

Lake Entiat Lodge Associated

Meeting of the Board of Directors

September 14, 2011

TIME AND PLACE

The Board members of Lake Entiat Lodge Associated met Wednesday, September 14th, 2011. The meeting was held via conference call. Three Board Members, the Managing Agent & the Site Manager joined the call from the clubhouse at Sun Cove. The meeting was called to order by Board President Brandon Fix at 5:01 PM.

PRESENT

The following Directors attended the meeting: Brandon Fix, Greg Zeller, Darrell Richards, Scott Blair and Don Sass. Also present were: Board Secretary/Treasurer; Kevin Kalberg, Onsite Community Manager; Jeri Fifer and representing the Management Company was Ken Flynn. Two Association owners attended the meeting.

ACCEPTANCE OF AUGUST 27, 2011 BOARD MINUTES

After a motion duly made by Brandon Fix and seconded by Scott Blair, the minutes of the August 27, 2011 Board meeting were approved as written.

RESERVE PROVISION REVIEW PROVIDED BY KEN FLYNN

Ken shared with the Board members that the August financials would be presented as soon as they were completed.

He then presented the Asset Replacement Inventory he had prepared and proposed that with \$1.7 million of Association assets, that a professional Reserve Study would be beneficial to the Association in making plans for the future regarding said assets. The study showed an estimate of \$60,000 for Water System upgrades and said this may or may not be the actual needed replacement cost with the regulation changes made in the last few years by the DOH.

Kevin Kalberg commented that long term planning needs to be performed purposely for the benefit of all owners.

OWNER COMMENTS

Brandon Fix called for any owner comments. No comments were shared.

OPEN ITEMS

WATER REPORT SYNOPSIS- Ken shared that one of the Department of Health (DOH) requirements is for Sun Cove to have a Water Plan which is up to date. The last update was performed in 2002 by Larry Cordes, Associate Engineer, with Hammond & Collier in Wenatchee. In 2010, the DOH changed the identification of water systems with over 15 service connections to be re-classified as Municipal Water Systems thus requiring LELA to develop a Small Water System Management Program (SWSMP).

It is a type of "Operations Manual" for our Water System which helps the DOH regulate and identify any changes needed to occur in order to ensure our continued success in providing adequate water to our homeowners.

To complete the SWSMP to the requirements of the DOH, it required many man hours and technical detail above our staff's abilities. On July 22, 2011, we hired Grace McClellan to lead the project and contracted with engineer, Larry Cordes, to complete the elements that Grace would need assistance with.

Grace shared that most of the 18 elements of the Water program require a week on average to complete. In 2007, the DOH Water Use Efficiency Rule compliance requires municipal small water systems to:

- 1) Install and at a minimum have a plan in place to begin reading meters to determine leak loss of water through individual owner use. (Leak loss cannot be over 10%)
- 2) Have a public forum to educate owners of ways to conserve water.
- 3) Set goals to conserve water.

She shared that we will need new equipment to read all installed service meters and if the Association desires, plan for a billing for overages. Research is being done on the different equipment options and will be shared at the budget meeting this fall so the best fit for the community will be found. Greg Zeller pointed out that the cost to maintain the equipment needs to be highly considered.

Greg Zeller commented that we need to consider:

- 1) Implementing a targeted plan to reduce consumption and develop a water rights strategy.
- 2) If we were to start reading the meters, determine what constitutes an overage with a target of reducing use by 10% in the next 5 years. The Association should consider establishing a base rate to cover all costs associated with reading and maintenance to the system water meters.
- 3) Keep all data stored carefully for future reference.

Ken shared that currently owners pay an \$800 fee for water hook up. He shared that it isn't unreasonable to start reading the meters by January of 2012 but that the cost of upgrading and or replacing our equipment and software could be as high as \$15,000. He also commented that last Spring, the Management Company met with two Department of Ecology representatives to discuss our application for additional water rights.

Jeri Fifer shared that during research on the Water Program, professional in the field mentioned that consumption is reduced by 40% once owners are charged for overages and that our current water rights would most likely be sufficient once we read our meters.

Grace shared that the DOH requires 2 ½ days of water storage. Current readings show our storage today lasts only ½ day during peak season. In order to not be required by the DOH to add another storage tank we must automate the two back up pumps to come on if the main pump goes offline for some reason. The cost to do this could be close to \$5000 to \$10,000. Water conservation measures and billing for overages could greatly assist with avoiding a costly purchase of an additional tower.

Ken Flynn asked that the Long Range Planning Chair, Facilities Chair and Treasurer work with him on the budget implications this may cause for 2012. Ken Flynn also told the Board that the additional work performed by Larry Cordes cost an addition \$1600 above the original \$2500 budget for the water plan project.

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SURVEY RESULTS- 129 owners have filled out the survey online with another 30 received to the mailing list owners. Once the surveys have been entered online, the Board will post results for all to see.

GOLF CART ZONE- On October 4, Douglas County will be holding a public hearing regarding the implementing a Golf Cart Zone within Sun Cove. Owners are encouraged to attend.

COMMITTEE REPORTS

Social – Don Sass reported that the Chili Cook-off was a success again this year. The next Association event is Oktoberfest/Golf Cart Fun Run on Oct. 8th at noon. Our Wine Tasting event will be held on Nov. 12 this year and a \$5 cover per person will be charged to cover the additional cheese tasting element.

Don went over the Golf Tournament shortfall of funds collected and said that it will be absorbed into the Social Event budget for 2011. Next year they are committed to have additional volunteers to assist with administration during this event.

Communication – Ken stated that our website, www.suncove.net, is now open to everyone with no password needed unless you are trying to access the Member Directory which contains private information on owners. This will make site usage much easier for those having trouble logging on.

Long Term Planning – Greg Zeller shared that Douglas County has accepted our application and is in process of giving us a permit to begin construction on Phase One of the Sun Cove Trail System. He wanted to remind all owners that currently no motor vehicles, or golf carts, will be allowed on the trail.

Facilities, Maintenance & Operations –Darrell Richards covered details regarding the center cove concrete dock that was removed last week for inspection because it was sinking on one side. Once removed, it was clear that the concrete dock could not be repaired. Darrell also shared that a “Sub-Committee” Landscaping, will be putting a plan and budget together to propose beautifying the front of the clubhouse.

Architectual Review- Ken shared that the committee had met on September 13th via conference call, to discuss open building projects. All open projects within Sun Cove now have approval. The committee will approve plans with a majority vote of the members. Scott Blair commented that members cannot receive any compensation in any way for their duties and that a member should not be allowed to vote on their own building projects. This was unanimously agreed upon. Current members are: Nick Nelson, Darrell Richards, Dan Lungren and Brian Wheeler.

Rules and Regulations: Scott Blair has received owner interest in joining the committee. He shared that we have possible violations within Sun Cove and that our Covenants need to be clarified so enforcement can be fair to all owners. One example given was: How many travel trailers are allowed on one lot with a Covenant stating “Single Family Residence”? Ken Flynn shared that after researching past versions of our Covenants, that “Trailer” was intended to mean a towable travel trailer or 5th wheel but not an RV with an engine.

STAFF REPORT

Jeri shared that Safety Service staff had reported that most incidence happen between 11pm and 12:00am and the Board may want to consider changing the clubhouse hours in the future. The Safety Services staff hours end on September 30th so in the off season we do not have this service in the community and it may need to be looked at as a consideration to have year round staffing in this area. In past years, Facilities Manager and the Community Manager will make a daily drive through the community.

OTHER BUSINESS

OWNER CORRESPONDENCE- Ken Flynn shared two letter received from owners and proposed an option for the Board to consider how voting of the membership happens at our Annual Meeting.

After discussion, Ken proposed that Scott Blair, as Rules Committee chair, make a proposal to the Board to change the Bylaws as written to allow all owners to vote on Special Capital items.

NEW BUSINESS

Ken shared some potential Capital budget needs for 2012. He will be working with Treasurer, Kevin Kalberg, to go over the list and make a plan for the coming year.

Scott Blair motioned to contract EZ Dock, of Chelan, to replace the dock in the center cove. It was seconded by Greg Zeller. Motion passed 3 to 1 in favor.

Next, discussion focused on an owner letter regarding the goose repellent being ineffective. Staff reported that the spray has reduced the feces greatly from their perspective and owner comments. The cost was shared for the Board to assess and they agreed it was still a valid measure to reduce the geese at this time.

Sun Cove owner, Clay Waseen, shared that Chelan County PUD had a crew surveying their easement at the end of W. Entiat PI and Drive. Clay learned that their plan is to fence the area down river from the community. This could affect our water system and the cul de sac's at the end of each of these roads.

Adjournment

A motion was made by Darrell Richards and seconded by Greg Zeller to adjourn the regular Board meeting at 6:32 PM. Motion was unanimously carried.

Submitted by:

Ken Flynn
Acting Secretary