



**PARADISE COMMUNITY CLUB, INC.**

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**General Membership Meeting Minutes - June 26, 2016**

**Opening:**

At 10:04 AM, Bill Balcom made a last call for any outstanding ballots. No more ballots were submitted and the PCC Drop Box was reported by Cecile Roy as being empty. Therefore, the Annual Membership Meeting for Paradise Community Club was called to order at 10:05 AM on Sunday, June 26, 2016, at the PCC Office – 151 Nisqually Way, Ashford, WA - PCC President, Bill Balcom presiding. Bill Krause declared that the meeting, counting mail-in votes and members present met the requirements for a General Membership Meeting quorum. The minutes of the 2015 Annual Membership Meeting were distributed in advance for review.

**Board Members Attendance:**

<b>Bill Balcom (President)</b>	<b>Bill Krause (Vice President)</b>	<b>Sonja Maddux (Treasurer)</b>	<b>Brett Anderson (Secretary)</b>
<b>Calvin Porter</b>	<b>Joan Williams</b>	<b>Steve Olson</b>	<b>Julie Caldwell</b>

**Staff Members Attendance:**

<b>Cecile Roy (Office Clerk)</b>	<b>Ben Pacatte (Water Manager)</b>
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A total of 22 adult guests signed in as attending the meeting.

Bill Balcom introduced one of our guests, Fire Chief Gary Olson to address the audience, so that he would not be unnecessarily detained. Chief Olson recapped last year's Alder Lake fire, which was active from June through November 2015. He also stated that it is still possible that fire is still smoldering underground and could possibly resurface as our area dries out further this summer. He also passed out some brochures about upcoming training sessions on fire preparedness (trimming trees, moving combustibles away from house, etc.). The classes will be held in Packwood. The chief cited an example of how these practices saved a home during the last Chelan area fires; the home was spared while the neighbors were burned out.

The chief also stated that he is losing two volunteers to retirement this year and has only found one replacement so far. The total number of volunteers on the Lewis County side of the river is four. He also stated that he personally has a little over two years left on his contract and he is

spending his time trying to make sure that the department is as clean as possible before his departure. Chief Olson mentioned that burn permits are most easily issued online. They should be printed and maintained at the address that they are issued against. He mentioned that the contract between PCFD23 and LCFD17 is up in about a year and that there is more and more pressure to increase revenues. EMS rates are equal for the two departments but fire rates/thousand are \$1.50 (PCFD23) vs. \$1.00 (LCFD17). Gary believes these should be equal. He also believes that external forces may eventually result in the two departments being merged, and further that external forces may someday result in additional consolidations or outsourcing of select services. The chief stated that due to fewer resources being available for transporting, it is becoming more likely that people in need will need to be air-lifted. Chief Olson passed out brochures re an insurance policy that will cover the costs not already covered by their medical insurance. PCFD23 is holding an Open House on 7/23 (10-3pm) where you can learn more about fire safety, Airlift Northwest and the services they cover. He closed by recapping the First Aid class held in the PCC office last April and mentioned that the department is willing to offer additional classes in the future.

Bill Balcom requested that the Board members review the minutes of the 2015 Annual Membership Meeting. After review, Bill Krause motioned that the minutes be approved as drafted. The motion was seconded by Joan Williams and there were none opposed – motion carried.

The Treasurer’s Report was read by the Treasurer, Sonja Maddux. The below report was read:

\$83,153.71    Checking as of 4/30/2016

\$11,407.02    Deposits May 2016

\$26,885.46    Expenses May 2016

\$67,675.27    Checking as of 5/31/2016

**\$120,469.26    Total Assets**

PCC Bank Balances as of 5/31/2016			1 Year Ago	
Account	As of Date	Balance	Balance	Difference
KeyBank Checking	5/31/2016	\$67,675.27	\$61,279.29	(+\$6,395.98)
First Citizens CD	5/31/2016	\$31,955.34	\$31,931.45	+\$23.89
Timberland CD	5/31/2016	\$0	\$5,939.29	(\$5,939.29)
KeyBank Savings	5/31/2016	\$20,838.65	\$44,876.52	(\$24,037.87)
<b>Total</b>		<b>\$120,469.26</b>	<b>\$144,026.55</b>	<b>(\$23,557.29)*</b>

\* Lower balance attributed to expenses associated with 10-year meter replacements and Nisqually Place water line replacement.

The two Water System loans were provided as well. The unpaid balances are:  
\$605,213.63 USDA 40 year loan @ 4.5% (Pay off scheduled for 2044)  
\$137,186.63 State Revolving Fund @ 1.5% (Pay off scheduled for 2022)

### **Accounts in Arrears:**

Two members are facing potential foreclosure, owing a total of \$32,023.32. Of these, one is expected to undergo a mortgage foreclosure and one is currently listed for sale.

Four members have property liens in place, totaling \$2,506.01. One of these members is making payments and the Board is working with the PCC attorney to collect on the rest.

Brett Anderson motioned that the Treasurer's report be approved as read. The motion was seconded by Calvin Porter. There were none opposed; motion carried.

### **Grounds Report**

Julie Caldwell reported that the latest clean-up day in May has left the grounds in pretty good shape. She further reported that letters sent to owners to address covenant violations are resulting in prompt compliance in most cases.

Steve Olson reported that, due to higher priorities, a low water condition, and abuse by non-members, PCC did not plant trout in the lake. Bill Balcom asked the attendees how they felt about limiting fishing to kids only for the first few weeks after any future stocking. There seemed to be a consensus from the attendees in support of such a plan. There was some concern regarding how to police this during that period however.

### **Annual Picnic Announcement**

Bill Balcom invited all guests to attend the PCC Annual Picnic, which will be held from 11-1pm on July 23rd. He indicated that this event is another way to get to know your neighbors. Hamburgers, hot dogs, snacks and soft drinks will be provided.

### **Lewis County Sheriff - Guest Speaker Deputy Mike Mohr**

Deputy Mohr was asked how we can best minimize the chance of becoming a burglary victim. He stated that there are an abundance of burglaries right now and that making your house/cabin look occupied is the best protection. Move your cars when possible and make sure you have ample outdoor lighting. Also trim bushes near the structures and store valuables out of sight. Keep your yard care up and don't let your place look unattended. The deputy was also asked about dogs. He stated that dogs must be under your control at all times (on or off property). He was also asked how we can get better response time from his department. He stated that there is only one deputy assigned to the entire east end (Packwood, White Pass, Skate Creek). Bill Balcom asked if overtime coverage is a possibility. Deputy Mohr stated that it was indeed available but wasn't informed as to the hourly rate. A member asked if the Sheriff's department is in favor of us providing our own Security Patrol. The deputy agreed that many communities do so and with some notable success. Bill Balcom said that he would look into Security jackets that volunteers could wear as they walk the community. A member stated that we are currently

facing a situation where a property is exhibiting apparent drug-related activity, domestic disputes, foul language, and housing suspected stolen property. Members of the audience again expressed frustration regarding how seldom a deputy car is seen inside of Paradise Estates. A member also asked about the possibility of one of us performing a Citizen's Arrest. The deputy recommended that we not perform such an arrest as he had seen them go wrong more often than not. His last bit of advice was to get to know our nearby neighbors and form reciprocal watch agreements with them.

### **Year in Review – Bill Balcom**

Bill Balcom complemented Cecile and Sonja for their ongoing diligence in managing office issues. He then thanked Karen and Dan York for helping the community by providing their labor and tractor/chipper when needed. Bill also thanked Ben Pacatte for stepping in and rolling up his sleeves to insure that our water system is functioning at optimal levels. Bill then reviewed the past year's accomplishments, which included:

- Approximately 70 water meters have been replaced so far - batteries in the original meters are failing as they have now exceeded their 10-year life expectancy. The batteries in the new meters have a 20 year life expectancy.
- Alvie Whitlock stepped down as PCC's Water System Manager after 7 years. Alvie was instrumental in developing relationships with Dept. of Health and others involved in the water system. Thanks for all his hard work. Longtime resident Ben Pacatte has assumed the position and the Board looks forward to working with Ben.
- Ben and his wife Julie have cleaned up branches and debris along the road into Well House #4 and near the storage tanks. Their work really cleaned up the drive.
- The computer software program QuickBooks was purchased and implemented to manage dues payments. Board member Julie Caldwell worked with Cecile to develop a new billing invoice. The new billing system is expected to help make the billing of dues easier.
- Six Memorial Benches were purchased by members and installed around Big Lake and the small pond. The benches have been a nice addition to our common areas.
- PCC hosted a First aid class taught by our local Fire personnel at the office recently
- New trash containers have been placed at the Big Lake common area. A special thanks to Rod Glyzinski for implementing them and to Chuck Mitchell for emptying the containers every week during the spring/summer months.
- Accounts in arrears continue to decline - once collected those funds are reinvested into the community through various maintenance / improvement projects.
- Emergency Management – 36 sleeping cots and blankets have been stockpiled (24 of which were donated to PCC) for use in the event of an emergency.
- Nisqually Place cul de sac was added to the list of streets where water lines were replaced. The three other streets with new water lines are: Frying Pan, Rainier Place and Tokaloo.
- PCC owned two PTO-powered brush hogs; the older of the two was not as versatile as the newer model and was therefore sold. The funds were placed into the general fund.

- The Washington State Department of Health conducted a Sanitary Survey in September. No deficiencies were noted but the inspector did recommend installing Sampling Stations making it easier to collect samples of our water for testing. The stations have been installed on Creek Place and Frying Pan streets.
- During the December storm a log jam formed on Big Creek near the inlet to Lake Holiday causing loss of creek bank and flooding around and under homes along the creek. Due to potential additional damages from any future winter storms, Fish & Wildlife granted PCC an Emergency Permit so repairs could be made.
- Our mowing contractor has once again been renewed to maintain PCC common areas. Feedback regarding common areas has been very positive.
- During the past year PCC scheduled a couple of clean-up days to cut brush and spruce up our common areas. Thanks go to Dan and Karen York for their support and use of their tractor/chipper. Thank you to all PCC members who took part in the work parties.
- Our community office continues to host weekly Yoga classes, thanks to Erika Broska.
- As with past years, PCC was able to carry funds over from last year.

Work Ahead:

- The Board of Directors is researching ways to eliminate or minimize the weeds growing in Lake Holiday. Washington State Dept. of Ecology will not allow the use of chemicals for this purpose.
- We are working with Morning Star construction on a solution to repair the inlet to Lake Holiday. WA Fish and Wildlife gave guidance to PCC after the December storms to apply for a permit to make the inlet repair.

**Future Amenities**

Bill Balcom then asked the attendees if there were other amenities that the Board should consider in the future, as funds are available. There were suggestions of a two-car parking area near the Merry-Go-Round, as well as a picnic table and small trash receptacle for that same area. Bill asked if there was interest in a Game Night or Movie Night. There were some interested parties in the audience. Bill stated that we merely need someone to lead the effort and organize such a night. Another suggestion was to install a sign that identifies Bavarian Village and Paradise Estates, complete with directional arrows.

A member asked when the generator installation will be complete. Brett explained that it has proven difficult to find a licensed, bonded contractor who is willing to do the work at a reasonable price. He is planning to call another electrical company based in Lacey on Monday. Rod Glyzinski volunteered to help set up the generator equipment once the wiring is complete.

**Ballot Committee Selection**

Bill Balcom asked Steve Olson to choose two audience volunteers to assist with ballot counting. This year's volunteers were Paul Nerge and Chuck Mitchell, assisting Steve Olson and Cecile Roy. The committee excused itself to another room to begin the process of ballot counting & validation.

**Break** - The meeting was temporarily recessed for Lunch Break at 11:38am and was estimated to reconvene at 12:45PM.

<Pot Luck Lunch>

The meeting was reconvened at 12:40pm and called to order by Bill Balcom, President.

### **Water System Report**

Ben Pacatte stated that our system is currently in green status but that we need to promptly address an identified deficiency in the pressurized filter tanks. The Puyallup-based company that was going to assist with this ended up being too busy to get to us, so we are now working to receive a detailed proposal from Arcadia Drilling. Arcadia installed the system originally and has assured us of their availability. They are pre-ordering the valve parts that we need and we expect their formal proposal soon. Once received the Board will review/discuss approve as appropriate.

Ben also reported that he has 25 meter registers left to install from our current inventory and will install them as soon as time allows. Bill Krause asked him how many more he anticipated needing in the coming weeks. After some discussion, he requested that we order 25 more registers in the next week or so. A motion was made by Bill Krause to order 25 more meter registers. The motion was seconded by Joan Williams and there were none opposed; motion carried.

Ben requested funding for a training class, necessary to maintain his certification. The class is scheduled in September in Shelton, WA and costs \$300. Brett motioned that we approve the class fee, lodging (2 nights) and meal expenses. The motion was seconded by Bill Krause and there were none opposed; motion carried.

Ben also reported that the annual Consumer Confidence Report (CCR) has been successfully distributed. He further reported that the recent Security Assessment performed by USDA went very well. The agent was pleased and he does not expect any required follow up as a result.

### **Community Watch Report**

Paul Nerge reported that crime incidents are currently very low and that there was nothing significant to report in terms of problems. He then reiterated the schedule for the regular Community Watch meetings (the last Saturday of every even month – 10am - skipping December). The next meeting is scheduled for Saturday, 8/27/16 at 10am.

### **Emergency Management**

Steve Olson discussed a simple concept (3-3-3-3) that we can use to better prepare ourselves for emergency events. The idea is to be aware that humans only have about 3 minutes for air, 3 hours to secure shelter (maintain body core temp), 3 days to obtain water, 3 weeks to secure food (the elderly and the very young may have even less). These rough parameters can be helpful when planning rescue efforts. Steve passed out a short list of emergency supplies that we still need for our shelter capability. The Board reviewed the list and discussed allocating some funds to purchase a few of the items (flashlights, safety vests, etc.). After discussion, Bill Krause

motioned to approve \$100 toward the purchase of emergency items. The motion was seconded by Calvin Porter and there were none opposed; motion carried.

**Results of Voting**

The Ballot Committee completed their counting/validation efforts and announced the following results:

POSITION	MEMBER	YES		RESULT
Board Position #2	Calvin Porter	66		Elected – Term expires in June 2019
Board Position #7	Bill Balcom	63		Elected – Term expires in June 2019
President	Bill Balcom	64		Elected – Term expires in June 2017
Vice President	Bill Krause	65		Elected – Term expires in June 2017
			NO	
2017 Budget (attached)		64	3	Approved

Subsequent Board votes for Secretary and Treasurer:

Calvin Porter nominated Brett Anderson as Secretary and Sonja Maddux as Treasurer for the next year. The motion was seconded by Steve Olson and there were none opposed. Motion carried.

**Good of the Order**

A member asked what became of the idea of pressure washing / painting the water storage tanks. Brett explained that he had consulted with a much larger water company and they stated that there is no need to clean or paint concrete storage tanks. They did state that cleaning is often desirable but only for aesthetic purposes. This effort has therefore fallen quite low on the list of priorities.

As a follow on to the earlier conversation with the deputy, Bill Balcom asked if anyone in the audience would wear Security jackets if we were to purchase a few. A few attendees did indeed agree to wear them. Bill will look into purchasing a few for the volunteers to wear.

A member asked if we had determined if our fire extinguishers were still approved by the Fire Department. Brett explained that the Fire Chief informed us that they were valid for 12 years (and they are currently 6 years old).

With no further topics on the agenda or raised from the audience, the meeting was adjourned at 1:05pm. The next regular Board meeting is scheduled for 9/11/16 at 1pm – PCC Office.

Respectfully submitted,

Brett Anderson, Secretary \_\_\_\_\_ Date\_\_\_\_\_

Attest: Bill Balcom, President \_\_\_\_\_ Date\_\_\_\_\_

**2017 PROPOSED BUDGET**

Forecasted 2017 Income	Approved 2016 Budget	2015 Actual Income
Membership Dues	\$95,000	\$94,000
Water Revenue	\$94,000	\$92,500
Interest Income	\$20	\$21
Other Income	\$0	\$5,815
<b>Total Annual Income</b>	<b>\$189,020</b>	<b>\$186,520</b>

EXPENSES	Total Projected 2017 Cost	Approved 2016 Budget	Total Actual 2015
	<b>\$175,594</b>	<b>\$170,121</b>	<b>\$178,077</b>

**Office**

	2017 Proposed	2016 Approved	2015 Actual
Property Taxes	\$2,500	\$3,000	\$2,169
Phone/Fax/Internet	\$2,400	\$2,700	\$2,213
Utilities (incl. Street Lts & Well Pumps)	\$8,000	\$6,500	\$7,085
Office Equip/Supplies/Maint/Postage	\$4,500	\$4,500	\$5,004
Web Hosting	\$360	\$360	\$348
Greenline Software Support	\$2,400	\$2,750	\$2,750
<b>Subtotals</b>	<b>\$20,160</b>	<b>\$19,310</b>	<b>\$19,069</b>

Note: \$500 allocated for new generator propane

**Employment**

Water System Manager	\$16,507	\$16,231	\$15,960
Water System Assistant	\$6,206	\$6,102	\$4,500
Maintenance/Snow Removal Contractors	\$2,000	\$2,000	\$0
Office Administrative Clerk	\$15,000	\$13,163	\$13,859
Travel Reimbursements	\$3,500	\$3,500	\$4,263
Training Expenses	\$400	\$400	\$818
Treasurer Reimbursements	\$600	\$600	\$600
Secretary Reimbursements	\$600	\$600	\$600
Withholding Taxes	\$8,000	\$6,845	\$7,739
<b>Subtotals</b>	<b>\$52,813</b>	<b>\$49,441</b>	<b>\$48,339</b>

1.7% COLA (per Federal Guideline)

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**Professional Fees**

Liability & Property Insurance	\$11,500	\$12,000	\$10,506
Accounting Expenses (CPA)	\$3,200	\$3,200	\$2,806
Legal Expenses	\$8,000	\$6,000	\$13,884
<b>Subtotals</b>	<b>\$22,700</b>	<b>\$21,200</b>	<b>\$27,196</b>

**General Membership Events**

Lake Stocking (1x per Year)	\$625	\$625	\$625
Community Events	\$350	\$350	\$375
<b>Subtotals</b>	<b>\$975</b>	<b>\$975</b>	<b>\$950</b>

**Water System**

Grounds/Maint/Fuel/Supplies/Lab & Repairs	\$15,000	\$15,000	\$23,790
Utility Taxes	\$250	\$250	\$0
Professional Memberships	\$250	\$250	\$333
Permits/Licenses (DOI, DOR, Sec. 2c)	\$250	\$250	\$1,341
Contribution to Reserve Account	\$5,000	\$5,000	\$0
Misc.	\$400	\$400	\$0
<b>Subtotals</b>	<b>\$21,150</b>	<b>\$21,150</b>	<b>\$25,464</b>

2017 CAPITAL IMPROVEMENTS<sup>1</sup>

	Anticipated Cost (plus Tax)
Water Meter Register Replacements	\$8,500

2016 CAPITAL IMPROVEMENTS

	Initially Approved (plus Tax)	Final Cost
Frying Pan Water Line Upgrade	\$38,543	\$46,883
Rainier Place Water Line Upgrade	Incl.	Incl.
Tokaiho Place Water Line Upgrade	Incl.	Incl.
Nisqually Place Water Line Upgrade	\$20,414	\$15,987
Emergency Generator Purchase	\$3,500	\$3,406
<b>Totals</b>	<b>\$82,467</b>	<b>\$88,276</b>

**Loans**

Federal Loan	\$37,596	\$37,596	\$37,596
State Loan	\$18,700	\$18,949	\$19,206
<b>Subtotals</b>	<b>\$56,296</b>	<b>\$56,545</b>	<b>\$57,059</b>

**Misc.**

Construction Expenses	\$500	\$500	\$0
Tools/Equipment	\$1,000	\$1,000	\$0
<b>Subtotals</b>	<b>\$1,500</b>	<b>\$1,500</b>	<b>\$0</b>

<sup>1</sup>2017 Capital Projects are Discretionary and therefore vary in amount surplus account balances. Budget therefore reflects only an estimate based on forecasted revenue and expenses.

**Totals Talled at Top**

Forecasted EOY Surplus (Projected Income minus expenses)	\$13,426	\$16,399	\$27,877
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