

MINUTES OF
WOLF CREEK PROPERTY OWNERS ASSOCIATION BOARD MEETING

AUGUST 14, 2008

Attending

Debra Hofmann president
Paul Smith vice president
Heather Patrick treasurer
Dotti Wilson secretary
Jan Erickson board member
Kris Borgias board member

Pete Soderquist, property manager
Tom Justus, from WA State Department of Health

Attached, sign in sheet of Association members attending

The meeting was called to order by the president at 7:00 pm at the Co-op.

Debra outlined ground rules for association members to speak. Jan will show the speaker a card at 5 and 1 minute remaining to speak. No board discussion will occur. The Board will go into executive session when the last speaker has concluded.

Minutes of the previous board meeting July 10 were read. Heather stated she was not directed to pay the bill received from Ron Perrow. Paul moved, Jan seconded, motion approved to delete the sentence, "Heather is authorized to pay this, upon receipt." Jan moved, Heather seconded that minutes be approved as amended. Motion passed.

Minutes of the special board meeting July 26, were read. Paul moved, Jan seconded to approve minutes as read. Motion passed.

Old Business

Paul stated that the letter regarding water meters and back flow preventors is still being drafted. 12 or 13 properties that have water connections do not have water meters.

Treasurer's report

Heather's name has been transferred to the account and she has installed Quickbooks. The letter regarding special assessments was sent stating the payments were due in 30 days. This conflicts with the bylaws, and a correction letter was sent that payment must be in 60 days. This information is posted on the web site. So far \$6,000 has been received in response to this letter. Heather presented a profit and loss statement from Jan 1-Aug 14 2008 and a balance sheet as of Aug 14, 2008. Both documents are attached. Currently the checking account totals \$8,181.80 with liabilities of \$2,282.44. Heather has received a

bill from Methownet for the website for twice the amount expected. They sent a letter stating they had neglected to bill for last year and were including that in the current bill. Heather will attempt to negotiate quarterly payments. It would save money to bury our name under Methownet's domain. It was decided to continue with the set up we have and review it in a year. Bills outstanding for excavator, electrician and pump of approximately \$15,000, thus the special assessment.

Pete Soderquist, property manager report

Pete gave some history of the water problem, including the letter from DOH regarding hook up moratorium and boil water order. Tom Justus from DOH did grant permission to proceed with new pump installation and issue a temporary operating permit through November. Water has tested negative for coliform bacteria indicating that the chlorination system is working well. The new well is online and it appears the water conservation measures association members were asked to observe are working as well. Is there still a leak? Pete has reached no definite conclusion. A new source meter should arrive tomorrow (Aug 15) and a second one by next week. Pete is working with Paul on the letter regarding water meters and back flow preventors. Pete will monitor and check all meters. Next week Pete will work on isolating areas i.e. turn off Ron Perrow's, then isolate Green Meadows, then Cottonwood. Jan spoke for the board, affirming Pete's work. Pete handed out information with DOH input about back flow preventers. The board will review and discuss at the next meeting. For the future, the board will consider water rate structures. Usage needs to be monitored and we need to be in compliance with DOH standards. All this information should be gathered by November 30 at the latest. Paul restated the options for meter installation 1) Board provide information of whom to contact to purchase meters and have installation or 2) Board purchase meter and hire contractor, then bill the property owner along with the water bill in January. The intent is to try to get the meters installed this fall. The information regarding meter status etc. will be on the web site.

Tom Justus from WA state Department of Health

Previous minutes explain how he is involved. When a system loses pressure, contamination can occur and a "Boil water" order and the moratorium on hook ups are automatically generated. Original system was designed by Al Perrow in the 1970s.

Currently there is a design manual that Tom used to compute some of his figures.

- 1) Operating Storage: How much a reservoir fluctuates when the pumps are on or off.
- 2) Equalizing Storage: On a peak day or hour, run more water than is going in.
- 3) Standby Storage: Provides reliability of the system. The manual states there should be two days of water in the reservoir. If the power goes off, there should be two days of water in the system. Homeowners decide the number of days.
- 4) Fire Flow: We have none currently not required
- 5) Dead Storage: Tanks that hold water at the bottom that does not meet the PSI requirements.

The number of connections has been limited to 47 and will stay there until the problem of low levels in the reservoir is found. Tom and Pete checked reservoir this pm and the tank was nearly full. DOH wants an engineer report to state how water can be provided to 81 connections. This will probably require additional storage.

Once the source meters are in and we have figures for peak usage along with the number of hours the pumps are on, probably can add some connections.

Tom suggested looking for outside funding for a new reservoir or leaking pipes. DOH along with the Public Works Department operates a loan system (20 year loan charging 1% interest). Requests are ranked according to public health need. Next application cycle is the first Monday in May 2009, money not available until March 2010. The money is Environmental Protection Agency money, lobbying "our" congress people to allot more money to the program could help.

Federal government passed "Safe drinking water act in 1974", a public water system is defined as serving 15 or more connections that are used 180 or more days of the year.

Group A: system serves 25 or more connections 180 days of the year.

Group A transit: Parks, Fairs, State parks, highway rest areas.

Group A Non transit: Schools and churches

Group B: Feds not interested in this group, less monitoring,

Our association was moved to group A two years ago.

Tom suggested new connections might be phased in, according to what the figures show.

Debra stated, in order to keep water in the reservoir everyone needs to continue water conservation. Do not waste water.

Pete has an open invitation to Evergreen Rural, circuit rider to return to do a water audit. When the source meters are in place, he will be informed.

Currently the pumps alternate between wells. If tank level drops, both pumps turn on.

Do not know how many hours pumps run.

Merle Kirkley, speaking for Concerned Property Owners group

He spoke for the group. They express support for the board and want to be helpful.

Mission Statement: We are an informal ad hoc group of Wolf Creek Property owners who have joined together for two reasons. 1) To achieve more transparent, accurate and timely communication between the board and association membership 2) to encourage the proactive informed resolutions of our ongoing water issues. Regarding both we offer ourselves as a sounding board towards collaborative solutions. Yes, we are asking for continued improvement and we hope to be helpful and supportive in any way that we can. We strongly believe that better communication leads to better decision making and a more informed membership should reduce the tendency for rumor and speculation to distract from or frustrate the process of how to change. We are all quite literally connected to the problem and ask that you will let us be part of the solution.

Ron Perrow member

Ron was upset to receive the letter regarding turning off his water. He would have appreciated a phone call asking "how you doing?" He has made substantial work towards getting off the Association water system. He has spoken with Pete, but cannot give a specific date, but it's going to be this year. Would appreciate more communication, if there is an issue, like turning off his water, that's a harsh thing to do. And citing a promise that I made, which was never made. What I said was, I think I can be off by June. That's what I thought, I couldn't do it. There's just too many variables to building a water system. So having said that, what I'm asking for is more open communication between

the board and me and Crystal in getting off the water system. Let's set this aside. I will discuss other issues.

Expressed appreciation for Tom Justus attendance. Al Perrow, Dad paid for the existing system, Ron built the reservoir. The system was engineered by Ev Philips in Okanogan. I built a lot of what he engineered. I have a great deal of knowledge of what the system had from its onset. At build out we have over 1,000 gallons a day for every residence. We will not ever have 100% occupancy in the property association. We are a combination of Residential and recreational users, was to be 30/70 but is probably 70/30. Right now, we have 20-23 full time users and we are really using water. So I disagree with Pete, I think we have a substantial leak. I don't think there is a leak in the fill line. I think the combination of the source meters and an observation of how full the reservoir is to ascertain how much water we use in a period of time. The next thing is, where's it going? The only way to tell that is to isolate the amount of users we know. It will only occur if we read the meters, which means we have to have every user, metered. I have a backhoe at home and I'll willing to assist in getting meters installed. The system was designed to isolate certain portions of the system for 24 hours and see what happens. Then do the next section the same way etc. In the early days of the system, we found leaks and we fixed leaks. Right now we don't have maintenance, it needs to happen. Meters are an essential part. I will work with the board in any way I can. The Perrow family trust owns 8 parcels, so want to have all parcels cleared for hook ups. An engineer should be able to identify a plan to make it work. I champion the concept of working together, let's get this problem fixed.

Chrystal Perrow stated that they will remove the pump and therefore the bill they submitted should be deleted.

Dick Garing member, stated that he thinks there may be some minor leaks, but the problem is usage. He offered to help Pete with isolation of systems. If there is a power outage, he believes there is insufficient water storage.

Nellie Casey member, asked, could we self fund and still apply for loan or grant. Answer, No. Tom suggested contacting Rural Development of Wenatchee and legislators regarding possible funding. A rough estimate of cost for a new reservoir might be up to \$2/gallon for a 100,000 gallon tank.

Debra stated, we need additional water storage. If it turns out that we need a reservoir and it appears we will, we would want to put that reservoir next to the existing one. The Association does not own the land that the reservoir is on, the Perrow Family Trust does. We need access to that land. We have asked you in the past to deed that property to the Association. There has been favorable reaction to that proposal at board meetings, but it has not happened. We ask again, to please consider deeding that property to the Association. I want to read a document prepared by your Dad, Al Perrow that was given to property owners when they purchased lots. "All community parks, common areas, present and future water facilities are owned and under the direct control of the Wolf Creek Property Owners Association." This indicates to me that it was Al's intent that the water system belong to the Association. Parts of it do. But, the lot that the reservoir sits on and the lot that well #2 sits on were never transferred to the Association. There is an easement now, that allows access, but WCPOA can't do anything to put anything new

there, unless WCPOA owns the property. Please consider deeding it to the Association. Ron, you are the owner and developer and as such are responsible. WCPOA doesn't own the land and can't upgrade. We would like an answer in one week.

Ron stated there is an additional reservoir site. Debra stated this would involve additional expense, to set up a separate site.

The board was reminded that it is a Family trust, with other trustees including Ron. All trust members need to be contacted.

Debra asked to close meeting, with an executive session to follow.

Jan moved, Heather seconded to adjourn the meeting. Motion approved, meeting adjourned at 8:45 pm

Next meeting September 11 2008 7 pm at the Co-op

Respectfully submitted
Dotti Wilson Secretary