



CMCC BOARD MEETING MINUTES

May 27, 2023

Present: Mark Jacobsen-President, Kathy Lawrenson-Vice President, Scott Jackson-Treasurer, Kay Birkett-Secretary, Bob Connolly-Water Manager and Paula Berg-Community Coordinator. Road Manager Micheal Skredsvig was unable to attend. All other board members were in attendance. Mark called the meeting to order at 10:08 AM.

Secretary's Report: Kay provided the meeting minutes from the last board meeting on April 29th, 2023. Bob moved the minutes be approved, Scott seconded and the board approved the minutes.

Treasurer's Report: Scott provided his report.

Account Balances:

Banner Bank Checking Account: \$90,753.03

To Deposit:

Banner Bank USDA RD Loan Account: \$22,805.00

To Transfer from Checking:

Accounts Receivable: \$3,434.42 with 7 lots owing, including amounts to be paid from 2 lots in escrow and 1 lot with an overpayment of \$173.29.

Water Report: Bob gave the water report. The system was flushed earlier in the month. The team agreed the flush went very smoothly and they now have an efficient system in place. One lot owner reported a water hammer issue which seems to have resolved itself. There was a problem with the system at pump station #2 which reported a fault. The unit was restarted but it needs to be replaced. The parts are no longer under warranty. Research into the cost of replacement options varied and the board discussed options and the cost benefits for each, factoring in availability, longevity, warranty, and size of a unit which needs to fit into an existing space. Scott will continue to research the problem and determine if would could use any of our existing parts for a new installation and if the old parts could be refurbished to provide a backup unit. Scott pointed out the new budget he will present to the board includes a \$30,000 reserve. He moved the board authorize an amount not to exceed \$17,000.00 for parts and repair to make the system operational. Kay seconded and the motion passed unanimously.

Community Coordinator: Paula gave her report. She put out a request for volunteers to work blowing leaves off the roads to work alongside the system flushing team. There was one volunteer. She also had a report from the ad hoc internet access team. Detailed information should soon be available for CMCC and Blanchard.

Ongoing Business: The board discussed the installation of the new valve along Colony Mountain Drive. Scott has staked out the area and asked property owners in the area if they had any objections or concerns about the project. No one contacted him with objections. CMCC applied to Skagit County for the permit and the project is ready to proceed. The board was expecting a visitor who wanted to give an update on his plans for developing Lots 61-64 and Lot 99, all currently in escrow. The visitor had not provided written updated information and board members had questions they wanted to discuss. The regular meeting was adjourned and an Executive Session opened. Our visitor arrived at about the same time. Mark closed the Executive Session and reopened the regular board meeting to finish the ongoing business discussion.

New and Ongoing Business: Scott presented the 2023-2024 CMCC Annual Budget draft along with his breakdown sheets. He explained each item to board members. There was a discussion and Scott made a few changes to his totals, keeping final amounts in line with past expenditures and new projects planned for the next financial year. Bob updated the board regarding new Department of Health regulations for PFAS (firefighting chemicals). There will be new water system tests added in 2024. He does not know how expensive this testing will be or whether there will be other expenses related to the changes. Bob will include whatever information he has in the annual Consumer Confidence Report due out to all shareholders in June. Scott modified the draft budget to include the previous amount, not to exceed \$17,000, allocated for the immediate water system repairs. Bob moved the board approve the updated 2023-2024 CMCC Annual Budget. Kay seconded and the board approved it unanimously with one member absent. Teams will read the water meters the weekend of July 1st and 2nd. The next meeting is scheduled for July 1 at 10AM, dependent on Mark's schedule. The meeting was adjourned at 11:53 AM.

Mark reopened the board meeting at 12:01 PM, giving Ben Medina the floor. He currently holds the Schlemmer property in escrow and he presented updates on his development plans. He has been working with Elizabeth Schlemmer, his lawyers and county agencies on a plan to develop CMCC Lots 61-64 and Lot 99 as Stone Ridge Reserve. He proposed dividing Lots 61-64 into 3 lots by redrawing the lot lines leaving the upper 10 acres on the east as one lot and the two lower lots bordering Colony Mountain Drive into 2 five-acre lots. He currently plans to put no more than 7 single units on the 50 acres of Lot 99. Lots 61-64 each have a CMCC water hook-up available

along the main road. Lot 99 currently has 10 paid water shares available to connect to the CMCC water system. Ben presented an Estoppel Agreement which would transfer the Schlemmer/CMCC Legal Agreements from Elizabeth Schlemmer and CMCC to Ben Medina and CMCC. He is hoping to close on the property by the end of July. The board made some adjustments to this agreement. Scott moved the CMCC board accept this updated Estoppel Agreement and the attached Exhibit B, authorizing Mark to sign this document. Paula seconded the motion and it was approved by 6 board members with one board member absent. Ben will need future additional agreements with CMCC for this project. The meeting was adjourned at 12:15 PM.

Kay Birkett, CMCC Board Secretary  Board Approved on June 1, 2023