

CRUMBACHER ESTATES OWNERS ASSOCIATION

COMMUNITY NEWSLETTER - MARCH, 2011

WHAT'S HAPPENING?

This month, an in-depth discussion was held with attorney Scott DeTro regarding the impacts of the Municipal Water Law on the Crumbacher Estates water system. The highlights of that meeting are presented below.

We've also started to assemble a policy manual that will assist future boards in addressing issues in a fair and consistent manner. Four policies were approved at the February board meeting, and the text of those policies is presented here. Finally, a short update on the budget ratification process and the boundary line adjustment project is included.

MUNICIPAL WATER LAW UPDATE

President Doug Hale met last month with Scott DeTro to learn how this new law would impact the operation and management of our water system and the water right certificate. The following bullet points are highlights from that discussion:

- The Department of Ecology is considering this law as settled, and will be conducting business accordingly.
- Crumbacher Estates is now considered a municipal water supplier.
- As such, we no longer run the risk of losing domestic water on undeveloped lots.
- We can now provide water outside of the plat, if we were approached by an interested buyer.
- We also have the opportunity to explore the lease or sale of water to downstream users.
- Any such transfer would require a hydrogeologic study before approval would be given.
- The attorney emphasized that we have much more water in our right than we can use, and that there will be significant markets for this excess water.
- He recommended that we begin checking our meters regularly, to determine our average use. (This process has been started by our water operator.)

- Scott offered assistance to find potential lease or sale opportunities, develop contracts, and complete any desired transfers.
- It is his belief that such agreements could be a significant source of income for our association, and could offset the cost of meters and other infrastructure improvements.

One important point is that this change affects only our domestic portion of the water right. **There is no impact to the irrigation component.** Other options are available to improve the management of these rights, and the board is continuing to explore those possibilities.

BOARD POLICY MANUAL

Four new policies were approved at the February board meeting. The intent of the policy manual is to create a series of documents that bring together decisions from past board meetings, so that they can be consistently implemented without having to remember where those particular votes were made in the minutes. Also, it should provide a smoother transition of business from one board to another.

Policy 001: Association Meeting Voting Procedure

It is imperative that voting on business matters be conducted in a manner as set forth by the governing documents of the Association, so that the legality of such votes cannot be disputed. Past practices have not been consistent, and appear to have changed through the years.

Legal opinion was received by the Association, stating that one vote per lot was the most logical conclusion based on the then-current governing documents. This clarification was incorporated into the Association By-laws by majority vote of the Board of Directors on January 24th, 2011.

Prior to the start of any Association meeting, the Board shall call for all proxies to be presented. A roll call sheet listing each lot within the Association shall be used to record each proxy, as well as to document each lot represented by attending members.

Whenever a vote of the Association is called, the President may call for a show of hands. If the vote is split and a more precise vote is needed, then the President shall proceed with a roll call vote. The Vice-President shall record the votes by lot, and announce the final tally to the membership. Based on the tally, the President shall announce whether the measure passes or fails.

A standardized ballot form shall be provided to the representative of each lot, as determined by attendance or proxy. Each voting member shall record their vote on each measure presented, and these ballots shall be collected at the end of the meeting, so that a comparison may be made with the official tally. All ballots shall be kept on file for a minimum of one year, together with the official roll call sheet.

Policy 002: Request For Information

Any member of the Crumbacher Estates Owners Association has the legal right to obtain information regarding the conduct of business matters pertaining to the association. It is the responsibility of the Board of Directors to fulfill such requests in a timely manner.

When any request for public information is received, the Board shall respond by providing such documents or information within a two week period. Requests may be made to any member of the Board, and may be verbal or in writing; however, the Board may ask that a particular request be made in writing, either to clarify what specific information is being requested, or to keep permanent documentation that the request was received.

Policy 003: Complaints

It is the duty of the Board of Directors to enforce the protective covenants of the association. Complaints generally revolve around contentious and potentially litigious issues.

Complaints shall be submitted to the Board of Directors in writing, as approved by majority vote of the Board on January 18th, 2007. The Board shall determine if the nature of the complaint warrants a special meeting, or if the topic can be added to the agenda of the next regularly scheduled board meeting. Once a motion has been passed addressing the complaint, the complainant shall be notified in writing of the resolution and anticipated outcome.

Policy 004: Billing & Rates

It is the duty of the Board of Directors to ensure the financial viability of the Association. The Bylaws of the Association grant authority to the Board of Directors to

set water rates and assessments as necessary to meet all financial obligations.

Water rates are set at \$35.00/month, as established by majority vote of the Board on July 26th, 2010. Association dues are set at \$16.66/acre per bi-monthly billing cycle, as established by majority vote of the Board on October 4th, 2010. The billing cycle is every two months. Assessments are billed every two months along with the water, as established by majority vote of the Board on June 28th, 2007.

SIX-YEAR BUDGET RATIFIED

At the February meeting, the new budget was ratified without opposition, giving the association a decision-making framework for future expenses, water rates, and long-term savings. The board believes that the establishment of this budget is a crucial step in ensuring the financial security of the association, and will be striving to find cost savings wherever possible in order to operate under budget.

BOUNDARY LINE ADJUSTMENT

NCW Land Surveying recently submitted the official boundary line adjustment map to the county for recording. A map of the final survey has been included for your review. With this adjustment, the reservoir is now entirely contained within association-owned property. At some point in the very near future, the surveyors will complete the project by marking the new corners with steel survey pins.

CONTACTS

As always, we value your input and support. Please use any of the following options to contact your board.

Doug Hale, President	826-1653
Rod Moore, Vice President	422-1353
Ken Radford, Secretary/Treasurer	826-1977
Rennie McCormick, Director	826-8034
Darren Schmidt, Director	826-2622

Email: ceoard@gmail.com

Website: <http://www.crumbacher.net>