

CLEARWOOD COMMUNITY ASSOCIATION

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS

October 28, 2017 – DRAFT

1. MEETING CONVENED:

- a. At the Bald Hill Fire Department

2. QUORUM:

- a. The quorum for meetings of the Board of Directors is four. Five Directors were in attendance throughout the meeting and therefore the quorum was met.

3. IN ATTENDANCE:

- a. Directors: Laura Drybread (President), Em Seymour (Vice President), Yvonne Moore (Secretary), Richard Hill (Director) and Val Cawley (Director)
- b. Managers: Bookeeper Dolanna Burnett
- c. Member(s) and/or Guest(s), in the order they signed in: Tom Drybread, Nancy Payne, Linda Azarella, Robert Hung, Timothy Francen

4. ABSENT:

- a. Treasurer Syndi Martin

5. REGULAR PRESIDING OFFICER AND SECRETARY:

- a. President Laura Drybread and Secretary Yvonne Moore.

6. MEETING CALLED TO ORDER: At 1:50pm.

7. APPROVE THE AGENDA:

- a. A motion was made by President Drybread and seconded by Vice President Seymour to approve the agenda. The motion passed unanimously

8. APPROVAL AND ACCEPTANCE OF BOARD AND COMMITTEE MINUTES

- a. A motion was made by President Drybread and Seconded by Vice President Seymour to approve the following Board Minutes. The motion passed unanimously.

- i. Regular Board Meeting Minutes dated 1s September 2017

- b. A motion was made by President Drybread and Seconded by Vice President Seymour to acknowledge receipt of the following approved committee minutes. The motion passed unanimously:

- a. Acknowledge Receipt of Minutes Violations Committee – 12 October 2017
 - b. Acknowledge Receipt of Violations Review Panel Minutes – 14 September 2017
 - c. Acknowledge Receipt of Minutes Violations Committee – 28 September 2017

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- d. Acknowledge Receipt of Minutes Violations Committee – 24 August 2017
- e. Acknowledge Receipt of Patrol Meeting Minutes – 04 October 2017
- f. Acknowledge Receipt of MRC Minutes – 08 August 2017
- g. Acknowledge Receipt of MRC Minutes – 05 September 2017
- h. Acknowledge Receipt of MRC Minutes – 26 September 2017

9. RATIFYING OF BOARD POLLS

- a. A motion was made by President Drybread and Seconded by Director Cawley to ratify the following board polls. The motion passed unanimously.
 - i. Acceptance of Resignation of Director Landon from Board
 - ii. Approval of Leak Detection

10. RESIDENTS AGENDA QUESTIONS

- a. There were no Residents Agenda Questions

11. ACCOUNTANT / BOOKKEEPER REPORT

- a. Written report was provided and read by Accountant Dolanna Burnett as follows:
 - i. We are currently at 75% of the year and are at 103% of our Annual Budgeted Income (accrual basis)
 - ii. **ADMINISTRATIVE**
We are under our Annual Budget by approximately 6% within the Admin Dept. With the changes in salaries this year, as well as the under budgeted line items this surplus will be reduced as we move forward in the year. But these additional expenses will be off-set in part by the Water System allocated expenses and I don't anticipate being over budget by year-end within this department.
 - iii. **MAINTENANCE**
We are currently over budget by approximately 10% for the year. This deficit is a result of budgeting errors on specific line items (i.e., Other Supplies, allocated expenses) although historically these line items have annual expenses or were made obsolete. The deficit could be off-set by controlled spending in this department for the remainder of the year or savings in other operational departments.

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iv. **OTHER/MISCELLANEOUS**

We are currently over budget by approximately 10% for the year. This deficit is a result of budgeting errors on specific line items (i.e., Other Supplies, allocated expenses) although historically these line items have annual expenses or were made obsolete. The deficit could be off-set by controlled spending in this department for the remainder of the year or savings in other operational departments.

v. **POOL**

We are currently over budget for the year by 18%. This deficit may be reduced as we move forward in the year due to the end of the summer season. Salary increases will have a significant impact on the budget, but could be off-set by other line items (i.e., Training, Structural Repairs) that can be controlled for the remainder of the year. I expect to see this department minimally under budget by year end.

vi. **SECURITY**

We are currently over budget for the year by 5%. Gate Expense and Allocated Expenses are the primary line items that are causing the deficit. This is a result of budgeting errors. Security System Expenses are expected to be over budget by year-end, but could be partially off-set by Utilities and Mileage that are expected to be under budget for the year.

vii. **WATER SYSTEM**

We are currently at 102% of our Annual Budgeted Income for Water Operations (accrual basis). The overall expenses are over budget by 2% and there are no significant factors to detail within this department at this time.

viii. **RECEIVABLES**

- a. Invoices total \$684,422.70 for Assessments and Water Usage year-to-date.
- b. The remaining balance due for 2017 Assessments and Water Usage is \$77,986.36 (11% of total billed).
- c. There has been \$1054.96 in bad debt because of Trustee Sales and Bankruptcies in 2017. This figure will increase at year-end as a result of the historical properties that are identified as uncollectible.
- d. We have collected 89% of our current year billed Assessments and Water Usage.
- e. We have collected approximately \$9,900 for prior period bad debt accounts.

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12. OFFICE MANAGER REPORT

a. A written report was provided by Office Manager Sparkman and read by Secretary Moore as follows:

i. **List of Accounts**

Accounts with credit balances	160
Paid in full with zero balance	495
Residents on Prom Notes	230
Residents on Line Pmts	113
For total of	998

ii. Cross training has started in the office and is going well

13. MAINTENANCE / WATER MANAGER REPORT

a. Written report was provided by Manager Darrow and read by President Drybread as follows

i. **MAJOR PROJECT UPDATES**

- Well #5, Lydia has been looking into filter options one of them being an atec system . This will determine who will potentially do the pilot testing. She will be starting the project report to the state soon.
- Otter Beach and Reichel Project. We will be meeting with all the governmental bodies involved on October 24. We hope to have a plan that we can move forward with from here.
- Status of snow removal. Currently we have about 60 yards of sand on hand. I will order 1 or 2 more transfers of sand (24-48 yards) depending on room. The board will have to decide if they want salt to be used this year or not and in what form. Last year the salt we did use did rust the back of the f-350. Both trucks are in fair shape. The f-450 plow pump will need to be rebuilt and the parts are here to do so. The f-350 will need a new bracket made to hold the sander to the truck due to it being damaged last season. We have been working on a policy for snow removal.

ii. **EQUIPMENT FAILURE**

- The Kubota mower deck gear box has had the main shaft and pulley rounded out. The gear box can be replaced for approximately \$1500 or the whole deck can be replaced for approximately \$3300. Will get bid for Finance to review.

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iii. WATER

- Testing Results: Coliform samples came back clean
- Water Usage: 6.5 million
- Pending Issues: Replacement of Caustic system out valve. For the time being it's not too much of an issue. This and some other maintenance will be done once well #5 is online.
- Major Issues: 1 17% water loss. U.S.A. came in and did a leak detection survey, they found 5 leaks. Once we have repaired these leaks I will reevaluate the leakage percentage.
- Over all Condition: The water system I doing good. The samples have been coming back clean and within safe drinking water standards. Even with well 1&2 supplying water for the whole community the aquifer level have been holding relatively steady with normal seasonal fluctuations. Once well #5 has been brought online we will have to take this site down for a bit for some maintenance. You can now access the Consumer confidence report at <http://www.clearwood-yelm.com/meetingminutes/CCR%202016-1.pdf>. Postcards will be sent out soon to consumers with this address.

iv. VANDALISM REPORT

1. Vandalism report provided and read by President Drybread.

14. PRESIDENTS COMMENTS

- a. President Drybread informed the Board and Membership that there were 3 letters of interest submitted to the board to fill the seat of Jim Landon. The board will be meeting with all candidates on Saturday 04 November 2017 at 09:00am at the office

15. TREASURERS COMMENTS

- a. Written report was provided by Treasurer Martin and read by Secretary Moore as follows:

- **Collection Policy**
Treasurer Martin has submitted an amended collections policy to the board for vote to approval. The changes establish specific timelines for when past due assessments and fines move to the next step in the collections process, requires documentation of what stage/step each past due is in, and gives visibility to the Board and Community that collections are being monitored and acted on in a timely manner. The policy has been reviewed by our bookkeeper and office manager, both have offered comments and their comments were incorporated into the submitted version
- **G-Suite/Office 365**
With the resignation of Jim Landon, who implemented G-Suite for the board, we needed to reassess our software needs. With Jim no longer on the Board, all system maintenance has been

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turned over to PC Technologies, our Managed Service Provider. PC Technologies recommended Microsoft Office. They are well experienced in the system and would be able to assist us better than they could with Google. The costs between Google and Office is the same.

- b. A motion was made by Secretary Moore and Seconded by President Drybread to acknowledge receipt of September 2017 Financials. The motion passed unanimously.

16. SECRETARY COMMENTS

- a. Secretary Moore Requested that November 2017 Agenda items be received by 03 November 2017.

17. OLD BUSINESS

- a. **Well 5**

A decision for treatment for the new well was recently voted on. The board was provided with an analysis of alternatives from Northwest Water Solutions (NWS) that showed several different alternatives. The following was selected:

Full flow treatment – meaning we are going to treat all the water coming from the new well source to provide us with full redundancy.

Use of wells – as part of the investigation to find a new Well, several test wells were dug, including the one at the site which was selected. There was a option to use just the new main Well, or to use both Wells. The cost to use both Wells was only slightly more than using only one, there is an up-front cost for a permanent pump and then ongoing costs, which will be minor, for operation (the test Well will put out 100 gpm). The boards decision was based on the desire from the Well 5 Task Force, the previous Board, and the community and the fact that the cost was minimal

Treatment – The water in the new Well tested positive for Manganese and Iron. This was expected because of the tests done during due diligence. The board was presented with 4 options, Aeration, Reverse Osmosis, Treatment with Chlorine and Treatment with Potassium Permanganate. NWS recommended against aeration as it would not work for our situation, and reverse osmosis is prohibitively expensive with only minimal success. That left the board with the two treatment options. The board, on the advise of Clearwood’s certified Water Manager, selected Chlorine Treatment, for the following reasons: Potassium Permanganate has the potential to turn your water pink or magenta if the dose is only slightly off. Chlorine will be dosed in such a small amount that it will be unnoticeable to the community.

Filtration – the water will be run through filters to remove the excess iron; it will then be passed through filters a second time to remove the excess manganese.

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Next Steps – The boards decisions are being submitted to the Department of Health for approval. In the meantime the board is looking at treatment plant options.

b. Top 5 Priorities for upcoming year

Top 5 priorities for the year required by the November 2017 board meeting.

c. Reserve Study Update

President Drybread informed the board that the Reserve Study has been done and hope to have the report back by the end of the year

18. NEW BUSINESS:

a. Committee Liaison Issues

i. ES & Patrol Committee

President Drybread requested that the Finance Committee be tasked into looking into the possibility that once payment of fines for speeding and parking violations issued by patrol is received that it be returned to patrol committee to fund committee expenses

ii. Roads and Water Committee

The Roads and Water Committee has restarted. We have a group of men and women who have experience in water systems and road construction, and are looking into different projects.

A motion was made by President Drybread and Seconded by Secretary Moore to seat Members to the Roads and Water Committee. The motion passed unanimously.

- i. Justin Kenoyer
- ii. Chris Miller
- iii. Ron Lindblad
- iv. Linda Azzarella

iii. Finance Committee

A motion was made by President Drybread and Seconded by Director Cawley to accept the following resignations from members of the Finance Committee. The motion passed unanimously.

- i. Wendi Broden
- ii. Robert Hund

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A motion was made by President Drybread and Seconded by Director Cawley to seat Members to the Finance Committee. The motion passed unanimously.

i. Linda Azzarella

iv. ACC Committee

A motion was made by Secretary Moore and Seconded by Director Hill to seat Members to the ACC Committee. The motion passed unanimously.

- i. Tommy Drybread
- ii. Mariel Lindblad

19. MEMBER ISSUES

- a. Member Tim and Flor Hall – 6/524 submitted a request to the board regarding RV.

A Motion was made by President Drybread and Seconded by Director Cawley to accept the application of extension from member Hall and to grant a 3 month extension from 1 November 2017 to 31 January 2018 to keep motorhome on property at which time necessary building documents are to be submitted to the board per the CCR's showing intent to build in Spring 2018. President Drybread, Vice President Seymour, Secretary Moore and Director Cawley were in favor. Director Hill Apposed. The motion passed.

20. OPEN FORUM

- a. There was nothing for discussion

21. ADJOURNMENT:

- a. A motion was made by President Drybread and seconded by Director Hill to adjourn at 11:45am. The motion was unanimously approved.

YVONNE MOORE,

Secretary