

LAKE ENTIAT LODGE ASSOCIATED

Annual Meeting of Members

April 28, 2018

WELCOME and INTRODUCTIONS

The Annual meeting of Lake Entiat Lodge Associated was called to order at 9:09 AM by Board president, Dan Russell. The meeting was held in the multi-purpose room of the Orondo Elementary School, Orondo, Washington. Members in attendance represented 125 lots with 112 in house and 13 online. Six new members introduced themselves and were welcomed by the membership. The Board of Directors were then introduced and thanked for their commitment and volunteer service to the community.

Dan Russell, President

Nick Nelson, Vice President

Darrell Richards, Director

Bill Tucker, Director

John Howgate, Director

Bill Kneadler, Director (not in attendance)

Greg Zeller, Director (not in attendance)

J. Anderson, Treasurer

Mr. Russell introduced the Lake Entiat Lodge Associated staff in attendance and recognized them for their service: Jeri Fifer, Community Manager; Jason Knight, Water/Facilities/Grounds Manager; and Jessicah Curry, Administrative Assistant.

APPROVAL OF MINUTES

The minutes of the April 29, 2017 Annual Meeting of the Membership were presented.

After a motion made by member Pat Harney and seconded by member Mark Donnebrink, the minutes were unanimously approved as submitted.

2017 YEAR IN REVIEW

Mr. Russell provided a review of Association business for 2017, which included 12 meetings. He shared the transition of the Capital Reserve account to Major Maintenance with the highest priority items including the pool and docks.

He shared that the Rules Committee have been working to complete a new draft of the Association Rules to include community wide enforcement and lastly, congratulations were offered of the \$2.1M water loan retirement.

2017 FINANCIAL REVIEW

Mr. Anderson, Association Treasurer, explained the three reserve funds: Major Maintenance, Water System and Special Capital. He shared the 2017 financials summary and provided highlights with the delinquency rate continuing to remain low.

He also shared that the delinquency rate remains very low.

RESERVE STUDY/LONG RANGE PLANNING

Mr. Tucker reported findings from the reserve study recently completed. He explained that the \$338 assessment transferred from the Water Loan Payment account to Major Maintenance Reserves in the beginning December of 2017 has placed the Association in a good position to have appropriate funds available for assets requiring replacement or major maintenance. He shared that the reserve study provides a planning guide for funding major maintenance and replacement of Association assets. With the results, the Association has information that is reliable so projects can be scheduled and funds will be available. The useful life of an asset is determined by a reserve specialist hired by the Association, as required by law.

As funding is not currently available and obtaining a loan was considered a poor option, the Board has chosen to defer replacement of the center cove concrete docks for 4 years. Major Maintenance Reserve fund assessments will be used to fund this project.

Mr. Tucker reported that the Special Capital Reserve account will not have sufficient funds to perform projects in 2018, since collection began January 2018. A membership meeting will occur this summer to identify the member's highest priorities.

ELECTION OF OFFICERS

Mr. Nelson, Vice President of the Board, shared that Mr. Tucker and Mr. Russell, whose terms were ending in 2017, had declared their desire for re-election. He also stated that Mr. Howgate and Mr. Zeller were not running for re-election. Mr. Russell, Mr. Tucker and the other board candidates, John Peterson, Jenna Knight, Neil Doherty and Brandon Fix each provided a short biography and statement of declaration of their desire to represent the community as a Board representative.

The Election of Directors ballots were called for by Mr. Anderson, Treasurer, who verified the ballots.

ORONDO COMMUNITY SCHOLARSHIP PROGRAM

Rose Auvil shared details about the Orondo Scholarship Fund and thanked the community for their ongoing support.

GREATER WENATCHEE IRRIGATION DISTRICT (GWID) CROSSING AGREEMENT

Mr. Richards reported that the United States Bureau Reclamation (USBR) had passed all management of the property to GWID and Board representatives had met with the Board of GWID to develop a crossing agreement. Without the USBR conditions placed upon the Association, the costs will be minimal to complete a pedestrian access across this land.

Mr. Richards opened the floor to the members. A member asked who would be responsible for controlling trespassing and maintenance such as garbage collection. Mr. Richards shared that the property will be treated as all other Association property. Another member asked if funds will be continued to be requested for trails. Mr. Richards answered that this is like the final trial phase because the proposal for Phase 3 was denied by Chelan County PUD and Phase 4 was considered too costly when last proposed. A benefit to this phase of the trail is that members can more safely reach the Association parks, docks, pool and clubhouse by leaving Sun Cove Road and crossing GWID land. He reported that the 3.4 acres of land owned by the Association is underutilized due to the steep access trail currently being the only available access to the membership.

Mrs. Alzira Zollo-Dean, whose property borders the 3.4 acres of Association land, asked what the motivation was for GWID to offer the crossing at no cost. Mr. Nelson shared that with the USBR governmental controls now lifted provided a huge benefit toward the development of a trail. Also, the Board have been working with GWID's management as good neighbors for years and have a good relationship with them.

Mr. Russell reiterated that this access will provide a safe pedestrian access to the Association amenities at a fraction of the earlier estimated cost and that keeping our members safe is our number one priority. Mr. Howgate shared that member polls identified the majority of members desire trail completion.

DOUGLAS COUNTY RIGHT-OF-WAY (ROW) ENCROACHMENT ENFORCEMENT

Mr. Russell provided an overview of the encroachments and storm drainage enforcement notices delivered to 24 members in January 2018. Representatives of the board, Mr. Nelson, Mr. Anderson, Mr. Richards, Mr. Kneadler and Mrs. Fifer have met with the County twice and the majority also attended a public hearing in Waterville. The goal of these representatives is to gather information to disseminate to the membership.

The County has identified 267 encroachments on the County ROW which are creating storm water management issues. The County "fix" for this is for all encroachments to be removed so they can assess the drainage issues. Open ditches have been the County engineer's solution which would not be favorable to most members. The engineers also reported that encroachments can be safety concerns if they obstruct line of sight. The Commissioners shared that enforcement will be done county wide but resources and staff limit the ability to perform assessments and enforcement all at once.

A lengthy discussion followed. A member asked why the Association doesn't privatize the roads and eliminate these conditions the County is enforcing. Mr. Russell stated that it is too soon to consider, but could be an option. The Association would need to discover all costs to privatize the roadways before presenting as an option and at this time the board is hopeful to continue meeting to negotiate for more time and a better options for all members.

Mr. Nelson recommended members transfer their voting rights to Douglas County so the Association has more political influence.

Member, Randy King, shared his personal experience with the enforcement underway as he is one of the 24 who received a compliance notice from the County. He stated that the County is acting heavy-handed after years of no enforcement and unfairly contacting only 24 members in the Association to gain compliance offering a short timeframe to perform the work required. He believes that the Association roads are in poor shape due to the County not performing needed repair work over the years.

Mr. Anderson, Association Treasurer, shared his viewpoint after observing the County Commissioners enforcing similar code at a public hearing. He believes if a member has encroached on the County ROW, which is public property, they alone should be responsible to work with the County to resolve, and the Association should not be involved. He believes the engineers will work with each property owner on a case by case basis and the Association should not interfere with the process underway.

Mr. Russell reminded members to contact the County if they receive communication from the County.

Mr. Harney made a motion for the Association to hire an attorney to file a stay on enforcement until Douglas County submits a comprehensive storm waste drainage plan for the entire community. Another member, unknown, seconded the motion. Mr. Russell, stated a vote would not be accepted as a vote was not publicized to the membership in advance and that the Association Bylaws allow the Board President to deny or accept motions from the floor at a membership meeting.

ANNOUNCEMENT OF THE ELECTION OF OFFICERS

Mr. Nelson announced the newly elected Board of Directors: Dan Russell, Bill Tucker, John Peterson and Neil Doherty.

LOT MAINTENANCE COVENANT AMENDMENT

Mr. Richards shared that the intent of the amendment was to provide the ability for the Association to enforce hazardous or unsightly conditions reported on lots such as; fire hazards, multiple vehicles stored and unkempt landscaping or homes not being maintained. Should the members approve the amendment, enforcement will be considered based on what is not consistent with the majority of properties in the community.

Mr. Russell shared that recent membership polls results identified the majority of member's desire stricter controls. The ballots will be mailed and to be adopted require a 51% vote in favor.

A member shared their concern regarding how enforcement could be subjective. Mr. Richards reminded the members that the amendment is based on a community wide standard and enforcement will be complaint based. With 95% of the members being compliant with community standards, this amendment will help provide the means to correct the 5% who are not interested in maintaining their property to the

same standards as the majority. Mr. Richards reported that a draft of the Rules has been completed by the committee and will be presented for Board adoption pending the Lot Maintenance Covenant amendment approval vote.

RULES & REGULATIONS

Speeding and parking complaints continue to rise and community-wide rules will provide the authority for staff to enforce on County roads in addition to Association owned roads. As the Association employs a small staff, members are relied upon to assist with enforcement by reporting incidents witnessed.

SHORT-TERM RENTALS

Mr. Richards provided a summary of the short-term rental rules provided with the meeting announcement. The rules will provide controls to eliminate poorly managed rental properties and increase the fines to attempt to gain compliance. He reminded all that we must rely on verifiable reports from members to track data to identify properties causing challenges.

FIREWISE

Mr. Tucker introduced the committee members; Patricia Sells, Dave Wilson & Marcia Kindig. He explained that many members took advantage of the firewise hazard pickup service again this year and that staff removed 30 trailer loads. The primary goal is to keep our members and their property safe from fire.

He presented the plan to renew the “Firewise Community” status for the Association again this year and thanked Mrs. Sells for providing many volunteer hours toward this and other committee goals. Insurance companies can deny coverage to high fire risk areas so keeping the status is very beneficial. He noted that he and Mrs. Sells had completed a fire risk assessment training and performed 10 assessments recently. The plan is to reach the entire community to identify fire hazards and notify homeowners of such hazards.

YARD WASTE/ROSS PROPERTY

Mr. Nelson thanked community member Otto Ross for allowing member use of his property for the disposal of yard waste and reminded members they must contact Mr. Ross in order to obtain his permission in advance of using this privilege. Mr. Ross has closed the burn and leaves piles until fall but grass clippings are still allowed.

COMMUNICATIONS

Mr. Russell stated that Facebook is not used as official Association communication. All Association business is conducted on the community website www.suncove.net.

SOCIAL EVENTS

Mr. Howgate shared that he had an overwhelming response for requests for volunteers for the 4th of July event in 2017 and thanked all for their service. Aaron Crawford will play on the evening of July 3rd this year, with all other events to remain on July 4th.

He invited the members to attend the Pancake Breakfast, scheduled for tomorrow at the clubhouse and informed members of the garage sale event taking place on Saturday, May 26th and recommended members contact the Association with any new event ideas. The Board and members thanked Mr. Howgate for his 4 years of chairing the committee.

Mr. Russell, on behalf of the Association, also wished to thank Greg Zeller for his 10+ years on the board and his help and direction on long range planning. Mr. Russell then opened the floor for questions. A member stated that the Board, staff and volunteers put in many hours to make Sun Cove a better place to live and thanked them for their great service.

ADJOURNMENT

There being no further business to come before the membership, and following a motion made by Mr. Nelson and seconded by Mr. Howgate, the meeting was adjourned at 12:01 pm.

Submitted by Jeri Fifer, Acting Assistant Secretary