

Edelweiss Board of Directors Meeting November 01, 2009

Date: *November 01, 2009*

Present: Pat Leigh, Karen Reneau, Tom Lasater, Gene Studer (Long Range Planning Committee). Via teleconference: Leonard Yerkes, Bruce Firestone, Stan Wentzel, Kris McMullen

Absent: Mary Kiesau

Staff Present: Dick Volckmann, General Manager and Craig Hook, Operations Manager

Guests: Mike Shirley

Chair: Pat Leigh

Minutes Recorder: Kelli Rotstan

Meeting Started at 10:00 am and adjourned at 12 pm

1. Pat called the meeting to order.

- **Pat:** The Long Range Planning Committee (LRPC) has developed a proposal for a special assessment designed to fund the most important projects on our water system. Tom Lasater provided 3 documents in advance of the meeting: a spreadsheet that illustrates income from a 10-year water assessment and how the money would be spent, an explanation of the findings of the LRPC and a letter designed to inform members of the issues and prepare them for a vote on a special assessment. Pat asked for any discussion or questions related to the LRPC's recommendation for a 10-year \$200/year assessment to cover the costs of EMC's water system upgrades.
 - Stan asked for a discussion of 10-year vs. shorter or longer term.
 - Karen suggested that Tom Lasater provide an overview of how the LRPC arrived at their recommendation.
 - Tom: We started by looking at everything needed based on our engineering report from 1996. EMC's water system plan calls for total build out by 2040, and for now, we are on schedule with this projection. Our comprehensive plan was done early this year and provides total build out costs. We need to fund all these projects and total build out by 2040. A special assessment of \$200 per lot for 25 years works with the figures we have, but costs change over time. The longer the period we budget for, the less accurate the figures will be. The highest priorities were outlined in 2006 by our engineering firm -- in order to minimize transmission breaks and assure adequate pressure. It is recommended that these projects be completed within the next 10 years.
 - Kelli: asked if hookup fees were figured into our available funds and Karen explained that they were included, based on historical figures. Tom expanded on that by explaining that historically the EMC has seen, on average, 6.3 hookups per year, but in the past 2 years it has dropped to more like 2 houses per year. The model shows that even if we allocate 15% of the water use fees in addition to hookup fees, it would be inadequate to cover needed repairs.
 - Pat: asked if there were other questions. No new questions. Pat stated that, unless someone proposed something else we needed to vote on the 10-year special assessment of \$200 per year as proposed by the Long Range Planning Committee. Any concerns on the timeframe? What if we made it 5 years?
 - Bruce: is this going to be a tough sell? Would a shorter term be better?
 - Pat: We should make it clear to all members that this is an ongoing process and no matter what the time frame, we'll be asking them to vote for a special assessment anytime we need money for the water system or any other infrastructure needs.

- **Pat:** In order to get a 55% majority vote in favor we need to provide the facts and make a convincing argument.
- **Karen:** We need to be prepared at the Special or Annual Meeting to explain why we need this money in order to ensure that we have a reliable water system. We need good education in the form of a letter to all members. Does anyone have any comments or changes to the language in our proposed letter?
- **Bruce:** I agree. It is important to explain what we do as a board to support the community.
- **Pat:** Another reason for educating everyone in advance of the vote is to be very sure that all members have the opportunity to participate in the vote.
- **Stan:** We need to provide confidence that the current proposal will cover what we need over the next 10 years and gives us a water system that we can trust into the future.
- **Karen:** Everything depends on the quality of the presentation we make to the community. We need to explain to people that the dues they pay just cover operating funds – water improvements cannot be done on \$365/year. The only way to improve it is with funding from special assessments.
- **Tom:** Let's consider the possible reasons for a shorter term. 10 years of assessments would provide the funding for our 10-year plan based on engineer reports. But this is probably a moving target. The projects identified will stabilize our system and minimize problems, but we should explain that the order of completion is subject to change. A shorter-term assessment means we have to go back to the membership more often, which has the effect of making the Board more accountable to the membership.
- **Karen:** I am more comfortable with a 10-year assessment because we need the funds and it would provide stability. The money will go into a special earmarked fund. It will be more critical than ever that we have someone in charge of bookkeeping and management to track the money coming in and how it is spent.
- **Tom:** Although we don't expect to receive funding from the State's low-interest loan program, we can continue to apply for loans. Loans would allow us to do work sooner and offset inflation. We would need a special assessment to repay loans and short-term won't be adequate. In such a case, the assessment would need to be for the life of the loan.
- **Karen:** I would rather see the needed water system upgrades done sooner.
- **Leonard:** in favor of a 10 year. tom, karen, dick have done good job of balancing
- **Pat:** If there is no more discussion on the duration/term of the assessment, let's prepare a motion to vote on a 10-year assessment. "Propose that the board approve presenting for a vote of the members a 10-year special assessment of \$200 per lot (\$12 per camping lot) per year as stated in the voter letter prepared by the long range planning committee."
- **Kelli** seconded the motion
- **Pat:** All in favor.
- **Stan:** I'd like to hear more discussion on camping lot fees.
- **Pat:** When I met with camping folks last summer, we discussed replacing the waterline in the west-most section of the campground. I suggested the camping lot owners cover the cost of that improvement (estimated cost as little as \$2000 with a maximum of \$9000). Only 15 out of 25 owners are affected. 10 camping lots do not use this waterline. Camping lot owners seemed to support this idea.
- **Tom:** Originally replacing the campground waterline was in the 10-year plan.
- **Dick:** Each lot owner should have a stand pipe on his or her property. It would require very little to include this in the project. If the camping lots pay \$600 for pipe that would cover the costs.
- **Tom:** That removes the \$34 and just leaves \$12 to cover improvements to swimming pool, which camping lot owners regularly use.
- **Karen:** How do you come up with something fair for someone who uses their property 2

weeks out of the year?

- **Pat:** There is no property value without water. Standpipes add value to the camping lots.
- **Karen:** It helps add value to their investment, but they are not build-able so water is not crucial like it is for residential lots.
- **Leonard:** Just do a beta test with 10 or 15 other homeowners to get the public's response before we alter the language or the business model.
- **Dick:** The highest imperative is the distribution/feed line from the booster pumps up to the reservoir. It needs to be replaced asap! The rest of the lines can be done as we get the money.
- **Pat:** Are we proposing \$200 for campers?
- **Karen:** Lets leave them separate and not get bogged down with them.
- **Dick:** Lets ask them to come up with their own solution.
- **Pat:** O.K. We leave in the camping lot owners at \$12 per year for 10 years, as community members who use swimming pool.
- **Pat:** I re-propose the motion. Can we vote? Those in favor?
- **All aye. (8)**
- **Pat:** Thank you. Now let's talk about how we present this to the community.
- **Leonard:** A telephone campaign could be effective. An alternative would be to do a mailing and make it clear that we are available for questions.
- **Kelli:** How about a bulletin board on the website?
- **Mike Shirley:** has already setup a yahoo group called E-Town.
- **Pat:** A bulletin board means you get less productive comments and someone has to monitor it.
- **Karen:** We have already included phone numbers in the letter for questions
- **Pat:** Do we want to do a telephone campaign?
- **Leonard:** We would give them information, steer them to EMC's website, give them names to contact, and try to make sure we have a majority vote in favor of the assessment. People who live far away will have to vote by proxy. Let them know how to assign a proxy.
- **Karen:** Proposed two meetings, one on the west side and one on the east side.
- **Tom:** Bruce suggested voting at the annual meeting rather than holding a special meeting. If we do an immediate billing after the annual meeting, we could probably still get the work done in 2010.
- **Kris:** People need adequate time to pay this given the tough economic times. We should be prepared to give members 10-12 months to pay a special assessment.
- **Karen:** If we send the letter out now, it gives people between now and July to prepare for this extra bill.
- **Leonard:** We need to think of the greater good of the community and how this will increase property values by ensuring an adequate water system. We can make this a semi-annual bill off-cycle. I am against mixing this with the annual meeting. Too much confusion can occur between now and late May. This water system has to be put in proper working order.
- **Karen:** If we have the vote at the annual meeting people will have plenty of time to get educated. A vote in December does not provide enough time for most people to get comfortable with the issue.
- **Leonard:** if we want this done we have to do it now.
- **Tom:** Water is billed in April & October. How about doing the special assessment then as well?
- **Karen:** Or we can do it every July. That might be easier on accounting then having it billed twice each year and it would spread EMC fees more evenly throughout the year.
- **Dick:** Excavators in the valley will be booked in advance for the summer. We need money before we schedule them. A June billing means we won't have any money until August and may not be able to secure an excavator until next year. I agree with Leonard. The annual meeting turns into a free-for-all. We need to call for a special meeting and have this vote this

winter.

- **Bruce:** Having a special meeting is a lot of work and expense. We shouldn't create extra work and expense if we don't have to. A special meeting suggests a crisis. This isn't the message we want to send to the membership. If we can effectively have this done by billing in June lets just do it at the Annual Meeting. That will give us time to feel out people and deal with resistance. I move that we present this matter of a Special Assessment to the membership at the annual meeting.
- **Karen:** I second the motion.
- **Pat:** All those in favor?

○ Karen, Aye	○ Stan, Nay
○ Pat, Aye	○ Tom, Nay
○ Kelli, Aye	○ Leonard, Nay
○ Bruce, Aye	○ Kris, Aye

- **Tom:** This section of the water system needs to be done asap. It's not going to be done between now and June anyway unless we get the assessment early enough in the year. Billing in July would be too late.
- **Karen:** We could look at short-term lines of credit. If we take out a short-term loan we could do it sooner.
- **Dick:** This waterline has been in the ground for 15+ years. We are living on borrowed time. It may be good for more years, or it may not. We go into every winter very concerned that while there could be a very good chance it'll be okay, there is a significant risk that it will fail.
- **Pat:** We have two newsletters to issue before the Annual Meeting. We will publicize the need for this special assessment and provide information on our website in the first newsletter. I will do my best to see that our agenda for the Annual Meeting is published in advance and do everything in my power to run the meeting in an orderly and efficient fashion.
- **Dick:** I suggest that we do not send out this letter until after beginning of the year. This sort of thing gets lost in the mail. Send with annual dues?
- **Pat:** Either that or with the newsletter. Do we want to discuss letter at this time?
- **Karen:** Everyone should have a copy. Please email suggestions or changes.

2. Pat: Moving on to our next agenda item: Cows.

- I would like the board to take a position in the upcoming newsletter on how members should handle cows on their property. I do not think Dick and Craig should take on this responsibility. We live in open-range cow country. If members have landscaped in a manner that requires protection, they need to take responsibility for that and work within the rules of the community. Our Architectural Guidelines state that fences need to be pre-approved by our Architectural Control Committee. Is there anyone who feels it is appropriate for our staff to herd cows?
 - **Leonard:** It is not appropriate for Dick and Craig to deal with cows. We do have an organizational structure and people will in general call them, but Dick and Craig should explain that it is impossible to keep all cows from entering Edelweiss and that members need to figure out how to live with cows. Fences will create their own problems.
 - **Kris:** I was raised on a farm with cattle, and my father said that open-range cattle will step through a 3-strand barbed wire fence but not a four-strand. The Forest Service fence needs to be 4-strand.
 - **Dick:** I met with the rancher, and technically, it's not his problem. The Forest Service says it is our job to fence out the cattle and if they get into Edelweiss, it is up to us to deal with them. Craig and I put several stays in fences up above the meadow on Highland and that seemed to stop them from coming through up there. We have discovered other places and sealed those

off. Craig walked the fence up the hill behind the water tank and found that the fence ends roughly 600 feet beyond the tank. The cows have been walking around the end of the fence and coming down Dick's driveway. There was another area on West Fawn Creek where they found fence down. Dick estimates that we have a 95% chance of keeping cows out with improved fences. The Forest Service will give us the material needed. Repairs will be made in Spring of 2010 and it will take minimal dollars and will take care of much of the problem.

- **Pat:** As long as we have open-range cattle on the USFS land surrounding us, we will have cows in Edelweiss. The EMC Board needs to explain the options for owners and that it's not Dick's or Craig's responsibility to remove cattle from an owner's property. We have seen fences installed to protect Edelweiss lots from cows and we need to remind owners that if they wish to construct a fence, it must be approved in advance by the Architectural Control Committee.
- **Dick:** Neither the Forest Service nor the rancher has any responsibility to keep the cows out. It's all Edelweiss responsibility. I'm not going to tell someone that it's not my problem if they call me for help, but I won't spend my time herding cows. I'll offer to call the rancher and let him know.
- **Pat:** I'm concerned about two things: 1) I want to encourage members to comply with our Architectural Guidelines regarding fences, and 2) I do not want Dick or Craig to feel that they need to spend hours and hours (as reported by Dick) herding cattle. I will do my best to express this in an upcoming newsletter.

3. Pat: Next agenda item: Forming a staffing committee.

- **Pat:** We need to decide how to replace Linda McWhirter who is retiring in April. We need to firm up ideas and decide if we need to advertise a job opening or look at existing candidates. (Claire Bunney has applied for the job of bookkeeper.)
 - **Karen:** We need to look at the job description for bookkeeping/admin and decide what to do.
 - **Pat:** Yes, but Linda does more than bookkeeping/admin. She cleans bathrooms, paints bathrooms, hands out keys, plants flowers around pool, etc. Dick has listed the skills needed when Linda leaves. We need a committee to put this together. Would anyone volunteer to chair this committee?
 - **Karen:** We need a person to control and track expenses and report to board. A Controller budget job is going to be more important than these other janitorial task.
 - **Pat:** Karen would you be willing to act as the chair if Kelli and I are on the committee? Would anyone else like to participate on this committee?
 - **Leonard:** We need someone local to handle this.
 - **Bruce:** What are the duties involved with this committee?
 - **Pat:** We will develop a suitable job description and budget for the work that needs to get done. We will also need to look at how losing Linda will impact Dick's job (handing out keys, answering phones, dealing with the new bookkeeper, supervising janitor services, etc.)
 - **Dick:** I already take 99% of the calls on my home phone. Keys can be dealt with by me or Craig. This will not be a problem.
 - **Kelli:** What about asking Linda to be on this committee?
 - **Pat:** Good idea. Karen, Kelli, and Linda and perhaps one other person to join the committee.
 - **Leonard:** I will help read and discuss job descriptions.
 - **Pat:** I will send email with current job descriptions. We have our staffing committee.
 - **Thanks all.** Unless anyone has something new to discuss I think this meeting is adjourned.

- **The meeting adjourned at noon.**