

Lake Entiat Lodge Associated

Meeting of the Board of Directors

September 21, 2012

TIME AND PLACE

The Board of Lake Entiat Lodge Associated met Friday September 21, 2012. The meeting was held at the Sun Cove Clubhouse in Orondo, Washington and called to order by Board President Dan Russell at 6:01pm.

PRESENT

The following Directors were present: Dan Russell, Nick Nelson, Darrell Richards, Brandon Fix, Don Sass and Walt Wheeler. Director, Greg Zeller and Association Treasurer, Kevin Kalberg joined via conference line. Also present was: Community Manager; Jeri Fifer. Ken Flynn represented the Management Company and five association members were in attendance.

HOUSEKEEPING

Dan Russell presented the June 23, 2012 Board Meeting Minutes for approval.

Nick Nelson made a motion to accept the minutes as presented and Don Sass seconded. The motion carried unanimously.

Club House Remodel

Ken shared that the clubhouse lighting replacement was not part of the Clubhouse Remodel Project scope of work presented to the owners and suggested that it be removed from the Special Capital fund. All members should take the time to visit the clubhouse and see the changes and upgrades completed. A special thanks for board members Nick and Darrell for their help in over seeing this project.

Don Sass made a motion to move \$7,033.43, for the clubhouse lighting replacement, from the Special Capital fund and place it in the Capital Reserve fund. Nick Nelson seconded and the motion passed unanimously.

NEW BUSINESS- 2013 Draft Budget Review

The draft of the Operating Budget for 2013 was reviewed with items discussed as follows;

Ken Flynn shared that the Association did not have outside security in 2012 resulting in lower than anticipated salary being spent due to the Sheriff Department not having available personnel for Memorial and the 4th of July for us to hire. He explained that the Board might want to consider using Phoenix Services if additional security is desired in the future.

Dan Russell asked if the Board wished to increase the short term rental fee imposed on members declaring their properties as rentals for periods less than 30 days as the rate has been the same since implementation. Discussion followed with concern voiced over owners renting their homes while not declaring their homes as rentals. The board asked that management review and determine those owners renting who have not declared their intentions as renters.

The Board asked that the line item "Website" be renamed to "Website/Tech." and to include any future IT work performed in this category.

The Board discussed the increasing of dues for 2013 to cover rising operating and future project costs. After a lengthy discussion, the Board consensus was to increase the dues, within the Bylaws parameters, which is \$35

+ CPI(2.5%) or \$62 per year for each owner. Kevin Kalberg mentioned this could cover cost of living salary increases, gas prices and outside labor costs with the remainder (\$35) allocated to Capital Water Improvements. This will be brought up again at the next budget meeting in October for further consideration before being proposed to the owners at the Budget Ratification Meeting.

Department of Health water update

Dan shared that after conferencing with the Department of Health (DOH) last week, it was discovered that meter reading, under current regulations, will not be required until 2017. The Board would like to prepare sooner by possibly having the new meter reading equipment installed in 2014 as our current meters are old, outdated and labor intensive in regards to reading. Initial estimates are approx. \$65k as reviewed at the March board meeting. Staff will continue to read the meters manually a few times a year to get a "baseline" of use. Dan additionally shared that the DOH will not require the Association to monitor the irrigation meter once moved off our main well and onto wells #1 and #2 which will decrease our current water use numbers drastically and allow us to meet our desired water usage.

John Divine, association member, reminded the Board that purchasing additional water rights is a very strenuous process and that it may benefit the Association to force water use limits by charging for overages.

OLD BUSINESS

New Well #4 Progress- The Board had approved digging an additional well at the March 24, 2102 Board meeting but still needed to decide from which fund the project would be paid from. The expenditure as approved was \$100k. Nick Nelson mentioned that the Water Loan Repayment fund could be used to fund this project as the water capital fund would have to be used in its entirety to complete this project. The Water Committee board members have met with well drillers, DOH and an engineer and concluded that ultimately both wells; #3 and #4 will be identical providing critical redundancy for the association. Well # three is currently 19 years old.

As the cost of a new well completely installed and operating appears to be closer to \$150k the board has determined the best approach is to separate the construction into phases.

Dan Russell shared an overview he had prepared to the Board members.

Phase 1- Oct. 2012 Install well #4

Phase 2- Install vault and 8" line to pump house

Phase 3- Electrical work to coordinate Well #3 and Well #4 to work redundantly.

Phase 4- Update Well #3 to an 8" line to pump house

Phase 5- Hook Well #1 and Well #2 to irrigate the park.

The Board consensus was that Phase 1 of the Well #4 project would be installed using the Water Improvement Capital fund and that the project should be completed in "phases" for engineering, planning and costing benefits.

The DOH will not allow the Association to hook up additional properties to our water distribution system until we are compliant with capacity so it is imperative that the project be completed so soon as possible. We are using too much water for our use and storage ability. Installing the 4th well and taking the park irrigation off our distribution system will bring us into compliance. DOH has allowed us to hook the 4 properties currently under construction to be hooked up after reviewing our request and the display of the Board working earnestly to gain compliance. Completion is scheduled for Spring, 2013.

Encroachments

The Board had asked to have a survey performed between the main community park and adjacent private properties of members living on the lake side of Lakefront Road and Drive as well as those bordering community roads

A survey will be done to determine any encroachment by those Members living along Association owned property, roads and easements who have paved on, built upon or encroached upon these areas. This had been previously done in past years and needs to be updated. Property owners who have not previously signed an agreement will be required to sign an encroachment agreement with the Association

Brandon Fix motioned to have Erlandsen complete the survey work at a cost of \$2,550 from the Operations Budget. Darrell Richards seconded and the motion passed unanimously.

New Website/Server/Internet to Maintenance Shop-

Brandon Fix shared that the new Sun Cove website is near completion. He has donated his time to construct a faster, more reliable website for members to use. Ken reminded the Board that they had agreed that it would be best to have an assistant to help with edits and updates. Ken suggested Grace McClellan, previous Site Manager, because of her extensive experience and because Jeri and Brandon don't always have extra time to spend updating the site as needed.

A webcam has been installed and will be displayed on the new website. Logging into the site will be very simple and will be communicated to all owners once the site is online.

The Maintenance building now has internet capabilities which will assist Jason Knight with his current job requirements and to prepare for meter reading equipment requirements in the near future. He also has a laptop to assist with communications and managerial needs.

Although the newly installed server will not be used for Board and staff email hosting (because of high cost of licensing and for maintenance) it will remain to be used as backup storage once the water reading meters and billing software is online. The Board consensus was to follow Brandon's suggestion with the new server.

TRAIL/PHASE 2-

Darrell Richards reported that he is working with the United States Bureau of Reclamation (USBR) and Greater Wenatchee Irrigation District (GWID) to complete a proposal for Phase 2 of our trail system. After walking the proposed trail with two representatives from USBR, they were favorable to allowing a trail. We will need to include 2 picnic tables and allow the public to walk on the GWID section of the trail. They will provide 2 public parking places just off Sun Cove Road on the GWID property. Although we cannot have exclusive rights to this United States owned property, this is just a requirement and is only applicable on the GWID section on the trail. The Association will post signs where the "public trail" ends and mark where "Private Community property" begins. The intent of the Board is to not allow the public to access community property. Brandon Fix reminded the Board that no money has been allocated for this phase of the trail. The Board wishes to continue with the costing and impact phase for the trail system and thanked Darrell for his assistance with this project.

CHELAN COUNTY PUD(CCPUD); FIRE BLOCK, SIGNAGE, ENCROACHMENT-

Jeri reminded the Board that in earlier discussions with the CCPUD, long range planning committee members communicated that the Association would be willing to assist with enforcement of encroachments along our borders. This would help ease the tension after some encroachments have been discovered. With a threat of a chain link fence being installed downriver between our properties an offer was made to assist by providing signage to communicate usage of this land to our community members. The Architectural Review Committee and staff will also assist with education and review of properties along the border to avoid future encroachments upon this public land.

Darrell Richards also has been in contact with CCPUD to discuss a possible fire break to be placed between our properties in light of the recent local fires. They are willing to provide a fire break, but the Association will be responsible for maintenance and possible irrigating of this approx. 40 ft. break.

GOLF CART ORDINANCE- Brandon Fix reported that our ordinance with the county expires September 30, 2012. Brandon will be contacting the commissioners to ask for a renewal and asked staff to supply a report and list of violations recorded this year. The Board wishes to remind all members that should the ordinance be renewed, the golf cart zone ends just beyond the Ross Storage area and that we are not permitted to drive carts to CiderWorks. Otto Ross has requested that members not park at the entrance to his storage.

COMMITTEE REPORTS

Facilities/Maintenance- Darrell Richards and Nick Nelson met with Maintenance Manager, Jason Knight. After compiling a list of projects and discussing all the additional tasks that are regularly being added to maintenance requirements a recommendation was made to consider keeping a second grounds staff member employed longer. The Board agreed that keeping Eliceo Solario employed until November 30, 2012 was in the associations best interest and will consider keeping him on year around in 2013 pending budget review.

Storage- Darrell shared that storage is needed for maintenance for the Board to consider. The additional equipment, the Smithco (goose poo sweeper), the staff electric car have added to the already high demand for our storage needs.

The bid was for a double bay addition to our current building at a cost of \$13,300, which included doors and concrete floors and a single bay would be approximately \$8,300. After discussion, the Board requested that an additional option be presented by the committee at the upcoming Budget meeting for the Boards consideration.

Commercial Exercise Equipment- Mike Jellison, association member, had proposed clubhouse equipment at a discounted rate. The Board tabled until placement and the Capital budget could be reviewed.

Long Range Planning

Greg Zeller went over a spreadsheet of proposed and recent Capital and Special Capital projects. He asked that the Board members give their input to Jeri by October 7th so a new spreadsheet can be prepared for the next Board meeting.

Social Events

Don Sass thanked all the volunteers who made the **4th of July** celebration the best ever.

The **Chili Cook** off was a success again this year with Ray and Stevie Simone as chairmen of the event. Thank you for all your hard work over the years! We do need a volunteer to take this event in 2013 as The Simone's are stepping down at this time.

Oktoberfest Golf Cart Poker Run will take place, smoke permitting, on October 6th at noon.

The **Wine & Cheese Tasting** event (Tunnel Hill Winery), lead by Alzira Dean, will be taking place November 10th at the clubhouse. Entry fee is \$5 and all will need to register with Jeri as this event is limited to the first 60 members.

John and Mary Divine will be in charge of the **Christmas Decorating Party** again and will set a date soon.

OTHER BUSINESS

Shed Resolution- Tabled for future discussion.

Proxy Voting- The Board discussed proxy voting and how it could be handled. The by-laws would have to be changed and procedures would need to be in place. Based on the average turn out the association has for annual meeting and the changes sometimes in what is being voted on it was the consensus of the board to not pursue proxy voting.

Owner Correspondence- A letter was received by the Association from Michael and Alzira Dean in May 2012 with a request to the Board to adopt a policy regarding the association trail easement that is located on their property as recorded with the county. Special signing was being requested. The Board consensus was to not allow special concession because the Association Rules and Regulations already apply to the request made. The intent of the Board is to keep Sun Cove Community property and the trail system private for use only by community members.

Next Board/Budget Meeting- The Board members have called for a Board Meeting to be scheduled for October 26, 2012 at 6 pm in the clubhouse.

ADJOURNMENT

Nick Nelson motion to adjourned the meeting at 9:05 PM and Brandon Fix seconded the motion. The motion passed unanimously.

Submitted by:

Acting Assistant Secretary; Ken Flynn