

To: Clearwood Board President

From: Mitch Waterman

Subject: General Manager Report for November 15, 2019

General Operational Issues

- NWWS installed water spigots on Wells 1 and 2 to test for water suction loss. Based on those results we are submitting a request to fund the repair on Well 2 due to an air leak that will not allow the valve to hold suction.
- Have not received a risk evaluation report from our Insurance company on playgrounds and tennis courts. This is an open issue.
- Waiting for quotes for placing Earthquake Insurance on our water tanks: I am told these were previously covered, and the coverage as of today does not exist. This issue remains open.
- Attempting to return Radar Gun back to Kustom Signals. This is still under negotiation.
- The new Maintenance Manager, Eric Hendrix, has been on-boarded and is fully integrated.
- A prosecutor has been named to address our criminal complaint.
- The exterior fence in the Maintenance Yard was cut by persons unknown and repaired by Staff.
- Based on discussions about the fence being cut, Staff is evaluating the value of our existing cameras to determine if they are sufficient. This will probably expand into a larger evaluation of all our network systems which includes computers, telephones, and camera systems. We will be reviewing all these contracts over the next several months.
- Maintenance Staff have prepared all snowplow equipment for the season and were instructed to triple the amount of stockpiled materials for snow plowing, sanding, and de-icing.
- Staff is working on an inexpensive process to spread liquid deicer on roads to prevent ice build-up.
- Seasonal bathroom shutdown is complete.
- Maintenance Manager will begin attending all CPC meetings.

Board and Policy Issues

- Performing the additional efforts outlined in Change Order;
 1. Finalized Bylaw Update Book; Board voted to accept.
 2. Updated Rules and Regulations Book and submitted to Board; pending formal acceptance.
 3. Conducted both Town Halls for membership to provide feedback to Board on proposed 2020 Budget and Resolutions
 4. Prepared and submitted, obtained approval for Resolution to borrow funds from Capital; incorporated in Voter Pamphlet for Membership notification.
 5. Providing support to Accounting Manager on FY 2020 Budget Development.
 6. Board President notified at that indirect costs for printing and mailing have exceeded the initial Board estimate of \$4,000.
 7. Direct Contract work for Management team for change order is tracking to budget.
- Have provided a draft Finance Committee Charter to Committee to formalize their process. Have also provided Finance Committee with a decision matrix (attached to this report) to assist in decision making of funding based on consequence and risk.
- Awaiting BOD response on review of Water Plan.
- Herb Schaff, a community member, has been representing Clearwood to regulatory agencies for the past several years in addressing the needs of our lakes. As the "point of contact" person for most of these activities Herb is

seeking to retire and has talked with Malinda to replace him in this role. Herb gave Malinda and I a briefing of his efforts, and the requirements for this most important effort. This role is demanding technically, administratively and needs a clear assignment by Governance to ensure it is properly managed and reported back to the Association. This remains an open issue.

- As requested, provided Board with draft Board Policy outlining the role of the Board/ Committee Liaison. Awaiting feedback, this is an open issue.
- Preparing four Financial Requests for submission to the Finance Committee for their review and forwarded to the Board for final approval. The four Capital Requests are as follows:
 1. Water Leak Detection
 2. Repair of Sweeper Truck
 3. Hi-Low Playground Border Replacement
 4. Repair of Well 2 valves
- Board requested options be provided to restrict vehicles over 5 tons. This is an open issue.
- Board approved the repair of Sunset Beach by replacing fallen brickwork and backfilling with same. This will be performed as staff time allows.
- The video equipment order has been held pending reissue of a credit card. We will be bringing in temporary equipment for the December Informational Meeting.
- Have secured volunteers to count ballots the week of the Special General Meeting on December 14th.
- We have now begun posting information on the website to flow out information to then community members. Collecting questions and responding then sending to Board for final review and approval prior to posting on the website.

Violations Committee

- Addressed and Resolved two long standing Violation Committee issues as requested by Violations Chair.
- Violations Chair is referring approx. Six long standing issues to the Board seeking to have them assigned to the General Manager for resolution.
- The Violations Committee will be resubmitting its charter and policy to the Board for approval in December.

Well 5 Status

- Awaiting an estimate for the installation of a pump to perform a 72-hour pump action at the request of the Department of Health.

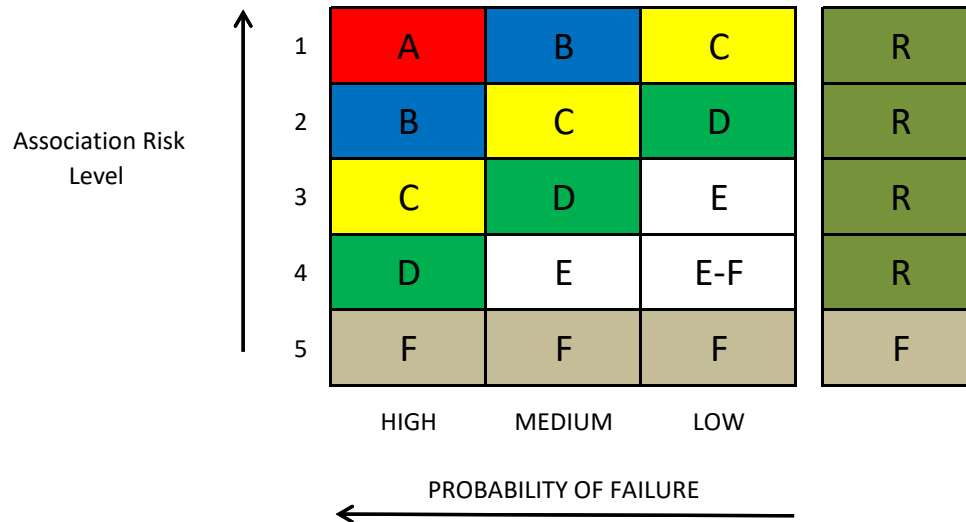
Legal, Insurance and Finance Issues

- Drafting up new collection's letters and payment plan for Board review.
- Posted status of embezzlement action on website to keep the Membership aware of the process.

January Actions to Follow

- Board will begin to receive policies and standard operating procedures for review and approval in the areas of Finance, Maintenance Operations, and Administrative Services.
- Management Staff will be seeking Board direction and guidance in preparing post management contract a Professional Property Management Services.
- Work with Finance to finalize Charter and Policy and initiate charter and policy discussion with ACC.
- Requesting Board hold either extended meeting or second Board meeting in January to discuss strategic planning.

CCA Maintenance Funding Prioritization Matrix





Maintenance Projects: Probability of Failure - Management	
A	Immediate repair/ mitigation or suffer loss.
B	Immediate mitigation with repair scheduled complete within 24 months, or project loss of asset.
C	Monitor area, provide maintenance, complete within 36 months.
D	Asset on Scheduled Preventative Maintenance Plan; functional; repair within 5 year plan.
E	Asset is surplus, obsolete or is being evaluated for strategic value. Maintenance limited to prevent failure.
F	Run to failure.
R	Asset on Scheduled Preventative Maintenance Plan; mitigative actions sufficient to sustain.

Maintenance: Association Owner Consequence Level – Determined by Finance Committee/ Board

1	Failure will result in personal injury, loss of major asset, significant community disruption, or regulatory fine/ penalty.
2	Failure will result in community disruption, incur significant cost due to asset failure or disrupt income.
3	Unplanned loss of asset can be mitigated at moderate to high cost, will have short duration impact on operations, small to no regulatory impact, no increased risk to community by deferring project.
4	Unplanned loss of asset can be swiftly mitigated, minimal to no impact on operations, no regulatory impact, no risk to community by deferring project; asset may not have clear purpose or strategic value to.
5	Risk to community, business and/ or regulatory compliance is minimal.

Projects: Association Impact Probability - Management

High	Association impact imminent. Action required, e.g., immediate solution required or exceeds ability to safely manage, operate, maintain Asset; high mitigation costs.
Medium	Association impact is near term. Negative impacts are beginning now. Action required in the near term. Means and methods to mitigate impact financially feasible if project is deferred.
Low	Low corporate impact; timing uncertain, longer term if at all.

CCA Reserve Project Funding Prioritization Matrix				
Associaition Risk Level 	1	A	B	C
	2	B	C	D
	3	C	D	E
	4	D	E	E-F
	5	F	F	F
		HIGH	MEDIUM	LOW
 Association Impact Probability				
Reserve Projects: Indication of Impact of Failure				
A	Immediate repair/ mitigation or suffer loss.			
B	Immediate mitigation with repair scheduled complete within 24 months, or project loss of asset.			
C	Monitor area, provide maintenance, complete within 36 months.			
D	Asset on Scheduled Preventative Maintenance Plan; functional; repair within 5 year plan.			
E	Asset is surplus, obsolete or is being evaluated for strategic value. Maintenance limited to prevent failure.			
F	Run to failure. No impact if failure			
Projects: Association Consequence Level – Determined by FC & BOD				
1	Asset shutdown –Impact of deferral or failure will: shut down significant Asset function; have major Community impact/ disruption; or regulatory fine/ penalty, or provide a H&S or Security risk to. Deferral would result in a future Asset shutdown condition. May be a critical “Positioning for the Future” project. May have a very high ROI < two years and or major cost avoidance.			
2	Significant community impact – Impact of deferral will significantly reduce Asset ability to perform purpose in resulting in large impactful community disruption. Effective mitigation costs are not insignificant. May be an important domino in a series of projects, deferral will result in significant community impact condition. Project may have an attractive ROI < two years or significant cost avoidance.			
3	Moderate community impact – Impact of deferral or failure will increase operating costs, no regulatory impact, no increased risk, and can be swiftly mitigated. Deferral may reduce image and external perception. May be a domino project that would delay a series of projects. May have a reasonable ROI < three years or cost avoidance.			
4	Minor mission delay –Impact of deferral or failure will have only minor impact on Asset performance, H&S, Security, community satisfaction and can easily be mitigated. Has minor cost avoidance or imperceptible ROI > five years. May be deferred within current mission requirements.			
5	No operational delay –No perceivable impact of deferral or failure. No impact on community, H&S or security or regulatory basis. No perceivable cost avoidance or ROI. Can be deferred indefinitely under current Asset purpose or utilization.			
Projects: Association Impact Probability - Management				
High	Association impact imminent. Action required, e.g., immediate solution required or exceeds ability to safely manage, operate, maintain asset; high mitigation costs			
Medium	Association impact is near term. Negative impacts are beginning now. Action required in the near term. Means and methods to mitigate impact financially feasible if project is deferred.			
Low	Low corporate impact; timing uncertain, longer term if at all.			