

GLACIER SPRINGS PROPERTY OWNERS ASSOCIATION

2011 Annual Report

By the Glacier Springs Property Owners Association Board

2011 ANNUAL REPORT

TO THE MEMBERS OF THE GLACIER SPRINGS PROPERTY OWNERS ASSOCIATION

We look forward to seeing you at the upcoming 2011 Annual General Meeting (AGM) of the Glacier Springs Property Owner's Association on Saturday, October 29, 2011, 1pm at the Kendall School. Please note the date and try to attend. If you can't attend, *please sign and mail in your proxy* enclosed in this packet.

Five years ago at the AGM, members voted to approve a huge capital expense of replacing our water distribution system. The Water Advisory Committee spent long hours putting together many different scenarios and budgets for this much-needed project. A special assessment was approved by the membership for each dues paying lot to cover the payments of the \$410,000 loan needed. I am pleased to announce that the loan was paid off early on Sept. 8, 2011, saving the association thousands of dollars in interest (see special report p. 3). Even though this occurred in fiscal year 2012, I felt a special note to the membership was appropriate. The special assessment for this project is now officially complete. The association will continue to aggressively collect on outstanding receivables. We could not have done this without the commitment of those members who paid on time and in full. Thank you.

The enclosed Board reports are summaries of many of the efforts that have occurred on your behalf over the past year. Some of the key highlights of 2011:

- **Water System** – Congratulations are in order! Glacier Springs water won the American Water Works (AWWA) Best Tasting Water in the Northwest for the third year in a row! Our water system has continued to operate exceptionally well. As you recall, Association growth and state law changed the designation of our water system and the complexity of its management. Rick Benson has been filling the mandated role of certified water operator. He continues to do a stellar job with much of his time donated to the Association. Larry Watts, another volunteer member of the Glacier Springs community who is a certified water operator, also helps maintain the system. We are lucky to have two such capable members of our community willing to put in the time and effort to work with our water system. This luck cannot last forever and, at some point, the Association will need to contract services with a certified water operator to maintain and repair the system to state mandated standards.
- **Financial** –Our financial status continues to improve. As always, it is critical that all dues and assessments are paid on time or the Association could be put at financial risk. The Board continues to review our financial status and ways to insure reasonable financial reserves for the future of the Association. As mentioned in the Water System section, it is quite likely we will need to raise our dues next year to fund a water operator and to ensure adequate reserves to operate the business of the Association.
- **Community Relations** – I moved to Glacier Springs full-time at the end of January 2011 and have been enjoying the ebb and flow of the seasons and personality of our community. During my many walks I've been alarmed at the evidence of dumping and trespassing on private property. Debris piles have been dumped on the edge of lots and trees limbed and topped off on undeveloped lots. Please respect your neighbors' private property and keep Glacier Springs beautiful.

I'd also like to take the time to thank my fellow board members. I've had the privilege of working with a wonderful group of individuals. Thank you for your support, your work for the community, your opinions, and your laughter.

Respectfully,

Stacia A.M. Green
President

Financial Statements for Fiscal Year ending August 31st, 2011*

STATEMENT OF FINANCIAL POSITION

ASSETS

Cash and Cash Equivalents	155,687
Accounts Receivable	5,084
Fixed Assets: water system	838,866
Accumulated depreciation	(139,874)
Land	1,759
Total Assets	861,521

LIABILITIES & EQUITY

Liabilities	
Accounts Payable	3,814
Long term liabilities	
Bank Loan	79,088
Total Liabilities	79,088
Equity	
Contributed Capital	91,656
Retained Earnings	604,280
Net Income	82,682
Total Equity	778,618
Total Liabilities and Equity	861,521

STATEMENT OF INCOME AND EXPENSES

ORDINARY INCOME

Assessments	100,125
Dues	22,280
Fines	50
Water Connection Fees	0
Total Ordinary Income	122,455

ORDINARY EXPENSES

Depreciation	9,633
Bad Debt	5,441
Professional Fees	4,787
General Business Expenses	3,352
Insurance	2,192
Property taxes	1,829
Water System Operating	1,663
Utilities	819
DNR Lease (water system)	598
Taxes (federal income)	113
Total Ordinary Expense	30,427

Other Income	
Interest income	377
Other Expense	
Interest expense-loan	9,722
NET INCOME	82,682

2011 Financial Health

The financial health of our Association remains solid. We are near the end of Year Five of the special assessment to fund the replacement of the water distribution system. We have received over 99% of all assessments to date. MANY THANKS for your ongoing commitment to paying your dues and assessments on time!

A \$410,000 bank loan was procured in 2007 to fund the pipe replacement project: status of the loan liability is detailed below. Every penny of your special assessment goes directly to paying this loan.

As a result of continued on-time payments of our members, the Board is committed to paying the loan off without additional fees incurred by our members. It is our hope that this will be accomplished at the start of next fiscal year.

That said, we have an award-winning water system that will depreciate over the years and will need ongoing maintenance. The Board is assessing what that will mean to our members in the form of a potential yet reasonable increase in dues.

Many thanks to my fellow Board members for the shared efforts, commitment (and laughs!) in making Glacier Springs a better community each year.

Respectfully submitted,
Amy Vozel, Treasurer

FIXED ASSET EXPENSES

(none this fiscal year)	0
TOTAL	0

LOAN LIABILITY

Loan received	410,000
Principle paid (total)	330,912
TOTAL LOAN LIABILITY	79,088

* Unaudited

Financial Report on the Pipe Replacement Project And the Special Assessment†

Glacier Springs members ROCK!

Five years ago, the membership of GSPOA embarked on the largest project in association history when it approved funding for the replacement of the water distribution system. With an estimated budget of \$562,000 before loan interest expenses, this was no small affair for an association our size and it far exceeded our assets. With membership approval, the association procured a \$410,000 bank loan to help fund the project and a \$407/year special assessment to be in effect until all financial commitments associated with the project were satisfied. It was a TIGHT budget. No wiggle room. No margin for error. But WE DID IT!

You paid your assessments year after year and we kept that cash flow spreadsheet constantly updated...watching, watching, watching to make sure we could pay our \$8247.84 loan payment each month. We are SO happy to report that we paid that loan off EARLY on September 8, 2011! We are continuing to collect some outstanding receivables but over 99% of the assessments over five years have been received. The early payoff saves us some interest expense which ultimately helped us to nail this budget right on the button. Bullseye!

The following financials summarize the original budget and the actuals. We think it's a swell story and one worth sharing.

Thank you all for your dedication to this assessment and your commitment to our community.

		Actuals thru Sept 18, 2011	Budget Sept 2006
	Income		
	Bank Loan	410,000	410,000
	Cash	123,704	93,304
	Property sale (net)	30,338	61,096
	Special Assessment	500,221	498,575
	Current outstanding receivables	(3,275)	
	Interest Income	8,922	
	Total Income	1,069,910	1,062,975
	Expense		
	Project expenses	577,237	561,806
	Loan		
	Principal	410,000	410,000
	Interest Expense	82,094	90,013
	Total Expense	1,069,331	1,061,819
	Net Income	579	1,156

† Report as of September 18, 2011

Zoning Committee
2011 AGM, October 29, 2011

I. Members of the Zoning Committee from 10/10 included Tom Cosgrove, Kellie Slater, and Stacia Green. Other board members assisted the committee as needed.

II. Zoning Committee Approvals 10/10 – 9/11

- Reviewed and approved 1 cabin remodel request
- Reviewed and approved 1 septic installation
- Reviewed and approved 2 storage shed construction requests
- Reviewed and approved 1 greenhouse construction request
- Reviewed and approved 1 fence construction request

III. Zoning Covenants Violations 10/10 – 9/11

The following violations resulted in notification of the members in violation and fines, in some cases:

- 6 month exterior cabin completion violations - 2
- Septic Installation without approval violations - 1
- Unapproved signage - 1

All owners should be familiar with the requirements of the Covenants, Bylaws and Glacier Springs policies. These are easily found on the Glacier Springs website at www.glaciersprings.org.

Respectfully Submitted,

Stacia Green
Zoning Committee

Water Committee Report
2011 AGM, October 29, 2011

Our water system is called Glacier Springs Water System (Whatcom County) and is a Group A system labeled with DOH (Dept. of Health) ID number 277559. Our water comes from a sanitarily developed spring, and is fed into the distribution system by gravity, after circulating through 68,700 gallons of storage in two tanks. The Washington State Dept. of Health maintains online records of all public water systems in the state and you can refer to this URL for our current system using their online "Sentry Internet" database interface: <http://www4.doh.wa.gov/sentryinternet/Intro.aspx>

For those of you who are new to GSPOA, this report is the **4th** full annual status report since the main water distribution lines were replaced during the summer of 2007, completing our major water system infrastructure upgrade. Great news regarding the payoff of our assessment loan is discussed in the Presidents report, but in short, this very large capital project was extremely successful at every stage- from determining the need in 2005 as we became categorized as a Group A community system by DOH, to being completed on-time, under budget, and paid off early to save unnecessary interest. Thanks to each of you for your support in maintaining our award-winning water system.

Here is a short list of facts and information accumulated over the last year, and if you have any questions about your water system, please contact me at rickbbenson@gmail.com, and remember that my contact information is also listed on our GSPOA website at <http://glaciersprings.org/board.htm> If you have a broader question for the board, send an email to info@glaciersprings.org.

- Since last year, maintenance has been minimal: just a few days spent replacing pipe-fittings and repairing leaks in service lines that were not part of the pipe upgrade in 2007, and a need to repair one fire hydrant on Miller Way that was leaking. Fire hydrants are owned and operated by the homeowners association, not the fire department, just for clarity.
- Just as we did in 2009 and 2010, we again entered a water sample entry in March 2011 to the American Water Works (AWWA) Best Tasting Water in the Northwest competition held in Mt. Vernon, where we competed against systems from the Pacific Northwest subsection (Whatcom, Skagit, Snohomish, Clallam, and Jefferson counties) and won again for the third year in a row. This means that we have won every PNWS-AWWA subsection contest that we have entered.
- Currently, 104 homes are connected to the water system, and no new homes built in this reporting period. Our water resources continue to remain well above demand, and we now focus on one issue that is the result of a new reporting requirement, called the "Water Use Efficiency." <http://www.doh.wa.gov/ehp/dw/programs/wue.htm>. This annual report to the DOH and our membership requires us to get an operating 6 inch meter installed to document how much water enters the distribution system so that we can accurately measure system loss after reading the individual service meters located at each home. This work will be scheduled before June 2012.

In closing, I want to thank Larry Watts for his continued support and labor. I want to also thank those that have contacted me with reports of a water leak, or questions. I enjoy being one of two stewards of your water system and appreciate the trust and support that you have shown.

Respectfully submitted,
Rick Benson

Community Relations Committee

2011 AGM, October 29, 2011

I. The Committee

The Community Relations Committee has welcomed many new residents to the Glacier Springs Community this past year and specifically would like to welcome each of them and help anyone who is in need of information regards to the knowing what is going on, what needs to be done and things to know as a new member. Please address any enquiries to info@glaciersprings.org, Attn: community relations committee, Steve Potter

Information packets are sent to each newcomer/resident of Glacier Springs which contain the Covenants and Restrictions and Bylaws which are the rules and regulations set forth to govern Glacier Springs. Such items as Policy concerns, nuisance of dogs and other community concerns which need to be voiced, addressed and make decisions upon are at the heart of our community should be brought to our attention.

II. Items

- Three new members; informational packets sent
- Nuisance dog notice of concern; letters sent

III. Pending Items/Areas for input

We would like to hear your thoughts on these or any other issues. You can e-mail your comments to info@glaciersprings.org or via the Association's mailing address: PO Box 126, Maple Falls WA 98266.

Our dedicated Board of Directors, who meet at least once or twice a quarter, discussed many future plans, water issues, policy changes, new developments and governmental issues which directly affect our community. May I use this opportunity to invite any of those interested in becoming new board members to contact anyone of the board members to let us know your thoughts, concerns, hopes and dreams and if there is anything we can do to help make your place at Glacier Springs a better one.

Respectfully submitted,

Steve Potter
Community Relations Committee