

Kahler Glen Community Association Board  
Minutes  
19 Nov. 2017 9 a.m. Maintenance Office

Board members attending: Lynn Withrow, Sue Hennessy, Paula Robinson, Nancy Miller, Neil Taylor, Dwight Miller on speakerphone

Also attending: Gary Marks, manager (arrived late)

Community members/guests attending: Jim Farmer, Marcus Wood, Bill Miller, John Greiner

The meeting was called to order at 9:02 a.m. by President Paula Robinson, who noted the presence of a quorum.

**Minutes:** Nancy distributed printed copies of the October minutes. Lynn moved that the minutes be adopted as distributed. Neil seconded. Motion passed unanimously.

**Community Prepared Statements:** Paula invited statements from the members in attendance. There were none.

**Final Report** by Dwight Miller

Dwight Miller presented the financial report from October 2017:

Balance Sheet:

	Oct	Sept	
CVB checking	\$ 4,783.15		
CVB water assessment	\$48,903.39		
GESA checking	\$ -4,667.21		
GESA savings	\$ 2,006.66		
GESA operational	\$ 7,755.27		
GESA reserve	\$54,376.85		
<b>Total checking and savings</b>	<b>\$113,158.11</b>	<b>\$175,626</b>	<b>(\$62,468) draw down</b>

Profit and Loss:

Total revenue	October	May-Oct	YTD Budget	annual budget	
	Act.	Bud	Act		
	\$33,839.04	\$41,673.33	\$281,838.74	\$250,260.02	\$500,300
<b>Total expenses</b>	<b>\$90,887.88</b>	<b>\$43,505.09</b>	<b>\$331,750.81</b>	<b>\$252,030.46</b>	<b>\$458,061</b>

Major expenditures in October:

State Parks	\$ 7,500
Snow blade Equip	\$18,502.54
Liens	\$ 1,905.00
Resort issues	\$ 3,217.50
Legal	\$ 6,504.25
Professional fees	\$ 1,563.52
<b>Total</b>	<b>\$39,191.00</b>

Current Accounts Payable as of November 16th: \$23,242.44

Current Accounts receivable as of Oct 31	\$58,638.59
less KGGSR disputed items	(\$33,622.01)
 Total potential recoverable A/R	 \$25,016.58

Sue said that she wants a breakdown of legal expenses. Paula answered that the last bill was \$6504 to Peter Frawley, the mediator. Our attorney advises us by email and responds to questions. Gary Marks arrived.

Lynn asked about the snow blade purchase. Gary answered that we have sold the cats, but retained the trencher. Sue said that perhaps we should sell the trencher and rent one as needed. Neil asked the cost and Gary answered that it is \$3-5,000 and is on a loan.

### **Manager's Report** by Gary Marks

No input has been received re location of the garbage bins, so they will be located for the winter outside the tractor shed under the surveillance camera sign. A line will be run to that location to power the camera.

Last year's state park total trail expenditure was \$18,000. KGCA paid \$7500 and \$4200 raised by Bill Miller for winter recreation, a total of \$11,700. This was paid to the park and accepted as settlement of the KGCA share of grooming expenses.

Lynn asked if we maxed our \$7500 budgeted amount this year. The answer was yes. Lynn asked if these dollars were just for the state on the state park property. The answer was no. Lynn asked if we didn't groom our own trails. Gary answered no. He said that this year we will use our groomer on the sledding hills. Bill said that last year we had a 12-week season; by agreement, we are responsible for our own grooming and 2-3 miles out on Nason ridge, but the Kahler groomer was not operational and that grooming became a cost paid to the state.

Gary said that in discussing the Environmental Impact Statement, three documents are important: 1) the EIS itself; 2) the Small Water System Maintenance Plan (SWSMP); 3) the drawings (site plans). Gary distributed a packet of papers, including project lists, site maps, and a DVD with all documents in digital form, to board members.

Gary reported that Bruce Week believes that there is well on #10 that got buried. He can locate it. It will need to be metered.

Gary said that the early site documents are for Alternative Development Plan #1; Alternative #2 was the one developed: note map labels. Sue said that all these plans are public record. Regarding those plans:

1. All ponds are runoff capture ponds.

Nancy said that plans vs. as-built information could be important.

Gary said that KGCA created a cash flow model for 10 years during the process of getting the loan from GESA. Gary presented a histogram titled "KGCA 10 Year Financial Proforma", dividing project expenditure between the categories of

- 1) property;
- 2) utilities (water, etc.);
- 3) services (snow-plowing, etc.)

He also presented a list titled "Capital Project ROM [rough order of magnitude] Estimates" listing projects 1 through 9, project title, and expenditure levels from 2018-2027. He explained that financial figures would become more precise and defined as each project developed. His sources are actual inquiries made for estimates.

Lynn said that she and the Infrastructure Committee need more details.

Paula said that these projections need deep examination by the Infrastructure Committee.

Lynn said that she and her committee need to know what research yields these numbers.

Gary said that there is a budget-building process; the board has at least one meeting just for this purpose; these figures are an overview.

Sue said that there is a process problem and more information needs to get to the Infrastructure committee so that it can work with adequate information.

Paula suggested that the printed/digital information be circulated now and dealt with at the next meeting.

Lynn said she needs more background information before going forward. She wants to develop a 5 year plan around the three most important projects.

Gary said that he would set aside a full day to go over the projects and projections with the Infrastructure Committee. Lynn agreed, and pointed out that it would be difficult to get everyone together.

Neil suggested that there be a single page of information for each dollar figure from the overviews.

Sue said that the assumptions must be stated transparently, that each step must include costs, that just the results of modelling is not enough. Lynn said that a short list is needed, due to other time constraints on her committee.

Paula said that the committee should review the information, create a list of questions, and conduct a dialogue.

Gary said that the topics in question will take at least a day for a deep dive into the material.

Dwight said that with regard to prioritizing projects, the following standards set a framework:

1. safety
2. regulatory requirements
3. compliance with regulations
4. permits and certificates

Dwight used an issue concerning fire protection and water pressure (burst pressure and hammer pressure) on the Front Nine as an example.

Sue said that the discussion starts with understanding the assumptions, and challenging or agreeing with them until agreement is reached. There can be “dueling projects”, which was defined as other claims on community financial resources, using regrading Upper Miracle Mile as an example. Sue said that the board meeting as a committee of the whole should listen to consultants on these issues and gather the information needed.

Dwight said that the most important project is water runoff management, since neglect has serious consequences for all. Examining the EIS tells us where the water is intended to go.

Gary said that he needs 8-hours to go over all nine projects with the Infrastructure Committee, otherwise information will be incomplete.

Neil said that the committee needs to be sure to consider the costs both short term and long run, and needs to ask for options.

Paula said that Lynn and Gary should set a date to report to the board.

Gary said that the roads are an example of an imminent decision: chip-seal or asphalt? And implications for maintenance and long-term endurance of the project.

### **Communications Report** by Sue Hennessy

Paula said that snow removal policies need to be included in the next newsletter to the community.

Sue reported receiving 33 emails in the last month. Seven were internal between the board members, 2 were contact updates, 8 were responses to the legal update (2 questions from new owners, 3 thanks, 1 opinion), 1 request re snow-plowing, 1 re possibility of golf course purchase, 5 were thanks re minutes. Sue reported the following “themes” in the received email:

1. Board working with resort to explore possibility of some winter concessions being provided by resort (e.g. cross country ski rentals, hot and cold drinks, snacks).
2. Contact info updates.
3. Notification of a covered heat pump causing problems at unoccupied home.
4. Responses to Paula’s update on KGCA/LLC.
5. Thank you’s to Board for distributing minutes and Notes to Community via email.
6. Request from permanent resident to develop snow removal and storage of snow this year in a manner that will help control erosion of retaining walls along Upper Miracle Mile.
7. Letter from owner inquiring about rumors about negotiations between KGCA and LLC.

All emails receive personal and/or community wide response via Note to Community.

Paula said that Gary and a full-time resident should arrive at a snow storage plan for this winter re road plowing, empty lots, and common spaces.

## **Old Business**

Sue Hennessy announced that the Kahler Glen Community Association website is now active. Please click through the site and give feedback to Sue re filing system, live links.

John Greiner confirmed to Sue that he is the liaison for the golf course to the board.

Paula said that she sent the agreement re snack bar and winter rentals to the golf course via John Greiner. John said that the golf course had considered the program further and currently was not planning to pursue it as it would involve revision of their insurance.

Bill Miller reported from the Winter Recreation Committee.

- Thank you to Richard Robinson for installing the new mail cluster. We are awaiting inspection by the Post Office before boxes in the new cluster can be assigned.
- Land Trust/Weyerhaeuser negotiations re Nason Ridge are continuing.
- Gary Schuster will be traveling this winter, so we are trying to find substitute personnel to be responsible for the ice rink.
- Brushcutters have had several work parties over the first few miles on Nason Ridge, in prep for x-c skiing.
- Trail grooming priorities:
  - Safety (minimize cross-overs)
  - Access to water tower to Nason Ridge trail for snow-shoers
  - Old groomer to pack sled hills
- Kathryn DeMeritt is willing to help with signage. She and Duane Taylor will meet concerning changes.

Sue moved to authorize Paula to sign the contract with the state park for grooming, capping Kahler Glen's contribution at \$7500. Motion was seconded and passed unanimously.

Paula said that Bill Miller will be liaison with the state parks re grooming and winter rec matters.

Bill reported that Richard Robinson, Mary Gallagher and Ann Cole are all willing to help with signage and snow mobile trail creation if adequate snow appears during Bill's absence.

## **Governance Committee** by Sue Hennessy

Sue circulated a proposal re governance committee. She noted that it removes compliance from the governance committee's responsibilities, as it is more properly a matter for the manager and the board. Sue said that there are three areas of initial focus:

1. Recruit potential candidates to run for board in Spring 2018
2. Identify changes needed in covenants, rules, etc., to be presented at annual meeting
3. Provide guidelines for chartering each committee; review charters and work; recommend improvements

Lynn moved that the proposal for the governance committee be approved. Neil seconded. Motion passed unanimously. Lynn says it will be a small committee.

## **Restaurant** by Neil Taylor

Neil described four possibilities for the restaurant. One is no longer active, as the interested parties have withdrawn. One would involve substantial investment by the community association. One would involve recruitment of a local group to provide management. One local party has expressed although not pursued interest.

## **Infrastructure Committee**

Paula reported that Pond 18 is still empty to relieve pressure on the berm overlooking Nason Creek. Gary has consulted with Aspect Consulting (Wenatchee) about the pond and the adjacent berm.

Lynn suggested that Ryan Walker of Grette Associates (Wenatchee) should be consulted.

Gary said that Torrance Engineering (Wenatchee) recommended NW Pond Lining; Mark, from Torrance will be at Kahler Glen to install a new liner on xxxx pond.

Nancy said that a water engineer is needed. Paula said that she is concerned with structural repair right now, not aesthetics.

Sue said that there are two problems: 1) line the ponds, 2) ground water sources.

Gary said that if we used dry wells, they can be pumped periodically.

Nancy said that the matter of the shared berm will have to be addressed.

**Community Forum:**

John Greiner spoke at length. He reminded the board that its responsibility was to 1) govern according to the governing documents, and 2) maintain, update, and approve the subsystems.

Jim Farmer expressed concern about finances. Jim asked about reserves. Dwight replied that 1.3 is required, that we are at 1.2 now, and that we previously were at 1.1. GESA, our lender, has not expressed concern and is aware of our positive movement toward the desired number. Jim expressed concern about meeting our obligations. Dwight pointed out that dues are coming in to pay bills and that reserve accounts are available for their special uses. He also pointed out that there are funds committed to the water project. Dwight offered to have a community meeting to walk interested parties through the numbers.

Jim inquired about the number of residents who are behind in dues payments and what steps are being taken.

Dwight said that he places liens on people's property, and moves to foreclosure, but that we are not first in line to collect.

Jim expressed concern that an assessment will eventually be needed. Dwight said that if we prioritize carefully over a five-year plan, and if there are no financial surprises requiring community association expenditure remedy to repair, that we will need about five years to be in sounder shape. He agreed that an assessment is surely a possibility. He also agreed that everyone's dues increase to compensate for the unrecoverable delinquent dues.

At 11:40, Sue moved that the Board close the public meeting and move to executive session for purpose of discussing a personnel matter and legal advice from attorney. Paula seconded. The motion passed unanimously. Guests left.

At 1:07, Paula adjourned the executive session and the board returned to public session.

Sue moved that the KGCA Board authorize its attorney to respond to the demand made by the attorney representing the KGGSR Board. Several voices seconded. Motion passed unanimously.

At 1:10 p.m., Nancy moved that the meeting be adjourned. Neil seconded. Motion passed unanimously.

The next meeting of the Board will be at 9 a.m. on Sunday, 17 December 2017 at the Maintenance Office.

Respectfully submitted,

Nancy M. Miller  
Kahler Glen Community Asstn Board, Secretary