

Kahler Glen Community Association  
Board Meeting Minutes  
11 April 2015 – 8 a.m. – Kahler Glen Conference Center

President Michael Wandell called the Board meeting to order at 8:08 a.m. Other Board members present: Dwight Miller, Dave Thorbeck, Paul DeWees and Kathryn DeMeritt, and Brook Fritz and Carol Pierce by phone. Also present at the invitation of the Board was the KGCA Manager, Gary Marks.

Mike noted the presence of a quorum. Following is a summary of the agenda:

- Review and Approval of Minutes
  - Property Manager Report - Gary Marks
  - Communications Report - Carol Pierce, KGCA Vice President
  - Treasurer's Report - Dwight Miller
  - New Business
  - Community Forum
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**Review of March minutes —**

Based on feedback from a community member, Kathryn suggested "7th fairway" be changed to "practice hole" since "7th fairway" is an old name for that and is no longer used. Dave moved and Paul seconded to approve the March 14 Board meeting minutes as amended. The motion was approved unanimously.

**Property Manager's Report (Gary Marks) —**

Gary stated the restaurant remodel is nearing completion and that four inspectors will be arriving over the next two weeks. The inspections will consist of building, fire marshal, liquor and health.

Gary said property sales are going well.

Gary mentioned 30 trees were removed for insurance and golf course purposes. Proceeds from the sale of the timber paid for the logging work. The golf course manager, Randy, handled coordination.

Gary said he received a letter from the Department of Ecology notifying Kahler Glen that "water restrictions will very likely be imposed this irrigation season on water users with water rights permits." He noted Kahler Glen could be restricted from using Nason Creek for irrigation this summer.

**Communications Report (Carol Pierce) —**

Carol reported that Mark Gubrud asked if he could install landscaping near the tennis courts on the Front 9. He offered to pay for this. Kathryn met with Mark and approved his plan. The Board moved and seconded a motion to issue Mark a formal note of appreciation for the landscaping and for his contributions to the community.

Carol said she received a letter recommending the community move forward with installing the blue reflective address signs requested by the fire department to help EMT better locate homes during emergencies. Mike proposed the Board make order forms available at the community meeting in May.

Carol said she received a letter from Kaye Marks saying the clubhouse toilets and sinks, which were approved for purchase by the Board, have been installed, meeting code and ADA requirements. Kaye thanked Brooke and Bella Fritz, Paul DeWees and Moen for all their help in getting the Honeycomb Lodge ready for business.

### **Treasurer's Report (Dwight Miller) —**

Dwight stated it appears our dues rate is at an appropriate level to cover normal budgeted expenses, although the community is \$38k in arrears from several property owners not paying. He said liens have been initiated and updated. Dwight said the money in arrears causes cash flow issues because we don't have a large account.

Dwight said Kahler Glen has a rather large electricity bill (\$1.2K) and he is trying to figure out how to split it up among the users.

Dwight reported we've spent about \$28k so far on water rights consulting and legal fees, which was paid for out of reserves. About \$13k for land-acquisition related expenses was also transferred out of reserves, bringing the total transferred to \$41k. Dwight said we have about \$86k remaining. Mike, Carol and Dwight all noted the reserves need to not only be replenished, but be built up and that our current dues level does not support this.

Dwight said we have a draft 2015–16 expense budget but we don't yet have an income budget that covers anticipated water rights costs or addresses how to replenish and build up reserves. Dwight said there are three options:

- Option 1 - assess the community \$900 per unit/lot to collect the estimated \$140k total water right costs plus increase dues \$20 a month to build up reserves
- Option 2 - assess the community \$900 per unit/lot to collect the estimated \$140k total water right costs and skip the dues increase, going on risk that the lot next to the clubhouse will sell this summer (60% of the net would go to reserves)
- Option 3 - assess the community \$300 per unit/lot to replace water rights expenditures to date plus provide \$30k towards near-term expenditures and skip the dues increase, going on risk that the lot next to the clubhouse will sell this summer, then revisit the issue again in October.

Several Board members commented they've heard from community members a dues increase would be very unwelcome and that an assessment would be difficult to accept unless the Board sought to recoup water rights costs from the seller (resort). Mike said discussions with the resort on this issue have so far led nowhere and that the Board will move to mediation.

When asked how the \$140k projected water rights estimate breaks down, Gary responded:

- \$15k inspections and purchase/installation of meters
- \$25k consulting and legal fees
- \$25k engineering fees to update our water plan
- \$75k installation of pipeline from well #5 to reservoir tower (could be reduced if old pipe is found)

Dwight recommended Option 3 and Mike agreed, saying it would not be prudent to ask the community to pay for the entire estimated water rights costs at this time. Mike said the May meeting would be a good time to garner feedback from the community on how the Board should proceed. He suggested the community vote on whether they prefer to pay for the water rights costs themselves or, if mediation fails, have the Board pursue litigation. Mike added that litigation is undesirable because it would further strain relations with the resort and lawyers fees would increase costs. He added he would host an informational meeting the evening before the meeting to inform community members on the issues.

Dwight made a motion that the Board assess \$300 per household/lot to replenish the money spent out of reserves and to cover near-term water rights costs; that the Board go at risk and impose no dues increase at this time based on the potential for a lot sale; and that the Board put together a presentation for a plan going forward to obtain reimbursement for water rights costs from the seller (resort). Dave seconded the motion; the Board approved unanimously.

#### **New Business —**

Mike discussed his ongoing efforts to sell the community land along Nason Creek. He said at issue is its valuation, which is dependent on access and the potential for lot development. Someone mentioned an appraisal had been done on the property at one time, but no one has seen it.

Mike brought up the annual community meeting and asked who on the Board would be retiring or running again. He mentioned that Dwight, Paul and Brook have served one year of their two-year term so they would be returning. Carol and Dave said they were stepping down. Kathryn and Mike said they would run again. Carol said that two community members have express interest in running: Darren Stober and Mary Long.

#### **Community Forum —**

Mike recognized Bill Miller who stated the Athletic Club has in the past asked its members to vote on a potential assessment to allow the board to issue an assessment if needed.

Mike recognized John Bennett who expressed concern about the March minutes which stated there was a plan to change firefighter access to water from the golf course ponds to a Kahler Glen pump near Nason Creek to save pumping all that water to Kahler Glen only to have it removed for firefighting. John said the plan would risk the golf course being cut off from irrigation water in times of drought if the firefighters can bypass us and get water elsewhere. Paul noted that another reason for the plan was to make it easier for Kahler Glen to measure its water use, and that once we start metering we will need to explain the high use of water during fire fighting. Mike thanked John for bringing this to the Board's attention and stated that our plan will be to continue the arrangement with the firefighters so our irrigation status can be maintained.

Next John expressed concern about a statement made in the March minutes regarding connecting Kahler Glen to the county water system. He said the estimated cost at one time was \$1m plus \$90/month per home. Mike recognized Tom Graham who provided some additional historical reference. Gary clarified that there was no plan to connect to the water system—research was being done on what it would take to connect to the *sewer* system, not water, and that research was being conducted for informational purposes only at this point. Mike added the Board was looking into the possibility of allowing an 8-unit condominium to be built on the lots near the practice hole, and that the lots were situated in a low spot with no good option for septic.

Mike asked for a motion to adjourn. The motion was made by Dwight and seconded by Paul; the Board approved unanimously. The meeting was adjourned at 9:28 a.m.

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