

LAKE ENTIAT LODGE ASSOCIATED

Meeting of the Board of Directors

August 12, 1998

TIME & PLACE

There was a meeting of the Board of Directors of the Lake Entiat Lodge Associated at 11:35 a.m. on August 12, 1998. The meeting was held at the Denny's in Canyon Park, Bothell, Washington.

PRESENT

The following Directors were present for the meeting: Dan Russell, John Mitchell, Marcia Kindig, Lynn Rehn, Nick Nelson, Skip Holman and Pete Bova. Also present were Alex Osenbach and Steven Fink representing Schuchart Services, Inc., the Managing Agent, and members Duane and Rachel Schmidt. Mr. Russell opened the meeting as President and Mr. Fink acted as Secretary.

APPROVAL OF MINUTES

The Minutes of the June 10, 1998, Meeting of the Board of Directors were reviewed. After a motion duly made and seconded, the Minutes were approved as distributed.

FINANCIAL STATEMENT REVIEW

The Board reviewed the Financial Statements ending July 31, 1998. Mr. Osenbach reviewed the Balance Sheet and reported that the cash balance had increased to \$ 176,556 compared to \$133,867 on July 31, 1997. This was due mainly as a result of the \$ 200 special assessment. Income after expenses year to date is approximately \$ 16,673. Expenses significantly under budget include building maintenance, security payroll and legal expense.

Mr. Osenbach distributed an Analysis of Accounts Receivable ending July 31, 1998, which shows a significant increase in the number of owners more than \$ 500 in arrears. This is mainly due to the special assessment of \$ 200 plus the last quarterly fee billing. After discussion, the Board unanimously agreed to allow owners to request a payment plan for the special assessment if their quarterly fees are current and if the special assessment is paid by December 31, 1998.

Mr. Russell reported to the Board that some owners were concerned about the use of the funds from the special assessment. As was discussed at the May Annual Meeting, the cash will be placed in the Capital Fund to replenish the funds already spent for the water system improvements (drilling of the new well) and the remaining funds will be set aside for future water system improvements. This will include the eventual installation of the new well to the water system, engineering plans for the new lateral system and other future water system improvements.

RESPONSE FROM DOUGLAS COUNTY

Mr. Osenbach distributed a response letter from Douglas County regarding the water drainage from the main county road. After discussion, the Board instructed management to have legal counsel respond to Douglas County that the Association will give the County the easement to put in a drywell to eliminate the problem of road drainage on Association property. The County must provide the materials and the labor to install the system.

WATER SYSTEM UPDATE

Mr. Russell reported to the Board that he has been in contact with Carol Morteson of the Department of Ecology and she has just recently informed us that the initial affidavit has been received, the paperwork is being reviewed, and her best guess for transfer of the water rights to the new well would be three to six months. Mr. Mitchell added that Dan Russell, Skip Holman, Jack Divine and John Mitchell have volunteered to work with the Department of Ecology to keep the process going.

Mr. Russell reported to the Board that Mr. Divine's memo to the Board recommending proceeding with Hammond, Collier & Wade-Livingstone Associates for \$ 21,000 for the initial planning of the lateral lines was approved individually by each Board member by phone. After discussion, the Board unanimously ratified the approval of this expenditure. Mr. Russell ended his report stating that Mr. Divine was able to get a copy of the City of Entiat's water system upgrades that is very similar to our future water system.

Mr. Mitchell reported to the Board that there is a meeting scheduled with the engineers at their office in Wenatchee on Monday, August 17th. At this time, Mr. Mitchell, Mr. Russell, Mr. Divine and Mrs. Rehn will be attending this meeting. Mr. Mitchell ended his report stating that the Department of Health has a funding program to help pay for engineering along with the installation of the lateral lines.

OTHER BUSINESS

- a) Mr. Russell thanked Mr. and Mrs. Schmidt for attending this meeting regarding a request for a signed water availability certificate for Lot #30, Block 3, so that they can proceed with building this fall. Mr. Russell explained that the Board, upon request by the Department of Ecology, unanimously voted last April not to sign the water availability certificates from Douglas County when someone applied for a septic permit because the Association could not guarantee adequate water during the summer months. This decision was to be re-visited after the transfer of the water rights to the new well.

Mr. Osenbach presented facts and charts showing that the Association has used 4.88 million gallons of water in August through August 11th. This extrapolates to 12 million gallons for the month of August. Mr. Osenbach continued stating that cleaning the existing well screens with dry ice seemed to increase the water volume. The tank reservoir still goes down each night and fills during the day.

Mr. Russell informed the Board that there have been five to six requests for the signed water availability certificates. After discussion and a motion duly made and seconded, the following Resolution was approved (Mr. Russell and Mrs. Rehn abstained):

RESOLVED That, the Board authorizes the President, Mr. Russell, to sign an agreement with the Schmidt's agreeing that the Schmidt's can convey the existing water certificate use and the right of water and septic service on Lot #19, Block 11, owned by the Schmidt's to Lot #30, Block 3.

When the Schmidt's have received the County's approval of occupancy or when the owners have occupied their new home, the Schmidt's must abandon all water usage to Lot #19, Block 11. This transfer of water rights will remain in effect until the Association can again sign water availability certificates.

- b) Mrs. Kindig requested the Board to install a water flow meter at the intake of the water reservoir to monitor the amount of water reaching the tank. Management will get a quote. Mr. Osenbach reported that a new meter will be installed in the main line when the new well is connected to the water system.
- c) Mr. Osenbach presented an insurance summary for the Board's review. The new premium is \$7,964, which is approximately a \$1,000 increase over last year's premium. Mr. Osenbach explained where the increases were generated. After discussion, the Board approved the insurance program.
- d) Mrs. Rehn distributed to the Board a draft of a newsletter for distribution to the membership. Any recommendations by the Board members can be faxed to her prior to distribution.
- e) Mrs. Rehn requested that the Association purchase swim diapers and that the staff hands them out for all children in cloth diapers. The Board agreed with this purchase.
- f) Mrs. Kindig requested that the Association purchase baby changing tables for the downstairs restrooms (installed in August).


NEXT BOARD MEETINGS

The next meetings are scheduled for September at Denny's in Canyon Park, Bothell Washington, and for October at Sun Cove, Washington.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 2:00 p.m.

Submitted by:


Steven M. Fink
Acting Secretary

Correct:

Dan Russell
President