Kahler Glen Community Association Board of Directors Meeting Minutes

July 8, 2011 2:30 PM

Wells Fargo conference room, Bellevue, WA

Board members present: John Greiner, Mike Wandell, John Bennett, Carol Pierce, Carol Billesbach, Jim Farmer, Bud Olsen

Also in attendance: Bill Miller, Nancy Miller, John Ward

Teleconference attendees: None

The meeting was called to order at 2:33 by Co-President John Greiner. A quorum was present. The minutes from the June 6 Directors meeting were approved as published.

Communications/Secretary Report: Carol Pierce

Carol reported that she has been forwarding e-mails to the appropriate board members or answering them herself when they involve simple questions. Others have been forwarded to the entire board. Jan Donley sent a request that the board consider having meetings on a consistent date each month and on a Saturday so that working community members might attend. The board has previously stated that their general plan will be to have meetings on the second Saturday of each month and will continue to try to do that. However, with a requirement of 5 board members for a quorum and only 7 total members, the board may have to move meetings to accommodate the schedules of members, particularly those who are employed. The next board meeting will be on the second Saturday of August, August 13 at the Kahler Glen Event Center. The board agreed to an 8 AM start time for this meeting, as the KG Athletic Club (KGAC) is having an event that afternoon.

The board received an e-mail from Dave Reynolds outlining a possible financial scenario involving the Resort, the Community Association and Glenn Week. Mike Wandell agreed to respond to this as he is tasked with working on governance issues.

The KGAC has a community event scheduled for August 13 and has asked the board to donate $500 towards the costs of the event. Mike Wandell moved and Jim Farmer seconded a motion to contribute $500 toward this event. The motion passed unanimously.

Carol reported that the website has been updated and cleaned up to some extent. The minutes from the annual meeting were again noted as incorrect and John Bennett stated that he has a corrected version that he will send out to this board for review. Once reviewed, this draft version will replace the current draft on the website and will be presented for approval at the annual owner’s meeting.

At the board’s request, Carol has sent e-mails out to owners of 5 lots that have noxious weeds that need attended to, and she has sent postal mail notices to owners of 4 of these lots. The 5th owner promptly responded to e-mail. This gives the owners 30 days to clean up their lots as per the covenants.

Carol reported briefly on the survey committee and noted that she had sent the committee report to the board recently. Mike Wandell offered to draft some questions based on the topics of the report. Carol asked all the board members to send feedback on the report to all the board members. She also plans to include input from the contingency planners and Resort board.

The roster has been updated and corrected.

The board received an e-mail from John Ward yesterday and several members have not had an opportunity to read this, so it was not discussed.

Treasurer’s Report: Jim Farmer

Jim met with our bookkeeper, Esther Christian, yesterday. He reported that things look fine as far as the financials and he’s going to meet with Dave Reynolds regarding the treasurer’s duties. He did get the paperwork required to change the signature cards at Cashmere Valley Bank so that John G., Mike W. and Jim can now sign checks.

Co-President report: John Greiner

John responded to concerns from owner Tim Henebry regarding storm water drainage issues on his property and met with John Torrence, civil engineer, on June 17 to review this. On Torrence’s recommendation, John would like to make some drainage changes (employing the Resort staff for the work) and sought approval for a maximum of $1200 for these changes/repairs. These repairs involve the road corner and community drainage, not the individual owner’s property. John also presented a landscaping plan from the Henebrys that should, along with the minor work done by the CA, resolve this issue. Bill Miller also described a plan developed by the KGAC to improve drainage from the corner of their parcel and this will involve cutting across the asphalt between the KGAC and the ditch near Casad’s property in order to lay a culvert. Bill asked that the CA agree to repave the area where the asphalt has to be cut. This culvert is on the original drainage plans but apparently was never put in. Mike Wandell moved that the board pay to have the asphalt repaired after the KGAC has the drainage work done, up to a maximum of $500. Carol B seconded and the motion passed unanimously. Mike moved to approve the maximum of $1200 for the shoulder and culvert work and John B seconded the motion. The motion was approved unanimously. John B moved and Mike seconded a motion to approve the Henebrys landscape plan.

Septic Report: John Greiner

Mike Britt has reported all systems fine except that some work had to be done on System Z. He also reports that Doyle Burke, who has been our septic expert in recent years, has passed away. John has requested proposals from John Torrence and Martin Davy (both civil engineers) regarding preliminary work/exploration on the new drain fields for the back nine (locations, plans). He suspects that whichever one of these experts are chosen for this job will become our new septic expert.

Roads: Carol Billesbach

Carol B met with two vendors. Mitchell does asphalt and could complete the list of repairs for $9800. A&W Paving only does chip seal and they estimate that chip sealing the road between Cedar Brae and the clubhouse would cost $74,000. Chip seal of the Miracle Mile would cost about $100,000. (If A&W did hot asphalt work they would just subcontract with Mitchell and add an additional fee.) Carol reports that there are other small asphalt repairs that could be done this year, including some road edges and enlarging some of the repair areas for improved appearance. Mike moved and John B seconded a motion to approve the $9800 bid from Mitchell for the asphalt repairs and also to approve change orders up to a maximum of $20,000 total bill. The motion passes unanimously. There is about $50,000 budgeted for roads this year, so the discussion was that the unspent budgeted money will be needed next year for the probable chip sealing of Cedar Brae to the Clubhouse. Carol will coordinate the work with homeowners, the condo association, the Resort and the Athletic Club so that they all are aware that Mitchell is coming out and can have any work they need done at the same time.

Old Business

April 2011 Board minutes: As discussed previously, the April 2011 CA board minutes were never approved. John G is the only current board member that was present at that meeting and he was present as the Resort representative in John B’s absence. John B recommends a correction in the minutes to reflect John G’s status at that meeting. The previous board had reviewed the minutes before they were posted on the web site. John G moved and Mike W seconded a motion to approve the minutes from the April 2011 board meeting and the motion passed unanimously.

Potential Board Members: Mike will again talk to Ted LaVigne regarding the possibility of his joining the board.

Communication protocol: John G wanted to review the mechanism by which we handle e-mails. Carol described how she’s handled them so far, as described above in her report. The only change suggested was that Carol send the e-mails that she feels the whole board needs to see to one primary member and then cc them to the rest of the board. That puts the responsibility of dealing with the communication on the shoulders of the primary recipient.

Attorney Questions: Mike Wandell

Mike has sent a preliminary list of attorney questions to the board, which he discussed (see attached). His goal is to develop a framework by which to negotiate with the Resort regarding governance. Carol suggested that instead of a face to face meeting with the lawyer, we submit the questions in writing and ask for a written response. The group agreed that this may be a less expensive and equally effective way to get the required information. John B mentioned that some of the questions have been answered previously by the lawyer, and Mike said he would review this and amend his question list to reflect this, but hoped to have all of the information in one document. His suggested scenario involves both the CA board and the Resort board developing priority lists of their interests and needs regarding Kahler Glen governance. These lists would then be given to the attorney of each group and the two attorneys would consolidate the lists, trying to work out the areas in which there may be conflict. The two boards would then review the product of the attorney’s joint work and attempt to resolve any remaining issues prior to taking the proposed changes to the community and to the shareholders. Extended discussion about alternatives such as using a mediator or starting out with negotiations and involving lawyers later, what the total costs might be and setting limits on spending, whether this work is really the mandate of the CA board, and whether the Resort could agree to document changes without approval of Glenn Week ensued. The board previously set a $1200 maximum budget for this initial legal input to develop the mechanism for the negotiations. The current plan is for Mike send the modified question list on to the lawyer and report back to the board.

New Business

Primary Goals: John Greiner

John stated that Governance and Contingency Plan are stated primary goals for this year and wanted input on others. Completing a Services Agreement and Improvement in Communications were mentioned as additional goals.

Committee assignment: John Greiner

John asked Carol B to take over the Water Committee and communicate with Cary Eller regarding this. He also asked Bud Olsen to take over Solid Waste and to communicate with Steve Johannesen for the information he may need.

Services Agreement: John G

John G gave Mike W a draft letter from Larry Olson that he just received regarding the services agreement. He also distributed a summary of the contingency planning work thus far (see attached).

Public Forum

Bill Miller discussed the upcoming KGAC Event, including a golf event, live music and a silent auction.

John Ward commented on the process of the governance negotiations. Mike said he would send the list of legal questions to John Ward and the Millers, who were in attendance.

The meeting was adjourned at 4:30 PM.

Respectfully submitted,

Carol Pierce

Secretary