

Kahler Glen Community Association Board

Minutes

15 Oct 2017 9 a.m. Maintenance Office

Board members attending: Paula Robinson, Neil Taylor, Dwight Miller, Nancy Miller Lynn Withrow, Sue Hennessy (Brook Fritz arrived later)

Also attending: Gary Marks, manager

Community members/guests attending: Jim Farmer, Mary Gallagher, Bill Miller, John Greiner, Linda Wandell, Mike Wandell

The meeting was called to order at 9 a.m. by President Paula Robinson, who noted the presence of a quorum

Minutes: Sue suggested that the September minutes be amended by, in the section headed Finance Committee,

- i. The first sentence ("Sue will review . . .") be deleted, and
- ii. The verb of the following sentence be changed from "is" to "will be."

Nancy moved that the September minutes be adopted with the amendments suggested. Dwight seconded. Motion passed unanimously. Community comments: Paula invited comments from the audience.

- Neil and Nancy spoke.
- Mary Gallagher thanked the board for their work.

Paula and the board publically thanked Kathryn DeMeritt for her heroic efforts, clearing brush along the entry road from the "y" to Cedar Brae. Community members are urged to glance to the right as they enter Kahler Glen roads and note the brush and debris raked, stacked and prepared for disposal. This is Kathryn's effort. Thank you, Kathryn!

Financial Report:

Dwight pointed out that the p&l (profit and loss) statement and the budget have anomalies, since the budget is a plan and is adjusted from actual expenditures as the year progresses. He reported:

Executive Summary:

Balance Sheet:

Total Savings and Reserves:	\$175,626
Total Accounts Receivable >90 days:	\$28,125

Profit and Loss (P&L)

Revenue:	Sept. act.	Sept budget	variance
	\$36,506	\$41, 673	(\$5,167)
Expenses:	\$40,652	\$32,505	\$8147

Notes: \$4,000 short in dues receipts for month.
\$4,000 short in Property Services receipts.
\$7,525 over in Labor expenses for month.
Largest outstanding account balance > 90 days (\$18,477 (KGG&SR))

The Audit Report was initiated at \$15,000 and the actual billing has been \$24,000. We need to update our reserve study, but the audit states that to do a reserve study would pose a financial hardship for the organization, which statement relieves us of the legal burden.

From the audit, Sue requested i) the management letter, ii) the findings in summary, iii) recommendations. Paula, Dwight, and Gary reminded us that the document was signed during last month's meeting, and that it mentions that there

were two omissions, i) life of the equipment, and ii) state of the buildings. Paula will request a hard copy from the accountant.

Brook Fritz joined the meeting via electronic device.

Dwight answered Sue that the board could expect an estimate of our year-end budget situation about 9 months into the budget. She expressed the hope that there could be an earlier draft. She stated the need to consider the implications from this year's budget for next year's budget concerning i) dues increase, ii) community assessment,, iii) financial reserves. Dwight stated that about 80% of our budget is committed expenditures and that the activities related to the other 20% were in the Projects list. He stated that our biggest challenge is surprises not anticipated in the budget.

The need for a five-year budget plan with resets at 3 and 5 years was discussed. The present budget is based on the six-year plan required as part of the utilities requirement from the state and created two years ago. It was mentioned that there is not much appetite for a dues increase, and we need a community conversation regarding dues and long-term planning.

Gary will send copies of the six-year plan to the board. Sue mentioned that a new five-year plan will be a huge piece of work. Gary said that the six-year budget for the Dept of Health can serve as a guide to develop the report Sue is asking for.

Neil mentioned the importance of revenue enhancement, and suggested a community meeting would be needed to discuss dues and assessments. A fully researched group of options should be presented to the community. He suggested choosing a date for a community budget meeting, and setting a calendar for development of materials to meet that date. He suggested two meetings: i) preliminary informational, ii) final decision-making. Neil said that he had some specifics re revenue enhancement, but would wait until later to discuss.

Paula summarized activities decided on:

- i. Gary will send out six-year plan.
- ii. Paula will send out executive summary of audit.

Property Manager Report by Gary Marks.

- Gary raised the issue of winter placement of the garbage dumpsters. Dumpsters will be placed as discussed last meeting, in one of the maintenance sheds.
- Neil and Dwight raised budgetary concerns. Brook stated that the standing steel door would cost about \$150 and that the labor was a sunk cost already. Keypad systems are substantially more expensive. Lynn added that there was the \$250 donation for surveillance cameras. Brook said that security and access will initially be assured by issuance of a key, with the circumstance revisited if need be. Bill suggested that proximity lighting, motion activated, could assist the cameras.
- Dwight said that the community should receive a note announcing the change, explaining the impact of illegal dumping, and reminding that there is no commercial dumping.
- Mike Wandell told the board that there are keypad systems with 2000 potential codes, so each user's key could be individually identified.
- Water Rights:

Gary reported that the Well #5 inspection has been completed. Three items were noted:

- i. Trees have to be cut back from the well. We have to monitor everything within 100' of the wellhead and remove as trees grow to size.
- ii. Request for the permit has been sent to Spokane; the water quality tests are in the lab and the covenants need signature, notary, and to be mailed.
- iii. Susceptibility assessment is in work by Michelle Taylor of Torrance Engineering.

- Re the water on #18:

Aspect Engineering reports that the water is from the water table. There is no leak or breakage. It will need monitoring. They recommend core drilling and monitoring; Gary thinks installation of a well would be less expensive. We will need to locate and reactivate the infiltration galleries on #10.

The bid for the pond liner is \$125,000. Neil suggested that the pond space be filled with dirt until depth of 3' is left to relieve pressure on the berms. Gary said that this can be done, but that the EIS requires lining the pond with rubber liner and sealing it.

Gary said that ponds #10 and #1 are lined; #4 and #16 are not lined.

- **Roads:**

Gary reported that the patching is done and a bid for chip-sealing is under way.

Lynn commented that A & W Paving commented that we have good base roads. J. Christianson, D. Styles, and the crew will mark up the roads next week and prioritize paving projects.

Gary reported that it will cost about \$400,000 total to finish chip-sealing all roads. He recommends \$100,000 for next year's project. Lynn requested that Upper Miracle Mile be examined by the paving contractor; Gary agreed.

- **Ponds:**

Paula stated that Rex Lund, part of the infrastructure Committee, will coordinate the activities on Pond/Hole #18 with his neighbors.

Gary stated that the SSWMP needs to be coordinated with the pond efforts.

Gary stated that he will find the infiltration gallery on #10, locate the old meter, install and number a replacement meter.

The pipe crossing Dwight's property has been identified, and the pipe that crosses under Miracle Mile still needs to be located.

Communications Secretary Report by Sue:

17 messages received this month; uneventful.

Received notice from Kevin Ostic that he has split his property into two lots. All county paperwork for septic, etc., has been complete and approved.

Nancy reported a conversation with a resident concerning need for speed control (speed bumps) on Miracle Mile, and addition of stop signs at the intersections. Paula will put that on an agenda in the spring.

Mary Gallagher reported a number of email addresses, all apparently for the board. Sue will check to make sure the addresses are consolidated.

John Greiner made suggestions to minimize crowding of vehicles re signage in front of the clubhouse to separate the parking of compact cars from full-sized cars and trucks. John said that he and friends, using tape, had altered the speed sign from 25 mph to 5 mph.

Bill Miller suggested that parking stalls for handicapped permit holders at each end of the parking array would improve sight lines and slow vehicle speeds.

Paula, answering a query from John Greiner, said that regrading the overflow lot was for ease of maintenance, was to redirect equipment away from the drainfield, and that it might recapture the cross-country trail that was lost when the materials were stored there.

Paula inquired and learned that the golf course has ordered the chemicals needed to treat the fairways and tee boxes for snow mold. The golf course has only treated the greens.

John Greiner requested that he (or other golf course board members) be the conduit for communication with the golf course work crew. Paula agreed.

Neil stated that the shade trees around the greens have become an issue: Danny identified dead trees and got Gary and Paula's approval to remove them. Golf course management stopped the project. The apparent concern was cost. It is unclear whether the trees are on leased property or common property. Sue suggested a meeting to consult and decide. Neil suggested that we proceed in the spring.

John G suggested that an ongoing conversation about tree management is needed. He also wants to be consulted about moving the garbage dumpsters. He suggested the need for a mutual calendar. Lynn asked that he recommend a person

to represent the golf course in such discussions. John said that he was not such a person. Lynn said that Paula is available on site; Paula agreed; please let us know who to contact.

Old Business:

Website:

Sue says the website will go live by mid-November. There will be testing before that. There will be sections for community documents, for governing documents, and a restricted area with two types of confidential communications: one where any community member can read and copy, the other which needs to be seen by appointment and cannot be copied.

KG Athletic Club will be linked to our site and is planning to move its presence to the same platform.

Minutes will be posted after board approval.

Brook will work with Rob and update the photos.

Linda Wandell asked if the website cost was in the budget. Sue replied that it is not, but that our current web hosting service is no longer going to offer or support our formatting, so we were forced to move.

Committee Updates:

- Paula distributed a draft charter for the *Infrastructure Committee*.
- Neil said that the *Golf Committee* will have a charter at the next meeting.
- Sue distributed a draft of the *Governance Committee* charter.
 - Sue said that it was not so important that this committee exist as that everyone be aware of the importance of its work and have a sophisticated view of governance.
 - Sue said that since we were in compliance now, the need for additional oversight is lessened. This item should be regarded as a tactical draft.
 - Paula said that we can discuss this at the next meeting and requested that feedback be sent to Sue.
- Lynn asked for similar comments on the *Infrastructure Committee* draft.
- Sue asked for Dwight's comments on the *Finance Committee* draft. Dwight reviewed his experience in other organizations, suggested that we are a comparatively small organization operated mainly by volunteers, and that, while policies and processes might be made more succinct, all the elements that might be part of a Finance Committee structure are already in place. Sue said that a Finance Committee would be just as described, and that the board itself might serve as a Finance Committee, as engaged board members are more important than a particular structure. Sue particularly emphasized the importance of a 1-3-5-Yr plan for infrastructure, for instance. Dwight explained the development of the budget, which starts in February and early in April is presented to the board.
- Paula reported that the three mailbox clusters had only one vacant box, so a fourth cluster has been ordered. Bill Miller is the custodian of the keys. The fourth box is installed by will not be operational until inspected by the local post office manager. CA has proactively installed a foundation for another cluster on the Front Nine.
- Paula reported that the local food drive, run by Karen in the clubhouse, is still on.

New Business:

- Bill announced 23 October as the first *FireWise* community chipping date. Bill reported on the progress of the Weyerhaeuser/Land Trust negotiations. Bill will be escorting wildlife biologists from the Yakama Nation next week to inspect the property.
- Paula announced that the *Landscape Subcommittee* has completed its work for the season. Improvements are visible at the monument and adjacent to the cart barn/driving range entry. Watering systems are in place for the new plantings.
- Neil, for the *Restaurant Committee*, reported that we had an interested potential tenant, who then withdrew. Reason for the withdrawal is not known. He urged all community members to spread the word, and to assure interested parties that we are willing to be flexible in accommodating their needs.
- Lynn, for the *Infrastructure Committee*, reported that we need a 1-3-5 project overview from Gary. Also that the required Dept of Ecology monthly reports need to be done. On behalf of John Greiner, Lynn reported that
 - There are no major septic problems at this time.
 - Septic pumping has proceeded on schedule:

- There is an issue at the clubhouse keeping the water from the septic from reaching the dosing tanks, which is being addressed. Due to low volume of daily use, it is not deemed critical.
 - The electrical panels are in order; some indicator bulbs have been replaced.
 - There is potential to increase drain field capacity by adding aeration to the systems.
 - Lynn reported that the road project and the #18 pond maintenance are part of next fiscal year.
 - Paula said that we need a timeline for the maintenance work on Pond #18. Lynn will phone the contractors next week and find out the urgency to get the pond filled. Gary cautioned that he wasn't sure we could get a permit to drill a well that quickly. Gary asked if we should use soil from the avalanche lot to fill in Pond #18. Dwight expressed concern re liability.
 - Paula suggested that the CA bury the debris on the avalanche lot. All agreed that the lot is an eyesore. Lynn and Dwight acknowledged complaints from the community, but said that cleaning the lot is not the Community Association's responsibility. Community Association could clean up the lot and lien the property for repayment, but likelihood of collection even in the case of sale is slim. Nancy said that the value of the lot is likely less than the cost of any sort of action to force collection, and advised fiscal prudence. She said that she didn't want a clean-up to lead to the Community Association having assumed liability for the condition of the lot. Neil, Nancy, and Sue each stated that the owners of the neighboring lots should be advised of the CA's intentions re the avalanche lot. Paula will review the status of the avalanche lot.

Paula reviewed items from New Business:

1. Gary will have a 1-3-5 year project overview for the board.
2. Gary will have brought required Dept of Ecology reporting up-to-date.
3. Lynn will report regarding the urgency of the fill of Pond #18 project.

Community Comments:

Linda Wandell commented on the gorgeous landscaping improvements and thanked the *Landscaping Subcommittee* of Anita Miller and Paula Robinson.

Linda asked about the golf course LLC's community vote and asked for an explanation of that and any CA action. She commented that from John G's earlier remarks, it seemed that there was no-one from the LLC side to talk with. She also said that putting all information about this issue in executive session is not fair to the community. Dwight responded that the Community Association has received an unsolicited offer for the sale of the golf course business from the golf course LLC, and that the offer was rejected.

Linda asked when there would be discussion with the rest of the community.

Paula said that currently all communications are routed through the attorneys.

Mike Wandell spoke, saying he reiterated Linda's point and also objected to executive sessions.

Paula responded that we are always mindful of the topics allowable for an executive session, and communicate information as soon as possible to the community. Mike reminded the board that no further board action can be taken after an executive session ends. Nancy stated that any action taken in executive session must be affirmed by motions in public session, as is board practice.

Jim Farmer suggested that if any owners approached a board member with thoughtful remarks, that person should be invited to our meetings.

Jim said that with regard to additional revenue, guilt was a good strategy, and that maybe those who rent their property should be asked to donate to the CA on a volunteer basis, to offset their use of community infrastructure for profit, but that the rental pool should be exempted.

Jim suggested aggressive signage in the garbage area.

Jim, who has tended to the flag, informed the board that the cord on the memorial area flag is reaching the end of its use.

Jim asked for a breakdown of the bank accounts. Dwight gave him a written sheet with the information on it. Jim asked more information on GESA and the water account reserve. Dwight answered that GESA is our lender for the primary mortgage and holds a reserve account; the water account reserve holds the assessment money that is earmarked for the water projects. Dwight added that the unassigned \$15-18,000 is our operating funds.

Mike Wandell suggested that Jim's idea about donations is a good one, and that he has seen donation boxes and maps on cross-country trails in other states. He suggests that donation boxes be sited strategically on Kahler Glen trails.

Linda asked why the discussion of revenue enhancement was tabled. Paula answered that it was because that topic is the major emphasis of the next board meeting.

John Greiner asked about how CA billings are prepared. Lynn answered that information goes from Gary to Esther. If there is a question, contact Gary.

John G stated that the golf course will replace color flowers in the memorial next spring.

John G asked why the calendar on the water project had been changed. Gary stated that there was a meeting with engineers in the spring, but that the source well approval had not been received at that time. It has now been received and the project is moving on.

John G asked where an audit report is available. Dwight has one. Paula said that the audit report will eventually be on the new website.

John G said that he had never heard negatives about the lodging business before, and that there needs to be closer communication between the boards.

John G suggested that the avalanche lot should be considered as a place to store equipment during all but the snow season, and that it might be used as a work staging area. He asked if the concrete there could be repurposed.

John G said that the course's problem last spring with snow mold was ubiquitous, so not a maintenance issue.

John G asked if the golf course could have a page on the new website. Sue answered that Karen manages the golf course website, but that the CA website will link to it, as it does now.

John G expressed concern about the clubhouse septic should be on the project list. Neil answered that today's report on the septic is that all systems are in fine shape.

John G summarized the difficulties of governance of community associations in resort communities where people's actual residences are scattered and distant. He suggested extra work on the "governing dynamic".

John G said that he expects to return to meetings as liaison from the golf course LLC.

Jim Farmer said that the special challenge of Kahler Glen is its size. He contrasted KG with similar communities in AZ that have several thousand members.

At 12:10 p.m., Lynn moved that the board end its public session and proceed to executive session. Paula seconded. Approval was unanimous.

At 1:40 pm., Neil moved and Sue seconded that the Board end executive session and reconvene in public session. Motion passed unanimously.

Actions of the Board:

- 1) Personnel: ; Neil will continue employee supervision as previously decided. Decision was unanimous.
- 2) Legal: The Board has decided to communicate concerning the current legal situation to our members. Prior to doing so, we will have our draft reviewed and approved by our attorney. Decision to do so was unanimous.

At 1:50 p.m., Paula announced that the meeting was adjourned. No objections were heard.

Respectfully submitted,

Nancy M. Miller

Secretary, Kahler Glen Community Asstn Board