

EDELWEISS ANNUAL MEETING

MINUTES

May 28, 2011

The annual meeting was held at the community pool. It was opened by Board President Tom Lasater, at 1:00 PM.

Approximately 55 people were in attendance.

Larry Hudson, Lead Inspector for the Okanogan County Noxious Weed Control Board, was introduced and gave a brief presentation on our responsibilities as homeowners, and community members, to continuously work on weed control. He offered his department's support.

The minutes of the 2009 Annual Meeting were passed out. A motion was made, seconded, and passed unanimously, to approve the minutes as written.

The Treasurer's report was given, in writing, by Kelli Rotstan.

First off, there will be no increase in the annual dues this year. For 2010 we had a good year with only a few unexpected expenses (like the water project cost overruns) and ended in the black with no need to dip into any of our savings. We have passed a budget for 2011 which is available on the website for anyone who would like to see it. In general, we are in good shape financially with about \$60,000 in savings in case of emergency.

As you may remember, last year we assessed the membership to replace the water booster pump line. While we built in a little bit extra to cover overruns, we still ended up short on the project. The contractors ran into many big boulders in addition to poorly marked and missing water lines. Despite the overruns, we were able to use the water assessment fees plus the 2010 dues revenue that we would normally have put into the water savings account (with some small help from the general fund) to cover these unexpected expenses.

The other new program implemented last year was the recycling program. We think the recycling program has been a great success and we had huge participation. We have expanded the initial 6-month trial which only included cardboard and aluminum to now accept almost everything Methow Recycles collects. Casey at Recycling Roundup is doing a great job of collecting the recycling and has offered us a special monthly rate to pick up on an as-needed-basis instead of the scheduled pickups he did during the trial. This will mean our new recycling shed will stay neater and our costs will be flat. The board has passed a motion to no longer charge additional fees for the recycling for 2011. These fees will be part of the current garbage dues you are paying now.

And lastly, with Linda's departure in early 2010 we have contracted Bart Bradshaw's accounting office to do our accounting. Their office has been great in managing our books and they have given us a very reasonable flat monthly rate to do this work for us. So far we have been very happy with their service and will continue to use them throughout 2011.

Year-to-date for 2011 we are well within our budget. We've only had one unexpected

expense so far this year, which was the need to install a new well-pump at the campground. This is not a problem, since we have set aside money in the budget to cover these kinds of unexpected items. For more financial information, including the 2011 first quarter P&L and the 2011 budget please visit the website.

A motion was made, seconded, and passed unanimously, to approve the Treasurer's Report as written.

Tom Lasater gave his President's Report, which included:

- Excess equipment no longer needed was sold and removed from around the shop area
- Guidelines regarding Off Road Vehicles were posted on the website
- Established policy restricting EMC to not disclose members personal information without their consent
- Weed Control Committee was established and a policy was approved for weed control
- Recycling was approved as an ongoing service and volunteers erected the new shed for the bins
- Identified actions to take for improved snow removal in future years
- Completed pipeline project from pump to reservoir Cost \$90,167.38
- Special Assessment collected \$69,975
- Year end water fund savings down to \$1693 projected to increase in 2011 by \$16,772 as per budget to build a reserve fund
- Projected net income from 2011 budget is \$15,554 after making OCEC principal loan payment and funding increase in water savings account

President Lasater then called on Dick Volkmann for his General Manager's Report. Dick thanked Craig for his continued excellent service.

He said that accomplishments included construction, final road repair and grading, on the booster pump line. A leaking water line was replaced in the campground. The camp ground pumphouse was repaired and a new roof installed. The Department of Health, Office of Drinking Water, has new testing requirements. We are meeting all required testing and will comply with the future reporting requirements. Our water is very good.

Road repair was also done on Mustard Mountain as well as other roads damaged by winter snow and spring runoff. He said Lignin application would be accomplished in June when the rain quits.

He reported that loose cows had been an issue again this year and required a significant amount of time. The fencing up on Grizzly Mountain helped a lot, but cows were still getting in. We put in new fencing to keep the cows out, with the Forest Service providing much of the materials. The Lucky 5 logging operation is currently on hold and the subject of an investigation by the Forest Service.

Nine cottonwood trees were cut down near the campground buildings. The locks were changed to combination locks on the garbage shed and the combination is the same for both sections. All members will be able to use both sections. Please fill up the old full time section first.

He has passed the requirements to become a "Commercial-Private Applicator" to apply herbicide and has a license to do so. Members will be notified as spraying is done.

Dick requested that members try to keep toys out of the pool because they clog skimmers and can damage the pumps. He gave us the routine warnings about preventing bear problems and referred people to www.bearierbins.com for suitable bear-proof garbage cans. And he noted that we live in an area with unusually high snowfall, coupled with steep roads. Everyone should be prepared for winter driving in our community.

Old Business:

Sherrie Krown reported on the Trails Committee work and encouraged everyone to participate when they could.

New Business

Three board member terms came up and all three have decided not to run for re-election. They are Pat Leigh, Mary Kiesau, and Kris McMullen. Three new candidates were nominated and elected. They were Don Fitzpatrick, Jr., Coventry Jankowski, and Lisa Tabbut. Pat Leigh verified the election.

A vote was taken on whether or not EMC should contract for an independent audit of our books at a cost of approximately \$5000. The audit was waived by vote of the members.

There being no further business, Tom Lasater closed the meeting at 2:55 PM.

Respectfully submitted by Don Fitzpatrick, Jr. (filling in for Mary Kiesau, the outgoing secretary).