

Kachess Community Association

PO Box 3214
Bellevue, WA 98009

December 7, 2009

Greetings Kachess Residents,

Winter appears to have arrived and our neighborhood looks beautiful, as it always does, when it is blanketed in snow. I would like to write a short note to the community and will use Yahoo Groups and our Kachess Association list to ask for your support

First, there have been recent emails that have been broadcast to the community through Yahoo groups that, in nature request information relating to the Kachess Board business. We ask that all questions on Board business be directed to the Board in person at the monthly meetings or e-mail the board directly. As a fellow resident I understand the value of our yahoo groups list and that it was established to communicate with friends and neighbors. The Board does not manage, control or influence the Yahoo account. If we have a need to communicate broadly and / or quickly, we might use it to broadcast a water issue, need for help, or something else. It is, however, used only in addition to our community distribution list maintained by our Secretary that covers approximately 150 or more of our 166 lots. Given the Yahoo groups email process is not our official communication vehicle, we will not to respond to issues and / or concerns as it intended to be community forum and not the vehicle to communicate with the board and related business. The Yahoo e-mail system is a very productive and positive way to communicate with your neighbor and we continue to support the process as individual residents.

Second, any member of the community that has a question that really is for the Board, Secretary, or Treasurer, we would encourage using the community website to submit those questions. We would much rather address questions directly as opposed to receive email threads, that are not entirely factual to begin with, and eventually take on a life of their own. Example, every member is invited and welcomed to any and all Board meetings. At each meeting (usually monthly) we discuss many issues and all the financials for the community in an open forum. The meeting minutes are also on the website. The Board has worked diligently to be as open and as transparent as possible. Any member that would like to better understand our financial position simply has to make a request for that information and it can be provided. We will not be handing out mid-month status reports on financials, as they can be confusing and misleading. It is not the desire of this board to publish the Accounts Receivable lists community wide that reflect which individuals are past due. These are tough times, each of us is confronted with unique and challenging circumstances and the Board is working with each our community members individually to continue to pay dues. Overall, including dues and assessments, \$52,000 is outstanding as of November 30th, against over \$290,000 billed. This includes less than \$10,000 past due from 2008/2009 due to a couple homes in foreclosure or bankruptcy. Thanks to our current board we have developed a very comprehensive, consistent, formal and practical collection processes and have had success collected monies that in the past might not have been gotten. The balance of the past due amounts are less than 60 days old, which we know could be better, but not bad either. The monies continue to be collected, and placing undue pressure on some residents that may be facing hardship only serves to agitate and complicate the situation. We have a consistent process for everyone with notices, letters, liens, and if it comes to it, we can foreclose. Again, we encourage each resident to attend meetings and read meeting minutes on the website to stay current on where we are as a community. During our budgeting process, we did budget 15% for allowance for uncollectible dues. This provision is not expected to be used, and

we will pursue all monies owed to the community. The board did feel however, that some reserve for uncollectible should be shown on the books and budgeted accordingly.

Third, there is a question floating around about the water system so I might as well answer it here in case many are curious. We have collected about \$300,000 or so (out of \$322,000 billed) from the first two assessments in our approved schedule. The first phase of the water system upgrade cost approximately \$210,000 so we did cover that work with money collected. As we monitor our water system performance over the winter, we will be trying to determine which approach makes most sense for the next phase of improvements. In putting this plan together, we will look at collections results, next billings cash flow forecast, most vulnerable sections or areas based on leak analysis, and the construction environment. We might find ourselves simply collecting and banking the money over the next year, or, we might replace a section of mains and lines. We know we are losing 12,000 gallons a day now that we can measure residential use. If we can find that, it might make sense to fix that area...or, we might do a whole section.....more information is needed. What we do know, and what the community did approve is to replace the water system over 4 years through a phased collection. We have not deviated from that mission.

Thanks for your support, and if you have questions, we welcome those in person at Board meetings or through email. Again, please use the email addresses on the website board related questions.

Best Regards,

Evan Harding
Kachess Community President
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