190.50, of which \$100,940.50 was applied to the operating account, and \$ 32,250 will be transferred to the water system account.

**Property owners in arrears:** Three property owners are still in arrears. The amounts due from 2017 are:

Home owner - \$2102.66

Estate of property owner - \$797.00



Next Board Meeting: **April 18<sup>th</sup>, at 6:00 pm.**

Meeting adjourned at approximately 8:45 pm.