

President's Message

June 19, 2008

Hello Kachess Community Members,

It was great to see so many at the annual meeting this year. Although many couldn't make it, for those of us there, it was an enjoyable, informative gathering. We spent a considerable amount of time discussing the water system and the changes in state law which requires the board to operate differently when it comes to assessments and voting.

To summarize the water system issue:

1. Each year we have many leaks in the system due to cut corners during the original installation of the water system. We do not have proper bedding under much of the mains. Combining the poor installation with heavy equipment on our roads and normal land movement is a recipe for a break. This wastes electricity and chlorine and it can cause a temporary loss of use or very low pressure. We are working on a leak this week which will cost us an estimated \$10,000.00
2. Many of the leaks cause costly road damage. All of the roads within our community are owned by the community except for Via Kachess.
3. We need to repair many of the roads (damaged by water leaks, and a combination of poor original construction and heavy truck use) but do not think it is prudent to spend the significant dollars required only to have it destroyed by future leaks.
4. It is believed that state law will require us in the future to meter our usage so we can be accountable for the leaks. We are being asked to report more and more to the state and our deficiencies are becoming more evident. The board speculates that we will increasingly be "above the radar" on compliance issues.

To summarize the changes in how the board will operate:

1. We each must vote in person or have a proxy vote for us at the meeting. We can change our bylaws to allow for voting by mail and we have a board member looking into this. Bylaws are easier to change than CC&R's and fortunately, many issues of how we operate are spelled out in our bylaws.
2. Assessments and Special Assessments are voted on at the time the budgets and/or supplemental budgets are voted on. We are no longer restricted to a 10% maximum increase of assessment. The vote is taken and the budget and/or assessments are approved unless there is no quorum or if over 50% of all lot owners vote no.
3. Loans can more easily be obtained, contrary to much of what is in our own CC&R's.
4. State laws trump CC&R's.

Opinion:

These changes require that we community members watch the board more closely than we have in the past. If a board decides to spend additional money on projects they deem important and some of us disagree, it will be up to those of us who disagree to learn more about it and then if we still disagree, we would need to get organized, active and “rally the troops” to vote no. It will be up to the board to convince the community to vote for it. Apathy and indifference will no longer favor doing nothing.

The present board takes this responsibility seriously. It is our fiduciary responsibility to watch out for the best interests of our community. Please understand that there is a strong consensus among board members that we need to be putting more money away specifically for our eventual water system replacement. Much is discussed at each meeting.

A number of years ago, the board proposed that we assess ourselves an additional \$100 per year for five years to put in a rainy day fund. These funds have been collected and allocated for roads and culverts, water system, clubhouse repairs, etc. We thank them for their insight because we were able to rebuild our culverts and drainage system last fall without coming to the community to ask for funds. We had no reports of flooding this past wet season. The system worked well.

Unfortunately, \$100/year for five years only collects approximately \$82,500. When divided up amongst all of our needs for repair, it simply isn't enough if we add replacing the water system into the picture. The water system alone will be well over a million dollars to replace. The highest estimate we received is \$3,000,000. Personally, I can't imagine it costing that much but then I'm an electrical engineer, not a civil engineer.

Just to put a number we can all put our arms around; \$3,000,000 divided by 167 lots divided by 240 monthly (20 years) payments (not counting interest – we hope to obtain a very low interest loan from the state) equals \$75.00/month. Adding interest increases this estimate by about \$8.00 per interest point. We would select the longest term available so that the future members of the community would also help pay for this precious, long term, asset. Keep in mind that we haven't been charging for water or saving for a new system for the past 30 years.

On a separate subject, I made an observation at our last meeting which I will repeat. I think we all agree that times have changed. Demands placed on each of us have grown. There are more double income families than ever before. There are more single parent families than ever before. Tasks that used to be accomplished during the week are now put off until the weekends because more adults in each household are working outside the home fulltime. Community members are simply not as willing to give as much time as we once did. Burn out? Perhaps it is for some. Mostly, I think it's because by the time we carve out enough time to make our way up to Kachess, the last thing we want to do is work more. We used to have board members handle our books, not anymore. We used to have volunteers to operate the snow plow, not anymore. We have volunteers to test the water for bacteria and deal with the health department, soon, unless someone else steps up, not anymore. We are paying for more and more services.

Before we hire out our water testing and reporting, we want to ask for volunteers. Can you commit to consistently testing the water at Kachess? If we had a large number of volunteers, the burden wouldn't be too onerous. It is imperative that we are in compliance with state law.

We also invite you to take a look at our budget. Please consider volunteering to come to a budget meeting or two. It will help you understand what we are up to and we can always use fresh ideas. We are not wasteful and we are looking for items to cut. But the tide is more paid services at higher and higher costs.

If you want to volunteer to help with water testing or to help with the budget process, please contact me at president@kachess.com I'm looking forward to hearing from you concerning the volunteering, the water system itself or anything else that's on your mind.

How about the weather last weekend?

Sincerely,



Tom Carmody
President and Board Member

PS Here's a little reminder of last February. Yes, that's our clubhouse under there.

