

Kahler Glen Community Association
Board Meeting Minutes
14 June 2014 – 8 a.m. – Kahler Glen Conference Center

President Michael Wandell called the meeting to order at 8:06 a.m. in the Kahler Glen Conference Center. Other Board members present: Carol Pierce, Dave Thorbeck, Kathryn DeMeritt, Dwight Miller, Brooke Fritz and Paul DeWees.

Also present were Gary Marks (Manager), Kaye Crandall, Tom Graham, John Greiner, Glenn Week and Kaye Marks.

Mike Wandell noted the presence of a quorum and posted the agenda on the screen.

- Review & Approval of Minutes
- Communications Report - Carol Pierce, KGCA Vice President
- Treasurer's Report - Dwight Miller
- Property Manager Report - Gary Marks
- Director's Reports
- Old Business - Plan B Issues
- New Business
- Public Forum

Dave made a motion to approve the May 18 annual Board meeting minutes and Mike revised the motion to also include the May 16 special meeting minutes. The motion was approved unanimously.

Communications Report (Carol Pierce) —

A request was received for the Board to approve the net location on the Gubrud's lot, now under construction. Gary said that he is working with the owner to ensure the net posts do not interfere with septic lines. Carol made a motion to approve the net location subject to approval by Gary Marks and the Architectural Committee. The motion was approved unanimously.

A request was received for the Board to approve the use of starter pistols for geese control. The Board Chair recognized John Greiner from the floor, who explained that starter pistols are non-lethal, noise-making devices (a.k.a. "an adult cap gun"). After a short discussion, Carol moved to approve the use of starter pistols by golf course staff and persons authorized by the golf course or the Community Association Board so long as use doesn't violate any regulations. The motion was approved unanimously.

A couple complaints were received regarding unkempt properties and noxious weeds and overgrown vegetation on vacant lots. Gary stated he has contacted several owners proposing the Community Association Services Team (CAST) maintain their properties. As of the meeting, some of this work had been done. Kathryn offered to work with Gary to identify locations of noxious weeds.

A letter was received mentioning dates that a dog was seen running loose on the golf course. Mike suggested that the Board contact the property owner regarding this violation of the covenants.

Treasurer's Report (Dwight Miller) —

Dwight stated the May report from Esther the bookkeeper is incomplete. Mike suggested that discussion of year-end financials should therefore be moved to the next Board meeting.

Mike, Gary and Dwight brought up the need to set up a new chart of accounts due to purchase of the resort property. The Chair recognized Tom Graham from the floor, who suggested consulting with a CPA who specializes in homeowner association filings and said he could provide a contact.

Dwight noted first payments are due to Gesa Credit Union and Glenn Week. Mike said he would write a letter to Gesa authorizing Dwight's name to be included on the account.

Dave questioned whether dues statements had been sent out since hard copies were not distributed at the annual meeting. Several Board members said that Esther emailed them after the meeting.

Carol brought up the issue of a possible early pay-off of Glen Week's loan. Mike stated that the issue is complicated, legal work would need to be done, and it would be difficult to manage different dues levels. Gary mentioned hearing from property owners that homes and lots would be more attractive and easier to sell if dues could be lowered.

Mike brought up the issue of the three active liens, and questioned whether one of the properties in arrears had sold. Gary said he would check on the status.

Managers Report (Gary Marks) —

Gary presented a long list of infrastructure issues, including a failed irrigation pump, electrical panels that lack lightning strike protection, problems pumping water from Nason Creek to the golf course, a broken filter system on pond #4, and valves that need replacing. Gary said replacing the pumps in Nason Creek will necessitate meeting environmental requirements and he is working with outside experts to obtain bids. He said fixing the filter system on pond #4 would require draining the pond. Mike suggested Gary consult with the golf course about timing on that.

Gary stated that Kahler Glen's water capacity is large but that the system is inefficient in that most water currently goes down to pond #16 and out to Nason Creek. He mentioned a great deal of staff time is required to monitor and maintain the current system. Gary said that John Christianson has volunteered to help him document the water system and assess what changes could be made to save staff time and make water use more efficient. One example of an oddity he noted was that fire hydrant water currently comes from drinking water tanks instead of Nason Creek. Mike suggested Gary prepare a list of issues and priorities and what they would cost.

Gary said he heard second-hand that LocalTel is interested in installing a new tower nearby to improve internet access.

Next, Gary reported that bears have regularly been into the garbage bin located on the overflow parking lot. He noted the location is bad due to proximity to the woods and the use of the parking lot by buses and skiers in the winter. Discussion followed about possible other locations, and all agreed the goal is to create a unit that conceals the unsightly bins and position it in a central location that is easy for the

garbage pickup to access. Dave suggested a recess be carved out of the wall at the end of the clubhouse parking lot opposite Natapoc and that something be built similar to what Natapoc uses. The Board liked this suggestion. Dave made a motion for Gary to explore the creation of an enclosed garbage unit by carving out a space in the rock wall at the northeast end of the clubhouse parking lot. The motion was approved unanimously.

Gary raised the issue that the wall on the private drive off Pelton Place is failing. He stated he would inform the three affected property owners.

The topic of tree management came next, and Gary said several trees still needed to be removed. Mike said the Board needed a liaison with the golf course. Brooke volunteered and was appointed.

Gary continued with a list of other work that needed to be done, including lots of condominium work. He said CAST has hired a high school boy for the summer to help with mowing and other work. In addition, he said he has made arrangements with a house cleaner so CAST can offer this service.

Gary then spoke briefly about the vacant community association lots for sale, saying he is continuing to work with a real estate agent to get them sold.

Carol asked Gary about the clover and plants in ditches. Gary said Oscar plans to clear the ditches and blow away sand from the roads soon. Carol mentioned that some property owners still have their snow poles up.

Carol then asked Gary about Convention Center use. She noted the golf course had sent out a notice announcing their meeting was there. Gary said he would discuss arrangements for Convention Center use with the golf course, and mentioned he had been contacted by others regarding potential use. He added that the CAST cleaner could now clean the space after use.

Gary stated he had recently purchased a blower, a trimmer and two golf carts, and that his team still needed a pressure washer. Mike inquired whether the Board should make a motion to pre-approve some dollar amount for equipment and fuel for CAST. Gary said he is working within the already-established budget, which includes such purchases. He added that any large purchases would be submitted to the Board for approval.

Mike brought up a comment he received from a property owner who complained that the Community Association is supposed to have people available "24/7" to handle property issues. The property owner had a renter who needed the water shut off at night. Mike asked the Board their opinion on what the policy should be. Gary noted that CAST is not licensed and bonded to address plumbing, electrical or heating issues so they could not respond to these types of requests. The Board discussed and agreed that it is the owner's responsibility if they rent to post information about how to shut off the water. Dave suggested that CAST is responsible to take care of community assets "24/7" but not individual homes. The Chair recognized Tom Graham from the floor, who stated that prior to the purchase/sale, the Community Association required the Resort in their contract to have "24/7" telephone access. The Chair then recognized Glenn Week from the floor, who gave examples of the types of calls he received and the sort of responses given (often to recommend an outside vendor). Gary said that some of the problem is that people are calling the wrong phone numbers, even though he has sent out his number on three different occasions and Mike Britt's phone number is posted on various control panels. Glenn suggested Gary be on call "24/7" and that he could provide phone numbers for plumbers, etc. Gary

suggested a list of pertinent vendors be provided as a resource on the Kahler Glen community website. Mike asked Gary whether, for a fee, after-hours service could be provided. Gary said this might be possible and would look into it. Mike stated that CAST is not responsible "24/7" for individual properties unless there is a call fee established and work is done to set up the phone number, including an alternate number. The Board unanimously agreed.

The Chair recognized Tom Graham from the floor, who questioned whether CAST was checking on homes, and Gary said they do a daily tour of Kahler Glen to check on properties. Tom suggested Gary change his voice mail message to include Gary's title. Gary agreed to look into that.

Infrastructure Report (Dave Thorbeck) —

Dave reported that Rob Casad requested the irrigation line be fixed that runs along the top of the rock wall backing the clubhouse parking lot so attractive vegetation can be planted. The broken line was spliced together but most of the small heads are broken. Dave made the recommendation to wait until fall when CAST is not overwhelmed with other work. The Chair recognized Glenn Week, who volunteered to help Dave come up with a plan. Both agreed that protection of the rock wall is critical.

Dave said Bill Miller suggested a large rock be positioned in the gap beside the gate across the Nason Ridge ski road to prevent motorbikes from going through. The Board agreed that was a good idea.

Dave mentioned the Yakima Tribe and the Chelan County Land Trust are still interested in a possible land swap: the property Kahler Glen owns next to Nason Creek for the "triangle" between Kahler Drive and Clubhouse Drive. He requested to be our liaison on this matter. Mike agreed.

Information Technologies Report (Paul DeWees) —

Paul surprised and pleased the Board by presenting a draft of the new Kahler Glen Community website, KahlerGlenCommunity.org. There were a few suggestions made, such as adding a private storage area and links to the golf course, athletic club, pass reports, weather alerts and Lake Wenatchee info. Mike requested a community fun section. Gary requested a page to list properties for sale, and pages for submitting CAST work requests and other items. Once revisions are made, Paul will populate the site. Carol and Paul agreed to send a termination notice to the current web host, Network Solutions, prior to the renewal date. The Board agreed that Google Cloud Storage would be used since many Board members already have Google accounts set up for attending meetings via Google Hangout.

Paul presented a draft of the Community Rules & Regulations, a document unrelated to I.T. he volunteered to work on. He said he envisioned two versions: one a friendly overview that would be given to new property owners and a second more detailed version, which would appear on the website. The website version would have links to the appropriate places in the CCRs and Bylaws. Emails sent to property owners regarding issues could include a link to the website where the rule is posted.

Old Business —

Mike brought up the request received from the Architectural Committee to approve the Christianson's net installation. Diagrams and visuals were previously received and reviewed by the Board, and the Board already provided the Christianson's with notice to proceed, noting that the decision would be

formally confirmed at the Board meeting in June. Carol moved to approve the net placements on Christianson's property. The motion was approved unanimously.

New Business —

Mike introduced the subject of the restaurant lease and suggested Carol present her take on the lease length, renewability and price. Carol noted there are numerous repairs and replacements needed at the restaurant, and she showed many photos of broken and run down equipment and exterior building damage. Due to the state of the restaurant and the difficulty for a lessee to be successful in such an environment, Carol suggested a 10-year lease at \$10 per year, after which time the lease could be renegotiated. Mike expressed concern that he wanted to make sure the Board fulfilled its fiduciary duty by setting the lease price at a level the community could support. Kathryn suggested a community poll be taken, but it was stated there wasn't time. Other Board members agreed with Carol's assessment, and voiced support for funds to be allocated to make repairs and upgrades. The Chair recognized Tom Graham from the floor, who suggested the lease include mention of possible profit sharing upon renewal. The Chair recognized John Greiner, and he and Tom suggested the Board and the Marks's have an attorney review the lease. Mike stated that Kaye Marks is developing a punch list of necessary repairs, including cost and order of importance. The Board unanimously agreed to support Mike's authorization of funds to make necessary repairs and mandatory upgrades based on order of importance.

Carol noted it has been over 30 days since the purchase and sale of resort property, yet the restaurant equipment, including broken and damaged items, has not been removed by the LLC. She said an inquiry to Randy Pelton indicated he had not received direction from the LLC to remove any equipment. She suggested sending a letter to the LLC stating they had 10 days to remove their property. The Chair recognized Tom Graham from the floor, who questioned the decision by the Board not to purchase the restaurant equipment. The Chair recognized Kaye Marks from the floor, who said the offer made by the LLC during the purchase/sale negotiations was all-or-nothing at \$19k, and she, as the designated lessee, did not feel the price represented value for the community. Mike and Carol heartily agreed. The Chair recognized Tom Graham and Glenn Week, who disagreed and challenged the Board, saying their decision could put the community in a bind should the Marks' decide to quit the restaurant and take their equipment with them. Glenn suggested new negotiations could commence based on a partial equipment purchase. Mike said the time for negotiations had ended—the LLC had submitted their all-or-nothing offer and it was rejected. Carol agreed. Dave expressed skepticism that any new negotiations would be more fruitful than the last. Mike added his opinion that the restaurant is an asset to the golf course and the LLC should recognize and support it as such. The Chair recognized John Greiner, who mentioned that care should be taken in the Board's communications with Randy Pelton. Carol inquired about meeting with Larry Olsen to discuss removal of the equipment and was told by Glenn that Larry would be at Kahler Glen the next day to golf, but that he may be too busy to meet. Carol said she would contact Larry to try to arrange an appointment. Glenn said he knew of three companies that could haul the equipment away.

The meeting was adjourned at 11:10 a.m.

Respectfully submitted,
Kathryn DeMeritt, Secretary
Kahler Glen Community Association Board