

# **Operating Procedures**

**Approved May 23, 2015**

## **PREFACE**

The Board of Trustees is comprised of volunteers elected from the membership. The committees and committee chairs are volunteers appointed by the President from the membership. There are no travel expenses or per diem reimbursement. No executive perquisites. We employ an Association Manager who is responsible for and who directs the operations of the Ponderosa as specified by the Board. The Association Manager oversees the other Ponderosa employees which consist of an Office Manager, who handles all the bookkeeping, and maintenance workers who maintain our roads, water system, swimming pool, clubhouse and grounds.

Our Bylaws, these Operating Procedures, and our Rules & Regulations were written by member volunteers, for the membership. The Operating Procedures and the Rules & Regulations are created by the Board of Trustees to assist with the daily operations of Ponderosa.

## **OPERATING PROCEDURES**

### **1. BYLAWS**

The Operating Procedures are an adjunct to the Bylaws of the Ponderosa Community Club, Inc., and specifically incorporate the definitions used in the Bylaws.

### **2. BOARD OF TRUSTEES**

- The President shall ensure that every new Board of Trustee member receives an orientation on the Ponderosa Bylaws, Operational Procedures, Rules & Regulations, and basic Ponderosa operations.
- Each Trustee will annually sign the Code of Conduct adopted by the Board.

### **2.5 ORGANIZATIONAL STRUCTURE**

See Appendix A for a graphic of the Ponderosa's organizational structure.

### **3. COMMITTEES**

**Committee Make-up.** To serve on a committee you must be a member in good standing as defined in the Bylaws.

**Appointment of Committees.** Each year, but no later than September 1, the President appoints the following standing committees: Strategic Planning, Building & Grounds, Nominating, Elections, The Needler Newsletter, Social, and Watershed. The President or the Committees members will appoint a Committee Chair who will then report to the Board. The President may also appoint other committees (Ad Hoc) on an as-needed

basis. To be considered for service on a committee, place your name and interests with a Trustee.

**Board of Trustees, Committees, and Association Manager Relationship.** Through operation of the Bylaws and other sections of these Operating Procedures, each committee is assigned a Trustee whose responsibility is to assure that progress toward goals is being made, to coordinate the committee's work with other committees and the Board of Trustees, and to review and approve a draft budget for submittal to the Board of Trustees (See Section 7 of this document). The assigned Trustee is not a member of the committee, and has no voting power on the committee. Committees should involve the Association Manager when Ponderosa employee involvement is needed to accomplish a goal, and/or when Committee tasks involve changes to those areas overseen by the Association Manager.

**Committee Reports & Recommendations.** Committees shall make decisions based on a majority vote of the members. Committee recommendations are to be presented, in writing, to the Board of Trustees, which is responsible for approval. Committee reports may be provided to the Board, or requested by the Board, at any Board Meeting.

If there is disagreement between the Board and a Committee, then they should meet to discuss the issues. The Board will have the final decision making authority with regard to any committee action.

#### **4. STANDING COMMITTEES**

Ponderosa has six standing committees.

A. **Buildings & Grounds Committee.** The recommended number of members is no fewer than three (3). The Director of Operations is the Trustee assigned to this committee. The committee is charged with:

a) Subject to the approval of the Board of Trustees, the responsibility for maintenance, repair and improvement of existing buildings and grounds (except greenbelts) owned by the Corporation, except when any of these responsibilities are assigned to the Association Manager; and

b) Preparing a one-year proposed budget and presenting it to the Director of Operations no later than September 1 of each year.

B. **Nominating Committee.** The recommended number of members is no fewer than two (2) in order to expand recruitment and provide member access. The President is the Trustee assigned to this committee. The committee is responsible for:

a) Soliciting candidates to fill Board positions which will become vacant during the coming year. The solicitation(s) shall be done through notifications to the members, which includes an announcement of the committee's existence and method(s) of contact, a request for volunteers to run for election, and a request for names of persons the Nominating Committee might contact as potential candidates.

b) Interviewing all candidates in order to explain the obligations and responsibilities of a Board position and to confirm the candidate's continued seriousness

to run for election.

- c) Obtaining written statements from each candidate of two hundred fifty (250) words or less outlining the candidate's history with Ponderosa Community Club, Inc., the experiences, attributes or qualifications the candidate feels he/she would bring to the Trustee position, and/or any specific needs of the community the candidate has identified which need to be addressed.

- d) Requesting a photograph (e.g. 3" x 5" snapshot) of each candidate; and

- e) Presenting the written statements and photographs to the Board of Trustees by March 31 each year.

C. Elections Committee. The Elections Committee shall consist of no fewer than four (4) members in order to provide ballot counting crosschecks. The Vice-president is the Trustee assigned to this committee. The committee is charged with the responsibility of:

- a) Collecting, validating and counting ballots;

- b) Administering the Election Procedures outlined elsewhere in these Operating Procedures; and

- c) Validating and counting all ballots.

The Association Manager is responsible for receiving all ballots and securing the ballots until they are validated and counted;

The Vice-President is responsible for ensuring the ballots and tally sheets are retained in the Ponderosa business office for the retention period, then destroying them in accordance with Ponderosa's document destruction policy.

D. Social Committee. The recommended number of members for the Social Committee is no fewer than three (3). The Vice President is the Trustee assigned to this committee. The committee is charged with:

- a) Planning, organizing and directing social activities which involve the Ponderosa's facilities. When possible, a social activities plan for each year should be presented to the Vice President by December 31.

- b) The Social Committee will submit a proposed budget, by September 1, to the Vice-President who will review and approve. The Vice-President will submit it to the Board for inclusion in the annual M&O Budget to be voted upon by the members.

E. Needler/Newsletter Committee. The Needler Committee will periodically produce and distribute to the members a newsletter with information from the Board, Committees, Association Manager, and/or other members which is of interest to the membership. The Needler Editor has authority and responsibility for the content. Funding for the Needler will come from the M&O Budget.

The Needler Committee will submit a proposed budget, by September 1, to the President who will review and approve. The President will submit it to the Board for inclusion in the annual M&O Budget to be voted upon by the members.

F. Watershed Committee. The recommended number of members is no fewer than three (3). The Director of Operations is the Trustee assigned to this committee.

a) Subject to approval by the Board of Trustees, the committee has responsibility for improvement and maintenance of the greenbelts and riparian watershed area owned by the Corporation, except when any of these responsibilities are assigned to the Association Manager.

b) The Watershed Committee will submit a proposed budget, by September 1, to the Director of Operations who will review and approve. The Director of Operations will submit it to the Board for inclusion in the annual M&O Budget to be voted upon by the members.

## **5. AD HOC COMMITTEES**

An ad hoc committee is one which is appointed to carry out a specific, short-term mission. When the committee report is submitted to the Board of Trustees, the committee is automatically dissolved. Examples of ad hoc committees are Bylaws Committee, Operating Procedures Committee, and Rules & Regulations Committee, all of which might be formed from time to time to review/revise these documents; a Legal Committee, which might be formed to oversee a lawsuit; or a Membership Committee to welcome and assist new members in becoming involved. A Strategic Planning Committee may also be formed as an ad hoc committee, if needed, to assist the Board in Strategic Planning.

## **6. OMBUDSMAN**

The position of Ombudsman will be appointed by the Board. The Ombudsman investigates complaints, reports findings to the Board of Trustees and Association Manager, and mediates settlements among members.

## **7. PLANNING AND BUDGET PROCESS**

Committees and Board of Trustees. By August 1, the Trustee responsible for each committee will ask the Committee Chair to prepare a proposed budget. The Committee Chair will consider input from its committee members, and from the Association Manager who is responsible for maintenance and operations. Then, the assigned Trustee and the Committee Chair will review the proposed budget, and agree upon a version to present at the September Board Meeting. The Trustee/Committee relationships are as follows:

- Director of Operations/Buildings & Grounds
- Director of Operations/Watershed
- President/Nominating
- Vice-President/Social
- Vice-President/Elections
- President/Needler (newsletter)
- If an ad hoc committee exists, the board member responsible should submit a budget, as needed.

If the budget request includes a Misc. item, and that item exceeds \$100, the dollar amount may be approved, but prior to spending, the item for the expenditure must be identified, submitted to the Trustee responsible for that committee, and approved by the responsible Trustee.

Association Manager and Board of Trustees. By August 1, the Board of Trustees will ask the Association Manager to prepare a proposed budget for all items on the M&O Budget except as outlined in the above paragraph. The Association Manager and Director of Operations will review the budget and agree on a version to present at the September Board Meeting.

Final Proposed Budget. At the September and October Board Meetings, the Board of Trustees will review the proposed budgets submitted and produce a final proposed budget ("Final Proposed Budget"). The Final Proposed Budget must be completed at the October Board Meeting to allow time for preparation and distribution of ballots to the membership at least 30 days prior to the December Board Meeting. The Treasurer is responsible for preparing the Final Proposed Budget for the ballot. It should contain descriptions of the major areas of expenditures and income. The Treasurer will recommend acceptance by the membership.

The Treasurer will create and maintain a budget format to be approved by the Board annually. This will help maintain consistency in the budgeting process over the years.

Vote of the Membership. The membership will vote by ballot on acceptance or rejection of the annual budget in accordance with Article 15 of the Bylaws.

## **8. MEMBER'S RESPONSIBILITIES**

Duties to Others. Members have a duty to their families, guests, and tenants to advise them of the Ponderosa's Rules and Regulations, and of the family's, guest's and tenant's responsibility to comply.

Notice of Change in Ownership or Mailing Address. It is the member's responsibility to notify the Ponderosa Office Manager promptly (no later than thirty (30) days) of any change in mailing address and of any change in ownership of their property within the Ponderosa Community Club Inc., in order to assure proper billing of dues, assessments and fees, and to prevent delinquencies and subsequent penalties.

## **9. GUEST/TENANT RESPONSIBILITIES AND PRIVILEGES**

Families, social guests and tenants. Families, social guests and tenants of members enjoy the same privileges to the use of Ponderosa facilities as members while residing within Ponderosa Estates, except that short-term tenants are not permitted to use the swimming pool or clubhouse. A short-term tenant is any person residing upon a member's property for less than ten (10) days in exchange of money, goods, or services. Members are required to accurately describe whether their tenants can use the clubhouse and swimming pool in any advertisement for use of their property to prospective tenants. Families, social guests and tenants of members also carry the same responsibilities

toward their neighbors and Ponderosa property as members. It is the responsibility of the host member to inform family, social guests, and tenants of these responsibilities. Breach of the Bylaws, Operating Procedures, or Rules and Regulations may result in fines being levied against the owner of the lot at issue in accordance with the Fine Schedule, and may include possible loss of use privileges.

## **10. NEW MEMBERS**

When anyone identifies a new member, the Office Manager is to be notified. The Office Manager will contact the new member, obtain correct names, complete contact information and provide the new member with a “New Member Packet”.

The “New Member Packet” shall consist of:

- a) A welcoming letter inviting the new member to become involved;
- b) A questionnaire regarding the new member’s interests, skills, etc.;
- c) The following items available on the Ponderosa website (new members may request paper copies of these items):
  - Articles of Incorporation,
  - Bylaws,
  - Operating Procedures, and
  - Rules & Regulations;
- d) A description of how to contact the Association Manager and Ponderosa employees and a description of their duties and responsibilities;
- e) A list of the active committee chairpersons, with the method(s) of contacting them;
- f) A list of the current Board of Trustees with the method(s) of contacting them;
- g) A notation that a copy of the current annual budget is on the website. The member may request a paper copy;
- h) A list of existing special assessments;
- i) A notation that the calendar of social events is on the website. The member may request a paper copy; and
- j) A map of Ponderosa Community Club, Inc.

## **11. MANAGEMENT OF FUNDS AND PAYMENT OF BILLS**

11.1 Payments and Deposits. The Office Manager shall pay all accounts payable approved by the Association Manager. The Association Manager will receive, and the Office Manager will deposit, receipts to the Corporation accounts in such bank(s) as the Board of Trustees shall designate. The Office Manager will handle all Corporate accounts payable, as directed by the Association Manager. The Office Manager will preserve the original documents supporting book entries. The Office Manager shall pay all state and federal taxes due.

11.2 Reports. The Office Manager will create and distribute the following monthly financial reports, after approval by the Association Manager. The distribution list of each report is also noted below:

- Maintenance & Operation Funds
  - Distributed to the Board of Directors, website, Clubhouse bulletin board and kiosk
- Specifically Dedicated Funds Report
  - Distributed to the Board of Directors, website, Clubhouse bulletin board and kiosk
- Checking Activity Report
  - Distributed to the Board of Directors
- Past Due/AR Report
  - Distributed to the Board of Directors

## **12. MEMBERSHIP LISTS**

The Office Manager will maintain sufficient records of the current Corporation membership, including names, addresses, and the current status of each member.

Distribution and Privacy. Membership lists will be distributed to the Association Manager, Board of Trustees, maintenance employees, and to governmental agencies when required by law. Member's names and addresses are publically available and will be made available to members in good standing who demonstrate a legitimate need. Photocopying will not be allowed. Other member information will not be disclosed (e.g. phone numbers and email addresses.) Membership lists may not be provided by anyone for purposes of advertising, solicitation, political campaigning, or any commercial purpose.

## **13. MAINTENANCE & OPERATIONS DUES**

The Office Manager shall produce and distribute the invoices for Maintenance & Operations Dues. Maintenance & Operations Dues are payable in two equal segments. The first billing is mailed out by January 15, and is due by February 15. The second billing is mailed out by June 15, and is due by July 15.

## **14. SPECIAL ASSESSMENTS**

The resolution adopting and the amount of any Special Assessments shall be recorded in the Minutes of the Board or Member's Meeting at which the motion was passed. All assessments with durations of three (3) years or more shall also be detailed in attachments to the Operating Procedures until they expire.

## **15. DELINQUENT ACCOUNTS AND INTEREST CHARGES**

Assessment Payments Due 30 Days from Date of Invoice	Email/phone reminder to any account more than 30 days past due, if email address or phone number is available.
45 Days Past Due	Letter mailed to member notifying of past due account and that water service may be terminated at 60 days past due.
60 Days Past Due	Delinquent Account Notice Letter mailed to member and interest charges begin

	accruing. Notification of possible water shutoff within 7-14 days.
67-74 Days Past Due	Possible Water Shutoff Single \$25.00 fee for water termination and re-hookup
90 Days Past Due	Notice mailed to member that a lien may be filed for delinquent dues.
Greater than 90 Days Past Due	Lien recorded against delinquent member's lot and lien fee of not to exceed \$700.00 added to member's account.
90 Days Past Due and Every 90 Days thereafter	\$5.00 quarterly rebilling charge may be applied.
Returned Check Fee	Equal to the Corporation's Bank NSF charge

**Notification.** When an account becomes delinquent (i.e. 60 days from due date), the Association Manager will notify the delinquent member by letter of the delinquency and that a lien may be recorded against the delinquent member's real property within Ponderosa Community Club Inc., if payment is not received, or satisfactory arrangements for payment not made in the next thirty (30) days. The letter shall include a description of the effects of a lien.

**Payment Arrangements.** "Satisfactory arrangements for payment" means equal, periodic payments sufficient to pay off the delinquent account's balance, including interest, before the end of the fiscal year. Payments on delinquent accounts are to be credited first to, Special Assessments, and last to Maintenance & Operations Dues.

**Interest.** Delinquent accounts (60 days past due) will be charged interest at the rate of one percent (1%) compounded quarterly (annual percentage rate of 12.54%) and will be billed quarterly.

**Rebiling Charge.** A rebilling charge of five dollars (\$5.00) will be assessed quarterly to cover the costs of rebilling each delinquent account.

**Water Shut Off.** If any operations dues, special assessments, fees or monetary penalties, including interest, are more than sixty (60) days past due, the Corporation may terminate the water supply to a delinquent property. As part of the 60 day Delinquent Account Notice Letter, the Corporation will provide written notification to the delinquent member by first class mail and by registered mail to both the member's current address on file with the Corporation and to the property. The notification will include the date the water supply to the property may be shut off, a date and time for the delinquent member to have an opportunity to be heard before a member(s) of the Board of Trustees and Association Manager prior to any action by the Corporation, and the steps the delinquent member may take to avoid loss of water to their property. The Corporation will post written



notice at the property at least seven (7) days prior to the date of possible water termination. A fee of \$25 will be assessed both to terminate and to restore the water supply to any lot.

NSF Check Charge. A charge, equal to Ponderosa's bank's NSF fee, will be billed to each owner for every check returned for insufficient funds. This charge will be added to the owner's account balance and will be subject to interest, liens and possible foreclosure.

## **16. LIENS AND FORECLOSURES**

Liens. The Association Manager will keep the Board apprised of all owners who have become delinquent members (those with accounts more than 60 days past due) and will recommend that liens be filed as appropriate. With the approval of the Board, the Association Manager will record a lien against lots whose owners are more than 90 in arrears in amounts due to the Corporation including any dues, assessments, special assessment, fees, fines, penalties, and costs of collection and filing fees, if satisfactory arrangements for payment have not been made with the Association Manager. The Association Manager will notify the delinquent member by letter when a lien has been recorded and that a lien fee not to exceed \$700 was added to their account. All additional fees and costs incurred by the Corporation resulting from the lien shall be added to the owner's account. The letter will include details of the next step that can be taken (foreclosure) and the effects of a foreclosure action.

Foreclosures. With input from the Association Manager, foreclosure proceedings will be commenced against the property when the Board of Trustees determines by majority vote that the amount to be recovered is worth the expenses of foreclosure.

Suspension of Liens and Foreclosures. The Board of Trustees may direct the Association Manager to suspend recording of liens and/or initiating foreclosure action in certain hardship situations, or if satisfactory arrangements for payment have been made, and the delinquent member remains in compliance with the re-payment terms.

## **17. PROHIBITED ACTIONS AND FINE SCHEDULE**

The Board of Trustees may impose fines for violations of prohibited actions caused by members and/or their families, guests or tenants. Unlawful activity will be reported to the Chelan County Sheriff.

Illegal Fire. An illegal fire is defined as a fire during the PCC Board of Trustees imposed burn ban, or as a fire in the Ponderosa greenbelt. The Ponderosa Board of Trustees may impose a fine of \$500.00 for the first occurrence of an illegal fire. Fines will double for each subsequent violation (i.e., second violation \$1000, third violation \$2000, and so on.) The fine will be assessed to the member on whose lot the illegal fire occurred.

Vandalism, Malicious Mischief, and Public Nuisance. Incidents of vandalism, mischief, or public nuisance are to be reported to the Association Manager on a Complaint form which can be obtained at the Ponderosa office or on the website. The form includes space for names, addresses and phone numbers of participants and witnesses; dates, times and places of the incidents; and a description of the occurrences. The Association Manager will investigate and involve the Ombudsman, as appropriate.

Tree Cutting. The Board of Trustees may impose a fine for any tree cut down and/or removed from Ponderosa property without prior written approval by the Ponderosa, regardless of whether the cutting and/or removal was intentional. The fine will be based on the size of the tree: \$500 fine for each tree 3” to 6” in diameter, and \$750 fine for each tree over 6” in diameter. The diameter of the tree will be based on inspection of the fallen tree, the remaining stump and/or other evidence.

In addition, a \$200 fine may be imposed to cover the Ponderosa’s professional forester’s expenses to assess the trees that were cut, and any that did not conform to the PCC forest stewardship management plan would be subject to the standard fines defined in the previous paragraph.

In addition to fines, the Board of Trustees may require that a new tree be planted at this or another location as determined by the Board, per the Board’s specifications for type, size, and placement.

Property Damage. The Board of Trustees may impose fines commensurate with the costs of repair for any property damage caused by members and/or their families, guests or tenants, including possible loss of use privileges, when the Board of Trustees concludes there is reasonable evidence to identify the responsible party(ies).

Zoning Code/Health Department Violations. The Ombudsman or Association Manager will notify the member, in writing, of the nature of the violation, seek the member’s cooperation in correcting the situation, and remind the member of the potential for fines and other penalties if the violations continue. If the situation is not corrected within thirty (30) days, or another reasonable date as determined by the Board, the Ombudsman or Association Manager will notify the member, in writing that, the Chelan County Code Enforcement Officer will be notified, which could result in the issuance of a citation or possible fines. If the situation remains uncorrected, the Chelan County code violation form will be filed, with a copy to the member. If the Chelan County code enforcement process does not result in correction of the violation within 60 days, the Board of Trustees may assess a \$250 fine to the member on whose property the zoning code violation occurred, with written notice to the member. If the situation remains uncorrected after one month, the Board of Trustees may impose an additional \$500 fine. For each subsequent month that the situation remains uncorrected, fines will increase \$250 per period (i.e., \$250 initial fine, \$500 for the first month, \$750 for second month, and so on.) Any delinquencies in payment may be subject to liens or possible foreclosure in accordance with the Bylaws.

## FINE SCHEDULE

For violations other than Unauthorized Water Use/ hookup, Illegal Fire, Tree Cutting on Ponderosa Property, and Zoning Code/Health Department Violations.

<b>First Violation</b>	Warning Issued. May be by letter, email, telephone, or personal contact by the Association Manager or Ombudsman to discontinue or correct the violating behavior.
<b>Second Violation</b>	Notice Letter and \$50 Fine after Notice and Opportunity to Be Heard
<b>Third Violation</b>	\$100 Fine and Loss of all facility use privileges
<b>Subsequent Violation</b>	\$150 Fine for each subsequent violation

## FINE SCHEDULE

For Unauthorized Water Use/ hookup, Illegal Fire, Tree Cutting on Ponderosa Property, and Zoning Code/Health Department Violations

<b>Unauthorized Water Use/ hookup</b>	\$1,000 Fine and termination of water service after Notice and Opportunity to Be Heard
	\$200/Day Fine for any subsequent unauthorized use of Ponderosa Water following termination
<b>Illegal Fire</b>	\$500 Fine for first violation after Notice and Opportunity to Be Heard
	Fine will double for each subsequent illegal fire violation
<b>Tree Cutting on Ponderosa Property</b>	For first violation, \$500 Fine for each tree 3" to 6" in diameter and \$750 fine for each tree over 6" in diameter after Notice and Opportunity to Be Heard, and \$200 Fine to cover PCC's forester review of cut trees.
<b>Zoning Code/Health Department Violations</b>	\$250 Fine after Notice and Opportunity to Be Heard.
	Fine will increase by \$250 for each month the violation remains uncorrected.

## **18. BOOKKEEPING**

Special Assessments must be separated from other funds either through separate bank accounts or through a bookkeeping system which clearly shows income, expenditures and current balance of each special account, and which also balances the special accounts against the current cash balance.

The Maintenance & Operations Reserve Funds, Maintenance & Operations Funds, and Capital Improvement Reserve Funds shall be kept in separate accounts.

## **19. TREASURER'S REPORTS**

The Treasurer's Reports shall include the following, at a minimum:

- Renewal of CD's;
- Results of the annual financial review;
- Result of any review performed on the Ponderosa office financial processes; and/or
- Verification that federal and state taxes are paid on-time.

### **19.5 FINANCIAL REPORTS BY THE ASSOCIATION MANAGER**

The Office Manager shall create, and the Association Manager shall review and approve, the following reports. The reports will be provided monthly to the Board of Trustees and membership. The Delinquency report & Checking report are not sent to membership.

- a) Cash receipts, both for the month and year-to-date.
- b) Operating expenses by line item, amount budgeted, expenses for the month, and year-to-date.
- c) Explanation of expenses for the month which are unusual or extraordinary in nature or amount.
- d) Any use of the M&O Reserve fund, which must have prior approval by the Board,
- e) Individual special account activity for the month and year-to-date, including the total billed, received and outstanding on special assessments.
- f) Delinquencies by property address (not name), amount, age of delinquency, and status of lien or foreclosure.
- g) Line item list of all checks for the month, or a copy of the checks.

## **20. REVIEWS AND AUDITS OF THE CORPORATION BOOKS**

The Treasurer shall instruct the Certified Public Accountant performing the annual review of the Corporation's books to place the following notice at the bottom of the annual review: "The next audit of the Ponderosa Community Club, Inc.'s books shall be done in (insert year)." The year to be inserted shall be in accordance with the Bylaws requirement of an audit every seventh (7th) year. The last audit was done in 2012 covering the year 2011.

## **21. WATER**

Hookup Fee and Fines. The Corporation will charge:

- a) A hookup fee of \$250.00 per lot, payable in advance, to provide initial water hookup for any member in good standing.
- b) A fine of one thousand dollars (\$1000.00) shall be levied and water service terminated, after a notice and opportunity to be heard, for connecting to the Corporation's water system without express approval of the Board of Trustees, or for any unauthorized taking of Ponderosa water off of Ponderosa Community Club, Inc., property.
- c) An additional fine of two hundred dollars (\$200.00) shall be levied if a member restores the terminated water service without express approval of the Board of Trustees.

Water service fines are due immediately, and if not paid within 30 days after invoice date, and are subject to liens and possible foreclosure if unpaid.

Water System Operation and Maintenance Manual. Additional policies and procedures for the Ponderosa Community Club, Inc., water system shall be maintained in a separate Small Water System Management Plan, as required by the Department of Health.

## **22. EMERGENCY INDIVIDUAL TRUSTEE AUTHORITY**

Authority Without Prior Approval. In the event of an emergency, a Trustee operating within the scope of his/her authority as outlined in the Bylaws, and in accordance with the applicable standard of care, may obligate the Ponderosa to an amount not to exceed five hundred dollars (\$500.00) without prior approval of the Board of Trustees. This figure may be exceeded in the case of an extraordinary emergency (i.e. when the potential loss caused by waiting will exceed the amount to be spent), but only when either the President or Vice President approves the action. Whenever this clause is invoked, the acting Trustee will provide the Board of Trustees at their next subsequent meeting, an explanation of the circumstances, his/her reasoning, and a detailed explanation of the action taken and the amounts expended.

## **23. COMPETITIVE BIDS**

When Required. The Association Manager will seek competitive bids on any capital expenditure which required a special assessment of the members, and on any capital expenditure of \$10,000 or more which is to be paid out of the Capital Improvements Reserve Fund. The use of competitive bids below \$10,000 shall be at the discretion of the Association Manager, considering the nature of the work and the availability of qualified bidders.

Bid Oversight Committee. If any of the bidders or non-bid contractors/sellers are members of the Ponderosa, or are related to any Trustee or Ponderosa employee, through blood, marriage, domestic partnership, or adoption, the Association Manager will solicit an ad hoc Bid Oversight Committee consisting of at least three (3) members who are not themselves disqualified by the foregoing criteria. The Bid Oversight Committee will be

responsible for monitoring and approving the bidding or non-bid job-letting/purchase process, in writing, before the Association Manager may award the contract, job, or purchase.

## **24. MEETINGS**

**Board of Trustee Regular Business Meetings.** The Board of Trustee's regular business meetings shall be scheduled at 8:00 a.m. on the second Saturday of each month, except January when a regular business meeting is at the option of the President. The meeting is to be held in the Clubhouse, or at an alternative location within Ponderosa Community Club, Inc., accessible to the members if the Clubhouse is not available. The date, time, place, and agenda of the regular business meeting shall be posted at the Ponderosa Clubhouse, and/or adjacent office building, and other means as determined by the Board, at least fourteen (14) days prior to each meeting.

**Members' Annual Meeting.** Notification of the Members' Annual Meeting should be made 30 days in advance of the meeting, but not less than 14 days. The Members' Annual Meeting is held at 10am on the Saturday of Memorial Day weekend.

## **25. ELECTIONS**

**Voting Rights.** As provided in the Bylaws, a member in good standing is entitled to one vote, regardless of the number of persons who might have an ownership interest in any one lot, and regardless of the number of lots owned by that membership. These election procedures are intended to preserve the integrity of that principle, despite a variety of methods of voting utilized by the Ponderosa.

**Pro and Con.** The President may poll both those in favor and those opposing on every issue which is not presented to a vote of the membership by a tally of colored ballot cards to ensure that only one vote is cast for each membership in good standing.

**Show of Hands Voting and Voice Voting.** Show of hands (i.e. other than colored card) and voice voting are not allowed during member's meetings, because this method does not assure that no more than one vote is being cast per membership. Show of hands (i.e. other than colored card) and voice voting may be used during Board of Trustee's Meetings at the Board's discretion.

**Paper Ballots.** If paper ballots are used, the return envelope shall be printed so it is addressed to the "Ponderosa Community Club" and is clearly identified as a ballot in order to ensure it is not opened prior to the vote tally.

**Pro and Con Statements.** Ballots may be accompanied by an optional written pro statement and con statement, so the membership may make an informed choice. The Board of Trustees will set the conditions, length and submittal deadlines, which are to be the same for both statements.

Ballot Security. If paper ballots are used, the returned ballot envelopes are to be promptly put in the Ballot Box in the office upon retrieval from the Ponderosa's mail box.

The returned ballot envelopes are to be retained, unopened, and in a secure place in the Ponderosa office. The ballots will be validated and counted in accordance with the procedures below. The tally sheets will be signed by each member of the committee, and the ballots and the tally sheets will be retained at the Ponderosa Office.

Election Procedures. These procedures are to be followed for any oral (non-ballot) vote:

1. The chair of the Election Committee will appoint personnel for each door, other than the main door, to assure that entry is achieved only by the main door.
2. The name of each person entering the room will be checked against the list of those members in good standing which has been provided to the chair of the Election Committee by the Office Manager. Those who are not on the list may not gain entry during the voting period, but shall be allowed for all other matters.
3. Four (4) different colors of large voting cards will be rotated through the years. The Office Manager will select the color to be used for the specific event. Those who are on the list will receive one colored voting card per membership and their attendance shall be recorded.
4. Anyone leaving the meeting room through any door will retain their colored voting card, but must regain entry only through the main door by showing their colored card, or by being identified as a member in good standing.

Ballot Voting.

1. The President will have the Election Committee gather any remaining hand-delivered ballots and mailed ballots for the vote tally.
2. Ballot Validation. The Election Committee will examine all ballots for irregularities (e.g. markings both "for" and "against" any issue, markings for more than the allowable number of candidates, fraudulent copies). If any are found, these ballots will be set aside as invalid and not included in the final vote count.
3. Each of the members of the Election Committee will view each of the valid ballots and maintain his/her own tabulation sheet. At the close of tabulation, when all tabulation sheets are in agreement, the Election Committee Chair will give the results to the President who will announce the ballot results at the meeting. Retention of Ballots and Tally Sheets.
4. The Association Manager will retain the ballots and the tally sheets for sixty (60) days from the date of the announcement of the results. If the ballot results are not

questioned or if a recount is not requested by the end of this period, the Association Manager will destroy the ballots and the tally sheets. The results of the election, including the specific tally for each ballot measure, shall be recorded in the meeting minutes.

## **26. SWIMMING POOL AND CLUBHOUSE**

**Clubhouse Operating Period.** The Clubhouse will be available by reservation for use by members, members' families, long-term tenants and social guests of members daily from about 10:00 a.m. to no later than 10:00 p.m., throughout the year. The Clubhouse is not available for use by short-term tenants.

**Swimming Pool Operation Period.** The swimming pool will be available for use by members, members' families, long-term tenants, and social guests of members during normal operating hours. The swimming pool is not available for use by short-term tenants. The swimming pool will be opened for the weekend of Memorial Day, weather permitting. The pool will remain open six (6) days a week, health codes permitting, until at least Labor Day when cool weather impacts usage and operating costs. Operating hours will be from about 10:00 a.m. to no later than 10:00 p.m. The first and last operating hour of each day will be reserved for the use of persons 21 years of age, or older.

**Exclusive Use, Fee and Deposit.** The swimming pool may not be reserved for the exclusive use of any person or group. The Clubhouse (including the deck) may be reserved for exclusive use by any member in good standing by making mutually satisfactory arrangements with the Office Manager or Association Manager and upon:

- 1) Payment of a non-refundable reservation fee of forty-five dollars (\$45.00);
- 2) Payment of a damage deposit of eighty dollars (\$80.00); and
- 3) Execution of a hold-harmless agreement protecting Ponderosa Community

Club, Inc., from liability for injury or damages.

**Overnight Occupancy.** Overnight occupancy of the Clubhouse is not allowed, except as a catastrophe emergency shelter.

**Posting of Rules, Regulations and Special Conditions.** The Board of Trustees may establish and post rules and regulations for the use of the Clubhouse and the swimming pool.

## **27. PONDEROSA EMPLOYEES**

The employees of the Ponderosa will be the Association Manager, Office Manager, and maintenance workers. Their job responsibilities are described in other sections of this document and in the Bylaws.

**Housing.** The Ponderosa will provide a home within the Ponderosa, for one maintenance worker, including utilities, at no cost to the maintenance worker. Residing in this housing is a condition of employment and is done for the convenience of the Ponderosa. We require an on-site employee so that we can respond quickly to water emergencies or road emergencies.



**Job Description.** The Director of Operations will maintain a current job description for the position of Association Manager. The Association Manager will maintain current job descriptions for the positions of Office Manager/Bookkeeper, Maintenance Workers, and Water Distribution Manager.

**Performance Appraisal.** An annual written appraisal of the performance of each Ponderosa employee will be completed by the Association Manager with copies to the Director of Operations. The Director of Operations shall review the Association Manager's performance on an annual basis.

**Member's Comments/Concerns.** Member's comments or concerns about the performance of Ponderosa employees should be addressed to the Association Manager or Director of Operations.

## **28. COMMUNICATIONS**

### **A. Newsletter**

**Publication Dates.** The Board of Trustees will keep the members informed on matters of importance to the operation of the Ponderosa, at least four times per year. This may be accomplished through a newsletter or other form of informational communication to all members, including those who are not in good standing. A copy is also to be posted at the Clubhouse and on the website.

**B. Website** The Secretary of the Board will ensure a website is maintained and kept current.

## **29. AMENDMENTS**

These Operating Procedures may be amended, or replaced in their entirety by a majority vote of the Board of Trustees.

## **OPERATIONAL TIMELINE (DUE DATES)**

Memorial Day (May):

Annual Member's Meeting: Counting of ballots for election of Trustees

June 15: The Office Manager is to mail reminder bills to members for second half of Maintenance & Operations Dues and Special Assessments by this date.

September Board Meeting

The Board will begin discussion of the budget for the following year. Draft budgets from the Association Manager and Committees are to be given to the Board by this date.

October Board Meeting

The Board will finalize the budget for the next fiscal year. The Treasurer will prepare the budget for presentation in the ballot. The Vice-President will oversee the preparation of the remainder of the ballot.

November 1 (approximately): Due date for the Treasurer and Vice-President to complete the ballot and give to the Office Manager. The Office Manager will make copies, emboss and mail the paper ballots for proposed budget for the following fiscal year (Jan 1 thru Dec 31) in accordance with the Bylaws (30 days before the December Board Meeting.)

December 31: The Social Committee's activities plan for the following year shall be given to the Vice President by this date.

#### January Board Meeting

The Nominating Committee should begin work to identify Board of Trustee candidates for the May election.

January 15: The Office Manager is to mail bills to members for the Maintenance & Operations Dues and Special Assessments by this date.

February 15: First half homeowner's assessment payments are due.

March 31: Written statements from and photos of candidates running for election as Trustees are to be given to the President by this date.

April 1 – May 1 (approximately):

Ballots will be sent sometime between these dates for election of Trustees and other issues which are to be counted at the Memorial Day Annual Member's Meeting.

### **SPECIAL ASSESSMENT ATTACHMENTS**

#### **Water System**

The following special assessment was passed in 2011:

“A \$285 per lot annual water assessment for 24 years for the purpose of complying with State and County Department of Health Regulations, upgrading fire protection, upgrading the water mains distribution system, and adding water service meters. “

The following special assessment was passed in 2012:

“Approve an increase of \$14.00 per year per lot to the water assessment for full loan funding as required. This would raise the water assessment from \$285 to \$299 per year for the life of the loan.

And

Approve an expenditure of up to \$150,000 from the Capital Improvement Reserve fund to pay off the old water loan in the near future. Paying off this loan will save \$16,000. No cost will be incurred to the members for approving this expenditure.”

The following special assessment was passed in 2013:

“Approve a water assessment increase of \$17.00 per year per lot to the water assessment. This would raise the water assessment from \$299 per lot per year to \$316 per lot per year for the life of the loan (2035).

And

Approve an expenditure of up to \$63,000 from the Capital Improvement Reserve fund for the water project loan repayment. No cost will be incurred to the members for approving this \$63,000 expenditure.”

The Board of Trustees adopted the following resolution in 2012:

RESOLUTION OF PONDEROSA COMMUNITY CLUB, INC.  
CAPITAL IMPROVEMENT CHARGE  
FOR  
WATER MAINS REPLACEMENT AND WATER METERS PROJECT

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WHEREAS, Ponderosa Community Club, Inc., is undergoing a Water Mains Replacement and Water Meters Project (“Project”); and

WHEREAS, to fund the Project, the Board of Trustees obtained a Drinking Water State Revolving Fund (“DWSRF”) loan, the repayment of which required two special water assessments to be charged to the owners over a period of 25 years; and

WHEREAS, the assessments included 1) a one-time \$200 per lot assessment that was assessed to members in 2011 for upgrades to the water mains distribution system, to comply with County and Washington State Department of Health Regulations, and to upgrade fire protection; and 2) an annual \$285 per lot assessment commencing in 2012 and assessed each year thereafter for 24 years for improvements required by Washington State and County Department of Health Regulations, upgrades for fire protection, water mains distribution systems, and adding water service meters (collectively the “Special Water Assessment”); and

WHEREAS, the Special Water Assessment was approved by the required vote of the membership in 2010, and 2011, in accordance with the Ponderosa’s Bylaws and Operating Procedures.

WHEREAS, at a meeting of the Board of Trustees on April 14, 2012, by a majority vote, the Board of Trustees determined that for those owners who fail to pay the Special Water Assessment, and for which the lot receives the benefit of an improved and upgraded water system and related facilities, any new owner acquiring such lot during the 24 year Special Water Assessment period shall be obligated to pay to Ponderosa a Capital Improvement Charge for the benefit conferred upon the lot; and

WHEREAS, the Capital Improvement Charge shall include 1) the total outstanding Special Water Assessment that remains due to Ponderosa from 2011 until paid in full, 2)

interest at the rate of one percent compounded quarterly in accordance with the Operating Procedures, and 3) any other charges, costs, or fees necessary to connect the lot to Ponderosa's water system.

NOW THEREFORE, it is hereby resolved that the Capitol Improvement Charge is adopted and approved by a [majority or unanimous choose one] vote, this 14<sup>th</sup> day of April, 2012, by the Board of Trustees of Ponderosa Community Club, Inc.

Ponderosa Community Club, Inc.

By: Mary Jeanne Whitlow, President 4/14/2012  
Mary Jeanne Whitlow, President Date

Attested by:

Stan Morgan, Treasurer 4/14/2012  
Stan Morgan, Treasurer Date

## APPENDICES

Appendix A: Ponderosa Organizational Structure

## RULES AND REGULATIONS:

Clubhouse Rules for Reservations  
Fire Regulations  
Greenbelt Rules Revised July, 2014  
Owner's Guest Guidelines  
June 16, 2009 Supplemental Swimming Pool Rules  
Swimming Pool Rules and Regulations  
Rules Governing Use of Roads and Motorized Vehicles  
Snow Plowing Policy  
Water Policy  
Water Vault Rules October, 2012