

Edelweiss Board Meeting Minutes 11-04-2019

Call to Order: The meeting was called to order at 6:01 pm by President John Kirner. In attendance were John Kirner, Sern Watt, Steve Ralph, Nicki McCullough, Pete Speer, Kirk Schumacher, Chuck Timchalk and Katherine Bill. Jon Fewster attended remotely. Also in attendance was Gregg Strome and Craig Hook.

Absent: None

Review of Board meeting minutes – The minutes of the 09/09/2019 meeting were reviewed. P. Speer made a motion to approve the minutes as written, S. Watt seconded and the 09/09/2019 minutes were unanimously approved by the board. The minutes of the 10/19/19 Budget meeting were reviewed. P. Speer made a motion to approve the Budget minutes as written, S. Watt seconded and the 10/19/2019 Budget meeting minutes were unanimously approved by the board.

President's comments – John Kirner

J. Kirner focused his comments on this year's budget meeting. He complemented Sern on his budget presentation at the meeting and said the meeting was more organized than last year and there were useful member comments.

Treasurer's Report – Sern Watt

Sern reported that in general our finances are in good shape.

Operations Budget: So far in 2019 our income and expenses have been essentially as predicted with four notable exceptions but we have funds to cover these expenses in 2019 and the needs these exceptions represent were taken into account in drafting the Budget for 2020.

Water System Operation Expense, General Repair and Maintenance: This category is over budget by \$19,280. This comes from Tech Support (\$2,854); Meter vaults and meters (\$3,488) which show as an expense, but will ultimately be paid for by individual members when they are installed; Wiring upgrades to the main pump house (\$7,095); and replacement of a pump at the Highland Booster station, (\$8,491). For 2020 we have increased this budget category from \$6,000 to \$9,000.

General Maintenance Expenses: This category is over budget by \$8,540 due to purchase of the Gator from Dick Volckmann and \$3,374 for Firewise work of which \$3,000 was eventually refunded to us.

Payroll Expenses: We will be about \$6,875 over budget by the end of the year due to the following 1) underpayment of payroll taxes, 2) unbudgeted 2.8% COLA for salaries, 3) one month of overlap when Gregg joined the staff so he could work with Dick, and 4) Craig's salary increase May 1st.

Taxes, Insurance and Permits: This category is over budget by \$3,483 because of an increase in our commercial (Director's and Officer's) coverage.

Resolution: The over budget amounts (listed above) total approximately \$34,044. We had \$20,484 in undesignated funds in the 2019 budget. This leaves us with about \$13,560 to cover. The plan is to cover this by applying funds from categories that were underspent, the second is

to draw from the Water Fund Reserves (since a large portion of the over spending was for wiring and a new pump), and finally, if necessary, we will draw from the Common Reserve fund.

It appears we will finish the year with about \$10,000 in the checking account. This calculation includes transferring \$4,000 back from the Long Term Capital Reserve Account to cover water system upgrades, but does not draw from either Water Fund Reserves or the Common Reserve Account, as suggested above.

Capital Reserve Account: We have billed members for \$74,000 (296 x \$250) and have collected a total of \$73,147.03. \$65,500 of this fund was transferred to Capital One, where the total, with interest, is now \$66,006.66. The remainder is in the Farmer's Checking account. We will need about \$11,600.00 of this money to pay for the water work this year. \$7,600 of this is still in the Farmer's Checking Account, about \$4,000.00 will need to be pulled back from the Capital Reserve Account at Capital One bank. Our intention continues to be to manage this money conservatively and avoid spending it if possible.

Water System Replacement Funds: We billed for \$88,800 (296 x \$300) for this fund this year and collected \$88,026.44. The final total for the Water System work in 2019 is \$99,620.13 which uses up all of the funds collected this year for this work and will also require that we pull about \$11,600.00 from the long term Capital Reserve Fund.

Historical Capital One Reserve Accounts: There has been minimal activity with these accounts, aside from noting small increases from the interest paid and transfers to the water and road funds which came from fees collected on new construction.

The 2020 Operations Budget: The Operations Budget for 2020 was approved by a unanimous vote of the Board at the last board meeting and was also approved unanimously by the members who attended the Budget Meeting on October 19, 2019. Sern explained that he met with the accountant to clarify the naming of funding categories.

There was a discussion of whether the black truck repairs should be included in the annual pass through snow removal expenses. This truck is only used for winter maintenance.

Account Balances (September 30, 2019):

<u>Farmer's Checking:</u>	76,967.24
 <u>Capital One Accounts, as of 9/30/2019:</u>	
Drain Field Reserve	190,100.68
Common Reserve	32,384.70
Road Fund	33,618.23
Legal Fund	11,225.96
Water Fund	10,316.31
Capital Reserve Account	<u>66,652.54</u>
Total Capital One Accounts:	343,539.80
Total Capital One Accounts, minus Drain Field Reserve	<u>153,551.86</u>
 <u>Total Usable Operating Budget and Reserves.</u>	
(Farmer's Checking and Reserve Accounts, not including the Drain Field Reserve.)	230,519.10

2019 year end Bulletin Statement – Pete Speer

The 2019 year end bulletin addresses a request at the annual budget meeting for a summary of the 2019 water project and to provide information about the 2020 water project. The board agreed that the bulletin should be sent out to all members along with a map of the expected work along Quaking Aspen Road next year.

Administrative Manager’s Report – Gregg Strome

Firewise Fall Chipping Event – A fall community chipping event was completed with 17 members participating. An Edelweiss lot also received Firewise treatment.

Past due Notices – Gregg continues to pursue collections. Late notices were sent out. None of those that are delinquent are chronically late and he expects they will pay.

D&O insurance – The D&O Insurance was increased from \$1M to \$2M for an additional annual cost of \$266. Gregg is awaiting word about an umbrella policy that will increase the coverage to \$3M. There was a brief discussion about exclusions in the policy. **K. Schumacher** said he will review the policy on behalf of the board.

Systems Manager Report –Craig Hook

Water Leaks - Craig said there are two water leaks in the system. He is working on a solution to each of these leaks. He also provided information about gravel used on the roads. There was also a brief discussion about unmaintained roads such as Rock Rose and West Trillium. It was agreed that the roads committee will include those roads in their analysis and recommendations to the board.

Campground storage sheds and structures – Gregg Strome

G. Strome explained that there is a need for clarification of allowable storage shed and structures at the campground. The current architectural guidelines are inadequate in this area. There was discussion about the history of the AOK storage building and the Yurt platform that was left up this year.

Architectural guidelines – Pete Speer

There was discussion about the current architectural guidelines on the EMC website. These guidelines do not appear to have had formal approval. P. Speer made a motion to formally adopt the Architectural guidelines as they currently exist on the EMC website. The motion was seconded by S. Watt. The motion was unanimously approved by the board.

The board discussed the current architectural committee. The members are:

Pete Speer	Alan Fahenstock	Craig Hook
Mary Bjornsen	Gregg Strome	

K. Bill said her husband, Chris Clark (Flash) would volunteer to serve on the committee. J. Fewster also agreed to be a member. J. Fewster pointed out that enforcement of the guidelines lies with members of the committee. It was agreed that since the members of the committee were not covered by the D&O insurance they should not have a role in enforcement. There was also brief discussion about the need to consider lighting and Firewise in the Architectural guidelines.

It was agreed that the architectural guidelines needed updating and the Architectural committee would meet soon to discuss revisions that at a minimum would address the following:

Campground Structures
Firewise

Dark Sky
Make-up of the committee

Enforcement

Members will be invited to comment on the architectural guidelines once the committee has prepared draft revisions.

Roads Committee - Nicki McCullough

Game Camera - N. McCullough provided a chart showing the traffic at the cattle guard on Highland Road based on a game camera that was placed there for October. It showed an increase from about 17 to 50 pickup trucks and two campers during hunting season.

Signage -The committee looked at photos of existing signage in the subdivision and photos of potential replacements. She said the group is still reviewing the signs and will report back with final recommendations. P. Speer said that it will be possible to rent a radar sign and to get a speed limit sign painted on the pavement as recommended at the last meeting. He does not yet have a cost.

Roads Classification - The Roads committee has begun preparing a roads classification system for the Edelweiss Roads. N. McCullough presented a draft map and explained that the classifications will have specific design criteria such as width and turnouts that should be useful when the roads are rehabilitated during the water project. So far, the committee has designated Highland, Homestead and Cassal Road to the pool as Primary roads. The committee considered Quaking Aspen as a Secondary Road due to its importance as fire access. Work will continue on road classification and presented to the board at future meetings.

Firewise - Chuck Timchalk

C. Timchalk reported that the Firewise Committee will be focusing on goals and priorities for the upcoming year. They also will research and keep updated on Firewise funding opportunities.

Additional Topics

Board Meeting Dates - S. Watt asked that the Board set up regular meeting dates. S. Watt made a motion for the board meetings to be held on the second Monday of odd months. After discussion, the motion was amended to the second Thursdays of odd months. The motion to hold board meetings on the second Thursday of odd months was unanimously approved by the board. In 2020, the board meetings will be held on the following dates:

January 9	July 9	November 12
March 12	August 9	
May 14	September 10	

Board Member Openings - S. Ralph and C. Timchalk will not be seeking another term so there will be a need to recruit two new members in 2020.

Other business – Executive Session after close of the meeting

At 08:15 pm the meeting was adjourned.