

Kahler Glen Condo Association Annual Meeting

May 15, 2010

The annual Kahler Glen Condo Association meeting was called to order at 8:03AM at the Lake Wenatchee Recreation Center by Carol Pierce, president of the KGCA. Board members present: Carol Pierce, Tony Choppa, Bill Hess, Jan Donley, Shari Bennett, and Andi Main.

Carol gave a brief welcome and thank you to those members in attendance. Board members were introduced as well as Lisa Hanson, Property Manager and Mike Britt, Maintenance Manager. Thank you to Steve Johanssen for supplying the coffee.

We have 4 new members in the community - 4 condos were sold/purchased during the last year: C8, D2, F3, and G2. Paul Goebel from F3 was present and introduced.

Carol asked for a count of members in attendance and confirmed a quorum was present by a total of 36 members represented either in person or by proxy. Carol asked for a motion to approve the minutes from the last annual meeting - a motion was received, seconded and passed unanimously (motion#100515-01).

A brief review of completed projects from the past year was given by Carol:

- Roof reinforcements were completed and inspected by a structural engineer
- Water incursion in H1 which affected H5 revealed a plumbing configuration issue. Other buildings were checked and it was determined this was an issue isolated to the H building.
- Grounding/bonding project of the buildings were completed
- Crawl space shut-off was replaced in H building - now all buildings have new shut-offs
- Landscaping around F building was replaced
- Repairs to concrete near C& D building have been made - some asphalt work is required to complete this repair and is scheduled for this summer
- Drainage project completed near C building - having a positive impact already
- Conversion to email correspondence
- Board meeting minutes are being posted to community website

- Test painting of kick plates a charcoal gray (E building) successful and will implement as a standard on future paint projects.

Upcoming projects for 2010-11 presented by Carol:

- Replacement of chimney caps to resolve leaking - these will require custom fabrication and will be installed at a cost of \$1000 + tax per building
- Asphalt repairs - to be coordinated with larger community projects for most economic pricing
- Building F to be painted

History of dues presented by Carol:

2007-08	\$210
2008-09	\$250
2009-10	\$250
2010-11	\$250 proposed

Manager Routine/Report by Lisa Hanson:

- Walk arounds with Mike Britt occur monthly
- Annual window washing
- Monthly pest control monitored
- Coordination of AC/furnace tune-ups by Choice Heating
- Hot water heater replacement project in 2009 resulted in 16 replacements which included connection to exterior drainage system. There were also 3 exterior drain connections in units not needing heaters. Lisa will survey members to see if additional replacements are required this year and if so, seek a bid.

Reminders for Members:

- Check condo regularly - recommend twice monthly
- Heat must be on in winter months. If water damage occurs as a result of freezing pipes and the heat is not on, our insurer will NOT cover the damage. The board recommends leaving the heat set at 55-60 degrees.

- Recommend AC and furnace be inspected Spring and Fall
- Be kind to our septic system - minimal use
- Break down cardboard for dumpsters - especially important since we are downsizing containers in a cost-cutting effort
- Please re-cycle if possible
- No birdseed feeders - attract rodents
- Home owners insurance-verify coverage for \$5000 deductible
- Dog on leash at all times, no dogs on golf course or ski trails
- Replace spa covers
- Observe quiet hours of 10PM-8AM
- Major re-models to be approved by board
- Deck lights - off at night, minimal extra lights

Carol reminded the members that our bookkeeper does not send monthly invoices. An annual statement is supplied by email. Timely payments are appreciated.

Maintenance Report by Mike Britt:

- Drainage project along the 6th fairway has been completed and seems to have resolved the problem.
- Light snow year with extreme cold temperatures resulted in several irrigation system breaks - maintenance team working on repairs.
- Additional sprinklers being added
- Landscaping will be re-vamped to minimize rodents and be more environmentally friendly
- Removal of unused satellite dishes in process - working with Localtel
- Re-modeling trash is not to be placed in dumpsters. Waste management will bring in an extra dumpster if needed

- Drain field for H building is a concern - please minimize water usage. Mike is working with an engineer to eliminate the problem

Treasurer's Report by Shari Bennett:

Current Assets:	Checking/Savings	\$ 4374
	Audit reserve	\$ 5351 (increased \$1000 for potential full audit)
	General Repair Reserve	<u>\$33,824</u>
		\$43,549

Shari reviewed the types of expenses we typically incur, differentiating between general expenses and reserve expenses. A summary of last year's budget to actual with a proposed 2010-11 budget was presented. There is no anticipated increase in revenue for the upcoming year and only minimal increases in some of our general expenses: bookkeeping, insurance premium, and pest control.

A review of last year's and upcoming major projects/expenses included:

- Localtel wiring (2009-10)
- C Building drainage project (2009-10)
- Carport repair (covered by 2009 assessment)
- Chimney caps (2010-11 proposed budget)

A member asked about reserve balances - what should they be? How often do we do a reserve study? Answer: We are supposed to do a study annually, but if not done annually you must reveal that information to new buyers. We did a study in 1997 and again in 2007. The lenders have accepted both as adequate for now.

Shari reviewed our late fee policy and thanked members for their timely payments. For the most part payments are received per terms. They are due on the first of the month and if not received within 30 days of the due date a late fee is charged (the larger of \$10 or 1%/month interest on the unpaid balance).

Shari will check with our bookkeeper to see if an "autopay" option is available.

Revenue Ruling 70-604 requires the membership vote to carry over unused revenue to the operational budget of the following year. John Colvard made a motion to carry over the unused

monies; the motion was seconded by Rex Rathbun and passed unanimously (motion #100515-02).

Shari asked for a motion to approve the proposed 2010-11 budget. Motion was made by John Summers, seconded by John Colvard and passed unanimously (motion #100515-03).

There is a law requiring an annual audit of the HOA books. This is very costly - approximately \$10,000. Since we have less than 50 homes, we have the right to waive that requirement. Rex Rathbun moved that we forego the audit; motion was seconded by Steve Johanssen and passed unanimously (motion #100515-04).

No Smoking Proposal

Discussion of a recommendation to implement a no-smoking policy for decks, balconies and certain common areas was facilitated by Carol. The discussion included some background given by Carol including: the written complaint by resident, research of state law, consultation w/attorney and initial survey of residents. The DRAFT of a proposed rule was discussed. Highlights of the discussion:

- On rental units, fines should be imposed on offending clients, not owners and billed by rental office
- Car ports are not a desirable alternative location
- Suggestion to follow state law requirements
- Add "patio" term to rule

Carol requested a NON-BINDING (advisory) vote, to adopt a rule prohibiting smoking on decks, balconies and patios. Carol reminded the members they were not voting on a specific rule. The specific rule would be written and voted on by the board. A show of hands indicated 19 in favor of the rule, none opposed, none abstained.

Board members

Carol reviewed the current board member terms and noted she would not be returning as president:

Jan Donley, Carol Pierce, Andi Main - 1 year remaining on their term

Bill Hess and Shari Bennett will run for another term

Tony Choppa will not be able to complete his second year and Linda Bockelman's term is complete.

This left 2 vacancies on the board. Judy Edwards had volunteered to run and a call to the membership for additional nominees resulted in Cinda Summers and Kathleen Colvert as additional candidates. A brief introduction of each candidate was made, paper ballots were distributed and tallied. The Board for 2010-11 is:

Carol Pierce	Jan Donley
Shari Bennett	Bill Hess
Kathleen Colvard	Judy Edwards

Andi Main

Carol opened the floor for questions/discussions:

A discussion of garbage disposals and their ill-effects on the septic system followed. It was asked of the board to discuss a mandatory removal.

Shari Bennett presented a Thank You gift on behalf of the community to Carol for her leadership and years of service.

A motion to adjourn the meeting was made, seconded and passed unanimously (motion #100515-05). Carol adjourned the meeting at 9:50AM.

Respectfully Submitted,

Andi Main

Secretary