

Edelweiss Board Meeting Minutes 07-01-2019

Call to Order: The meeting was called to order at 6:03 PM by President John Kirner. In attendance were John Kirner, Chuck Timchalk, Sern Watt, Steve Ralph, Nicki McCullough, Pete Speer, John Fewster, Kirk Schumacher and Katherine Bill. Also, in attendance was Gregg Strome,

Absent: All Board members present. Craig Hook was on vacation.

Review of Board meeting minutes – The minutes of the 04/22/2019 were reviewed. There was a discussion about the practice of not providing keys to the pool for paying nightly rental guests and the number of nightly rentals in Edelweiss. **S. Ralph** made a motion to approve the minutes as written, **P. Speer** seconded and minutes were unanimously approved by the board. The minutes from the May 25, 2019 board meeting and the May 25, 2019 annual meeting were also ratified as written. **P. Speer** made the motions to approve and **S. Ralph**, seconded and they were approved unanimously.

President's comments – John Kirner

J. Kirner focused his comments on the bi-weekly meetings held with Gregg Strome and Craig Hook. He said the meetings were going well and he found them useful in understanding the work being done by staff. An example of a discussion at one of the meetings was that a recent water test indicated presence of some contamination (not E. Coli). The source where the sample was taken had not been properly sanitized and about 5 days later the results from another sample indicated no contamination. **J. Kirner** said a contaminated water sample is very rare. Lessons were learned from this experience and more care is expected in the future.

The board discussed when to notify the public of a contaminated sample. **K. Schumacher** suggested that anytime a contaminated water sample result came in, whether E Coli or something else, the membership be notified. Board members agreed.

G.Strome. reported that he valued the bi-weekly meetings as well.

Treasurer's Report – Sern Watt

Things are progressing normally and we are about where we expect to be at this time of the year. Almost all payments have been made by members. We are owed \$5,422.00 by various members. Appropriate follow up will occur. Normal operating expenses are occurring. Nothing unusual or unexpected has happened.

Bart Bradshaw said he plans to increase our bill by 5% for 2020 to more closely match his actual costs. There was no increase in 2019, so we have been paying the same rate for two years. This amounts to a \$35/month increase, bringing our monthly costs to \$765. **S. Watt** believed this increase is reasonable and said we can use this information in budget planning later in the summer.

Capital Reserves - Almost all payments for 2019 (286 properties) to the Capital Reserve account have been made. **S. Watt** moved \$65,500 to the Capital Reserve Account at Capital One and will add the remaining funds, \$5,800, soon.

Water Line Upgrades - Likewise, most payments for the water system work have been made for a starting balance of \$85,800. We have spent \$28,376.99 on supplies for the water line work. The estimate for work this year is \$118,000, so the assessment will not cover all of our costs. Since this is a capital projects upgrade, the Capital Reserve Account will be used to make up the difference, which will be around \$30-35,000.

Account Balances -

Farmer's Checking: 6/28/2019	200,757.17
Capital One Accounts, as of 6/27/2019:	
Drain Field Reserve	189,847.17
Common Reserve	32,341.52
Road Fund	33,574.02
Legal Fund	11,211.00
Water Fund	10,303.29
Capital Reserve Account	65,918.64
Total Capital One Accounts:	343,195.64
Total Capital One Accounts, minus Drain Field Reserve	153,348.64
 Total Usable Operating Budget and Reserves	 354,105.64

Manager's Report – Gregg Strome

Water System - G. Strome communicated with ITC regarding the work needed on the Cassal well field upgrades. The work needed includes: Replace primary wire at well. Provide automatic switching of wells. Tie in meter at Cassal booster house. Panic button. This work should be finished by the end of July. The cost should be no more than \$10,000 dollars. This cost is reflected in our 2019 budget.

We have requested a bid on what the cost will be to upgrade the telemetry at the Highland booster pumps. The aging telemetry is in need of this upgrade in order to be on par with the rest of our water system. The bid from ITC came in at \$18,978.28. We are requesting that this upgrade be included in the 2020 budget.

Waterline project - The waterline project is well underway. The excavators started at the corner of Highland Road and Crabapple Road. The start date was 6/17/19. To date the project is moving along nicely. The excavators reached No Name Road on 6/27/19. The projected cost for this year's waterline project is \$118,000. To date, we have paid out \$28,376.99 for materials and have completed approximately 782 feet of the project. The total project for this year is approximately 2,500 feet.

Firewise-Edelweiss Chipping Event - The chipping event was a great success. We had 48 property owners participate. The bill for the chipping was \$3,373.75. \$3,000 of that will be reimbursed after the OCD (Okanogan Conservation District) board meeting July 1st 2019. The remaining \$373.75 will be paid for out of the Firewise 2019 budget.

Owner's Payments - To date we have received a total of \$445,525.73 in owner payments for 2019, to be allocated as follows:

\$288,425.73 – to Operations (Some of which has already been spent)

\$85,800 – to water assessment

\$71,300 – to Capital assessment. Approximately \$5,422 are still expected to come in. (open invoices)

Grading and lignin project - We expect this project to start on the first Monday after the 4th of July weekend (July 8). Mike McHugh will spend approximately 3 days on the grading. Included are parts of Highland, Homestead and Cassal. Approximately 7,000 lineal feet of 2 lane roadway. McHugh will coordinate with Cascade Concrete on the appropriate timing for the Lignin application. The second grading and Lignin application will take place in mid-August. The anticipated cost is \$34,000 for grading and Lignin. The roads budget for 2019 is \$40,000. If there is leftover funding it will be used to repair damage and fix drainage on Mustard Mountain Road and other high priority projects, primarily grading.

Systems Manager Report – Gregg Strome reported for Craig Hook.

The black truck is in the shop to get a new conveyor installed on the sander. Bela is in the shop for a new blade on box scraper, new edge on bucket, clutch and brake work. There was a water outage on the Fawn system caused by a short circuit in the pump junction box of Pump 1 and the subsequent old age failure of one of the pump savers. ITC will replace. A valley wide power outage caused a fault in the control panel at the Cassal Booster. ITC says that a reset control can be added for our use in similar circumstances.

K. Bill asked if there was a map of the water system. **P. Speer** responded that there is an old base map that has been marked up but it is hard to read. He sent the map around via email to the board. Large scale copies of the existing map can be made locally. There was a discussion about how to get better mapping. **J. Fewster** said he knows a local cartographer who might be able to help (Mountain to Sound GIS). There was generally agreement that a better base map would be valuable.

Additional Topics:

Reserve Study Update – Peter Speer

This is the 2nd year of the study and the work did not include a site visit. He reviewed highlights of the report including inclusion of \$50k to improve the garbage/recycling area, pump replacement and funds to replace vehicles in 2020. The report also indicates EMC was completing one mile of water line improvements per year when in fact about ½ a mile is planned a year. Generally, the Reserve Study shows expenses occurring in the short term and that if these expenses occur, EMC will be unable to keep

up with the expenses. However, finance statements show that this is currently not the case. The board plans to look at the water replacement expenses in 3 years to determine if additional funds will need to be assessed to cover the water line replacements.

There was discussion about the garbage/recycling center and how much thought had gone into the estimate and how realistic it was that the project be scheduled in 2020. **G. Strome** reported that the right of way is unknown around the current garbage/recycling facility and there had been discussion about the possibility of removing the 'sod hut'. There was general agreement that this project needs additional research and would not be included in the 2020 budget.

K. Schumacher suggested asking the consultant to eliminate the garbage/recycling center from the study for next year, adjusting the mileage expected for the water system per year as well as other unexpected 2020 expenses. **N. McCullough** said that Reserve Studies analyze the life of infrastructure and indicate replacement when the facility reaches the end of its life. Many items, like the water system have outlived their useful life but in fact, for now, are still functioning. There was discussion about the progress that EMC has made towards building up a reserve. **P. Speer** agreed to talk to the consultant about the board's recommended changes. **S. Ralph** suggested the members be given a status report on the reserve account and remind them of the board's plan to review actual expenses of the water system after three years.

Report on Firewise - Chuck Timchalk

The committee submitted the Edelweiss Firewise Plan to County officials who were pleased. **C. Timchalk** said the Firewise grant for chipping in Edelweiss was very successful. The chipping expenses of \$373.75 over what OCD was contributing will come out of the Firewise budget.

Recent work Firewise committee members undertook include improvements to communication, specifically adding Firewise content to the Edelweiss Website and reviewing an emergency contact system through a vendor.

Website improvements - Marian Osborne reviewed the existing information for the Edelweiss website and created text to insert and improve information about Firewise. Although the website uses old code, Methownet said they can make the changes to the website but indicated Edelweiss may want to consider an overall update in the future. In reviewing the website, it was noted that the Trail Blazers section of the website takes up considerable space (57 webpages) and might be the best place to add new information on FireWise. Jan Fohrell provided some written recommendations that could allow this to happen. The board expressed appreciation for all the hard work done by the Fohrells on trails and the website and expressed support for this new Firewise section, planned to be 22 brand new webpages.

Emergency Communication -Two vendors were contacted that could develop an emergency communication network for Edelweiss. A system was demonstrated that

would send out emergency messages in three ways; text messages, emails and automated voice mails. The cost of the service is about \$800 annually. The Firewise budget could cover this expense.

Firewise on Edelweiss lots - There was discussion about getting volunteers to brush and remove trees on two of the Edelweiss lots in the fall. Chuck mentioned how in addition to financial commitment to reducing fire danger, it is important to also show volunteer hours.

Roads Committee Report – Nicole McCullough

The following night (July 2) the roads committee will meet. Three board members, **N. McCullough, S. Watt and S. Ralph** are on the committee along with about ten other local residents. The agenda for the upcoming meeting will include an update on the Dust Control project for this year, a discussion of Issues, analysis of previous planning efforts, the schedule for completion of the plan and the roads inventory. The roads inventory form was coordinated with **C Timchalk** to include survey questions to assist in the Firewise effort. The additional question include amount of vegetation along the roadways and the number of houses that do not have reflective house numbers

Board/Staff bi-weekly meetings – John Kirner

J. Kirner reiterated the great value of the biweekly meetings with staff. Currently John and **P. Speer, Vice President** attend the meetings along with Gregg and Craig. Several board members said they would be interested in also attending. John said he will distribute a schedule to board members that wish to participate in the meetings.

K. Bill asked about location of some of the piping and water system components. **J. Kirner** will work with Craig to develop tours of the system for interested board members.

Discussion of Sewer System reserve funds – Pete Speer

G. Strome and **P. Speer** attended a meeting recently with county officials to discuss the sewer system. Peter shared a map that showed Plat 4 lots that are currently required to hook into the county sewer system if developed. Peter said there is a lot of confusion about the EMC sewer system and presented facts about the system.

Background - Plat 4 Lots # 470 through and including # 571 (about 80 lots) are required to have “appropriate sewage treatment facilities” prior to sale, as stated in Plat 4 language approved by the Okanogan County commissioners in 1976. The sewer and drain field system was designed in 1987, built in 1988 (?). There was a “Transfer of Edelweiss Sewer Agreement” signed by EMC President Swigard May 08, 1991, which was approved and signed by the Okanogan County Commissioners October 01, 1991.

Finances - Unlike the board previously thought, the Okanogan County owns the entire EMC Large Onsite Sewer System (LOSS) – lock, stock and barrel – and has since Oct. 01, 1991. Okanogan County is also responsible for billing and collection of fees from lots on the system, and for ongoing system maintenance and operation (M&O).

Currently, EMC collects and manages the drain field funds and has made improvements to the drain field in recent years. The annual fees for M&O and Reserves collected by the County are comingled and deposited into County Fund #408. Okanogan County bills undeveloped lots on the system at a 50% discount from homes (\$239.40 versus \$119.70 in 2019). These are the only two rates charged by the county.

The balance in Fund #408 as of January 01, 2019: \$54,046.04. For 2019, budgeted system revenues are \$14,400 (\$11,500 M&O + \$2,900 “reserves”).

In winter months, the county has to regularly unfreeze a section of the sewer line for about four homeowners. Because there are insufficient funds in the 408 account, the county plans to borrow about \$120,000 from the recently reinstated Washington [Public Works Trust Fund](#) to replace the sewer line on Highland Meadows Road and eliminate the freezing problem.

For 2019, budgeted system expenses are \$19,280: (\$14,350 for M&O, \$1,030 for billing and finance, and \$3,900 for administration, higher than average due to planning for 2020 project). Reserve funds collected by the County are comingled, that is not being kept separate from operating funds.

EMC’s sole obligation is to collect hook-up fees and manage those funds for future repair and/or buildout of the upper and lower drain fields. The original LOSS hook-up fees were \$3,050 (\$1,525 per bedroom, 2 BR minimum. These fees were increased by \$150 per year (\$75 per bedroom) for a period of 9 years. This practice was apparently halted sometime in the year 2000. Current LOSS hook-up fees are \$4,400 (\$2,200 per bedroom, 2 BR minimum).

The balance in the EMC drain field reserve fund is \$189,720.55 as of March 31, 2019. The County believes there has been a perceived lack of interest in the system on the part of Edelweiss. They would like to have more face-to-face contact with EMC going forward. The Board has taken initial steps to improve communications with the County.

Any changes to the 1991 agreement between EMC and Okanogan County would need to be negotiated between the two parties, approved by the EMC Board, submitted for a legal review and ultimately submitted to the County Commissioners for approval.

The drain fields were upgraded by EMC staff a few years ago for about \$14,500. The county indicates the next time upgrades occur, a more elaborate and expensive mound system design will be needed which could cost upwards of \$120,000.

LOSS Funding Alternatives - Peter outlined a couple options to deal with the current funds in the sewer system funds including to do nothing. Peter reminded the board that with county approval, the drain field funds were used as collateral to fund the new pool which was subsequently paid back. He suggested that if there was an emergency, such as reservoir failure, we could ask the county if a similar arrangement could be made for short term funds. **K. Schumacher** thought that the county would now be reluctant to loan out the drain field reserve funding. We also discussed other options including

turning over the drain field reserves to the County, along with responsibility for future collections, turning over part of the reserves to the County and retaining sufficient funds for drain field replacement or retaining sufficient funds for drain field replacement, and refund balance to LOSS members.

The board concluded that, for now, the status quo be maintained, continue to keep lines of communication open with the county open and keep residents affected by the sewer system informed.

Other business – Executive Session after close of this meeting

Adjournment of meeting. 09:15 pm