

***DRAFT, SUBJECT TO APPROVAL
BY THE MEMBERS AT THE 2016
ANNUAL MEMBERSHIP MEETING***

**MINUTES OF MEETING OF MEMBERS
WOLF CREEK PROPERTY OWNERS ASSOCIATION**

The annual meeting of the members of Wolf Creek Property Owners Association (the “Association”) was held in the Winthrop Barn in Winthrop, WA on Saturday, June 27, 2015 at 5:00 p.m.

President, Jan Erickson stated that a quorum of the members was present in person, or by proxy.

Jan Erickson, acted as Chairman of the meeting, and Jacque Smith acted as Secretary. The meeting was then called to order.

The minutes of the 2014 general membership meeting were posted on the website several months ago. Since the minutes are six (6) pages long, and were available to the members for review prior to the meeting, the following motion by Bill Bley was seconded and approved by the members:

RESOLVED, that reading of the 2014 general membership meeting minutes be dispensed with and the minutes are approved by the members.

Jan then introduced the current Board members and asked the members to introduce themselves.

The next item of business was the ratification of amendments to Sections 10.4, 10.5 and 11.2 of the CC&Rs and the addition of a new Section 11.7 to the CC&Rs, as presented to the members. Rita Baeyen raised a question regarding whether or not Section 11.7, *Solar and Other Alternative Energy Sources*, was too subjective and perhaps more specific criteria should be included. Bill Bley responded that the members have a statutory right to install solar panels, and the Architecture Committee will have the obligation to approve the design and/or placement of the panels. Discussion continued along with a discussion on windmills. Votes will be counted following the meeting and if the amendments are approved, an amendment to the CC&Rs will be prepared and recorded with the Okanogan County Auditor.

The next item of business was the election of Directors as noted on the ballots. There were no nominations from the floor, although Jan Erickson was a write-in candidate. The election of the following Directors were approved by the members:

Mark Ryan, Paul Smith and Robert Rohde

Debra Hofmann, the Treasurer, did not present a Treasurer’s report, but copies of a Balance

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Sheet and Profit & Loss Budget vs. Actual Statement (January 1 – June 27, 2015) were available to the members. There were no questions or comments on the financial material.

Pete Soderquist, the property and water manager then gave a water and property management report as follows:

- The 2014 Consumer Confidence Report and summary of water quality is complete and will be posted on the website. All sampled out well, with the exception of one house, which had a high lead reading.
- The Water Use Efficiency Report is due in July.
- We operate as a Group A Water System under the state guidelines, and numerous water samples were submitted to the State last year, as required. We tested positive for coliform in June and five (5) repeat samples were all negative. The last positive sample was in March of 2014. Lead and copper sampling are required every three years. Nitrates and nitrite sampling will be done in July and radium in September. We do not need to test for radon this year.
- There is a mechanical problem with the chlorinator and Pete will test daily until repaired. He hopes to monitor chlorine more efficiently.
- A generator was installed at the pump last year, following the fires and power outage. Andrew Nelson designed a cover for generator, which Pete will build.
- Mainline source meters coming out of the reservoir were installed, which will aid in monitoring leakage. Now, both source and service connections can be monitored.
- We need to review and/or change our goals for water efficiency every six years, according to the State. Current goals are to fix all system leaks within thirty days and to maintain our water distribution level in accordance with our water rights, which are 60 gallons per minute. Our current consumption averages 200 gallons per day in the winter and 350 gallons per day during the irrigation season. Our leakage needs to be around ten percent (10%) or less by 2017.
- The Board determined that it was cost effective to hire a leak detection company to locate water leaks, rather than to train Pete to do so.
- A leak was repaired in Cottonwood and we believe we are losing approximately 15% of our water to another leak, which we believe to be somewhere between the Price property and the reservoir. When the leak is found, and repaired, our leakage will drop to under 10%. There are also possible leaks on three member's properties,

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which will need to be assessed for repairs.

- There were three new service connections during the last year, two in Cottonwood, Ryan and Sorenson, and one in Green Meadows, Asa.
- Pete worked with the County to reinstate the No Spray Agreement around the wells, which was earlier terminated by the County.
- Pete attended an operator's training session this year to satisfy continuing education requirements to maintain his certification.
- The Board is studying water system improvements based in part on the 2013 outlined prepared by Pace Engineering.

Pete then asked for questions.

- Paul Smith asked whether or not a schedule was in place for testing the generator. Pete responded that the generator has a self-testing device, which is set to test once a week.
- Andrew Nelson asked how other small water systems, such as Pine Forest or Edelweiss handle repairs. Pete responded that he had the opportunity to review Edelweiss with their water system manager, was impressed with his capabilities, and the complexities of their system. He also stated that he wasn't familiar enough with Pine Forest to comment on their system.
- Gail Nova asked how to flush your system and Pete suggested that members, who don't regularly use their water, flush their taps for two to three minutes to clear any possible lead or copper in the system.

Jan then discussed a few miscellaneous items:

- A fire-wise link will be added to the website containing information and/or links for members.
- The Board suggests that members look into purchasing the blue 911 address plates for their homes. These can be purchased from the local fire department.
- Jan spoke to a representative of WasteWise. If you have an extra bag that does not fit in your trash container, you should put it on top of your own container – you will incur an extra charge for the overage. WasteWise asks that we not use bungee cords and that the containers be lined up in an orderly manner to expedite pick up.

Jan next gave an update on the status of the litigation with Mr. Perrow. The Board has not received a final ruling from the Court or received final papers from Mr. Perrow's attorney. The Board cannot make a decision on the next course of action until those are received and reviewed by

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our attorney, Mr. Brady. Once a final ruling is issued and a decision is reached on how to proceed, a notice will be posted on the website.

Jan then asked for questions from the floor and no one responded.

Jan stated that Bruce Herron requested an opportunity to speak at the meeting and he addressed the following concerns:

1. He believes that the Association should own the reservoir and the well property.
2. He believes that the litigation with Mr. Perrow should be put behind us. The Association already received approximately \$20,000 from Mr. Perrow for our legal fees and if we receive an adverse ruling in the current litigation we may be required to pay Mr. Perrow's legal fees.
3. He believes that the Association has no contingency plan in place to cover water system disasters, and no reserve account to fund or support the contingency plan or capital improvements. He suggests that a five, ten and/or fifteen year plan be implemented to set up a reserve account of approximately \$100,000 to \$150,000 and would propose incremental assessments for all members to fund such a plan.
4. He questioned the Pace Engineering report respecting system improvements and feels it is heavily weighted towards Cottonwood and does not adequately address the low-pressure issues facing members in Green Meadows. He is hopeful that the Water Committee will acknowledge his concerns.
5. Bruce has lived in the Association for six years and feels that he is fulfilling his obligations to the Association by timely paying his assessments and water fees and following the guidelines of the CC&Rs, but feels that the Association is not fulfilling their obligations to the members by (i) litigating nonsensically; (2) not developing or supporting a contingency plan; and (3) not establishing a reserve fund for water system repairs and/or capital improvements.

Following Bruce's comments, Dick Nova stated that unimproved lots pay equal assessments, but they do not pay for water if no water is being used. Mark Ryan did a quick computation of funding for a reserve fund, which would result in additional annual membership assessments.

There being no further business to come before the meeting, Dotti Wilson moved and Mark Ryan seconded a motion that the meeting be adjourned, which was approved by the members.

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Jacque Smith, Secretary

APPROVED:

Jan Erickson, Chairman