

Lake Entiat Lodge Associated

Meeting of the Board of Directors

February 16, 2013

APPROVED

TIME AND PLACE

The Board of Lake Entiat Lodge Associated met Friday February 16, 2013. The meeting was held at the Sun Cove Clubhouse in Orondo, Washington and called to order by Board President Dan Russell at 9:02 am.

PRESENT

The following Directors were present: Dan Russell, Nick Nelson, Darrell Richards, Don Sass, Greg Zeller and Brandon Fix. Director, Walt Wheeler, attended via telephone conference. Also present were: Community Manager; Jeri Fifer and Grounds/Facilities/Water Manager, Jason Knight. Alex Osenbach represented the Management Company. Absent: Treasurer, Kevin Kalberg. Eight association members were in attendance.

APPROVAL of MINUTES

Mr. Russell presented the November 30, 2012 Board Meeting Minutes for approval.

Mr. Fix made a motion to accept the Nov. 30, 2012 Board of Directors meeting minutes with the attached shed resolution after the following change is made to the resolution:

Remove "and play equipment such as swing sets, jungle gyms or climbing bars and recreation equipment" from line #3.

Mr. Sass seconded and the motion carried unanimously.

Mr. Russell presented the January 29, 2013 Budget Ratification Meeting minutes.

Mr. Zeller made a motion to accept the January 29, 2013 Budget Ratification Meeting minutes as presented. Mr. Nelson seconded and the motion carried unanimously.

COMMITTEE UPDATES

Facilities/Maintenance/Staff- Mr. Nelson shared that the Pool Equipment Room project is nearing completion and will be completed under budget.

Mr. Richards gave an update on progress of Phase 2 & 3 of the trail system. A proposal was submitted to United States Bureau of Reclamation for Phase 2 of the trail last month but an answer may not be received for up to a year. The phase 3 proposal will be sent to Chelan County PUD(CCPUD) once we have placed the signs and boulders at the border of our property

and the Wildlife area which were requested by CCPUD to assist with compliance and encroachments upon this property they manage.

Alex Osenbach arrived.

Mr. Nelson shared details about the mitigation plantings which were a requirement for the permit for Phase 1 of the trail system. Discussion followed.

FINANCIAL REVIEW

Mr. Osenbach reviewed with the board the current financial status as follows;

Operating account	\$45,039
Capital Reserve	\$19,184
Water System	\$133,033
Loan Repayment	\$282,903
Special Capital	\$175,506

Notes:

Reserve of doubtful assessment – This balance of \$26,134 is due to Ledoux, Habek, Bold and one remaining Perea lot. We have received pay off on one of the Perea lots that sold.

Water Loan note payable – After the September 2012 payment the note has a remaining balance of \$744,304, with 8 years of payments left.

Operating revenue is was ahead of budget y-t-d in 2012. At the October Board meeting, the Board authorized the transfer of the 2012 year end surplus to the capital system reserve. That transfer was \$55,720 resulting in a net operating revenue of \$386,943 against a budget of \$401,080 for 2012.

WELL UPDATE

Mr. Russell reviewed the status and progress of Well #4. In March, we will have plans from our engineers to move forward with the next phase of the new well installation. Staff shared that preventative maintenance service to the pump on our existing Well #3 will be performed while the contractors equipment is onsite setting the pump and wellhead of the new well.

Mr. Wheeler recommended that one contractor be used to complete the final phases of Well #4 for continuity and consistency.

Also shared was that our two shallow wells will be moved off the distribution system and will be used to irrigate the park with the benefit being our ability to water the entire park at one time. Additionally, the irrigation water will not be calculated into our total water usage and consumption.

Mr. Nelson shared that during the pump test, the contractor stated that our existing and new well had minimum “drawdown” and provided us a great report for performance projections for the future.

Mr. Wheeler went over the details of the electrical upgrades required. The intent is to provide a system to reduce wear and tear on equipment and to use less energy.

Mr. Russell opened discussion regarding the funding options to help replenish the Water Reserve Fund. The fund will be diminished completely with the costs for developing Well #4 and the need for the upgrades to our electrical systems and telemetry needs.

Another cost, involving the Department of Health requirement for reporting water use efficiency, (staff recording and reporting individual lot meters) will require purchasing meter reading equipment by 2014.

Funding options are being considered to replenish the water capital fund and to upgrade the meters and reading equipment. The board is suggesting replenishing the capital water fund with the loan repayment fund that currently maintains approx. three years worth of payments. This would eliminate the need for an assessment. It is estimated that we would maintain two payments in reserve even after replenishment of the water capital fund. Further discussion will take place at the next board meeting before review with all members at the annual meeting in April.

CONTINUED COMMITTEE UPDATES

More Facilities/Maintenance/Staff

ADA- The Board discussed ADA compliance within the community common areas. The Facilities and Maintenance Committee will review the ADA assessment recently completed by staff and provide a long term ADA compliance plan to the Board when completed.

Mr. Osenbach left the meeting.

Rules Committee

Personal buoys- The committee relayed to the Board, that the personally owned buoys currently placed in the lake off the parks must have an approval from the association. Owners with a buoy must supply the Board with proof of previous association approval for the buoy to remain. These personal buoys are moored to association owned property and although some owners have stated they have permits from the Army Corp of Engineers and after research, the permits are not valid as they are on association property, not private property, as assumed by the Corp.

As only 4 buoys are allowed per acre and to maintain fairness to all owners, the committee suggested that individuals not be allowed to "own" a buoy on this property.

The Board asked that letters be sent to the buoy owners requesting they provide a copy of all applications and permits received and proof of association approval.

Sticker Permits- The 2013 stickers will be mailed in late February. As the new stickers are being issued on a long term basis, discussion followed about how to handle processing of replacement and lost stickers.

Mr. Nelson motioned that a \$20 processing fee be charged for lost parking stickers and a \$5 processing fee be charged for replacement boat and golf cart stickers. No fee will be

charged for new boat/golf cart registration stickers or for new owner stickers. Mr. Sass seconded and the motion carried unanimously.

It is highly suggested that owners laminate the hang tags or purchase a plastic hang tag to place parking stickers on for longevity.

Water service control- Jason Knight, Sun Cove Water Manager, prepared a leak loss control proposal for the Board to review. As a municipality, we are required to record our system leak loss to the Department of Health. Without having control of all the service connections to our water system, the total leak loss numbers had to be estimated by using the total service connections (readable meters). It was discovered that our system was out of compliance in 2012 and a large factor was due to many connections being used without readable meters.

The proposal suggested placing meter box locks on the approximately 50 lots that do not currently have a service connection (readable meters). Instructions to contact the Water Manager for service connection will be attached to the lock. Once the \$800 water hook up fee has been paid, a meter would be installed. The ACC will also ensure approval of construction includes instruction and proper water hook up procedures.

Mr. Nelson made a motion that all service connections must have meter installed by the association Water Manager prior to accessing the water system and that a \$500 fine will be charged for lack of compliance. Mr. Richards seconded and the motion carried unanimously.

Social Events

Mr. Sass shared the 2013 Social Events calendar with the Board. The next event is the Pancake Breakfast on April 21 from 8-11am. The Garage Sale/Spring Clean Up date has been set for May 25. The association pays for the advertising, posting signs and placing a dumpster and the members are responsible to run their individual yard sales.

The committee is in need of a few chair people to run the following events:

Community Yard Sale/Clean up- May 25

The Jeff Dowdle Memorial Chili Cook off- September 7

The Holiday Celebrating/Clubhouse Decorating Party- December 7

Please contact Mrs. Fifer or Mr. Sass if you are interested in volunteering.

Communications

Mr. Fix shared that the webcam is currently in place and being fine tuned for future usage. He also shared that Mrs. Fifer and Ms. McClellan had completed the last E-newsletter and performed the last updates to the website and thanked them for a great job.

Committee guidelines-

Mr. Richards presented a draft copy he had prepared outlining how committees could be formed using a set of guidelines. The guidelines included the importance to develop, provide details of

requirements of each volunteer, publicize positions available so committee's are open to the members should they wish to join.

Mr. Sass shared that as a growing, changing community it will provide the structure necessary to run effective committees. He noted that the new regulations being placed on our water system is a good example of how different our community functions today compared to the past. He also shared that the current Board has been faced with some large projects. This includes our aging clubhouse, pool equipment, tennis courts etc. as many items were in need of costly replacement and/or repairs.

All board members were asked to review the committee guidelines and prepare comments for discussion at our next board meeting.

Capital Improvements/Long Range Planning

Mr. Zeller stated that the Board was presented with a 5-10 year plan by the committee a few years ago. The plan was based on the survey completed by the members in 2007. Some of the ideas are very costly and/or require major changes to the association owned property. Many of the projects have been completed or are now under the direction of the Board. All board members were asked to review and send to Mr. Zeller and Mrs. Fifer comments, additions and any other thoughts for our planning purposes. This will be reviewed at our next board meeting and ultimately at the annual meeting.

11:30 am - Mr. Wheeler departed from the meeting via conference line.

NEW BUSINESS

Mr. Russell announced that Kevin Kalberg will not be running for the association Treasurer position in 2013. The Board wished to thank Mr. Kalberg, and his family, for his years of service to the association.

Three Board of Director and the Treasurer position(s) will be open should any member desire to submit their candidacy. A Candidate Application is available through the association Community Manager or can be found on the website under the DOCUMENTS tab, then under the MISC. tab.

Mr. Richards shared a Contractor/Vendor resolution for board's consideration. The procedures would assist the staff, management and board to have consistency in how business is performed. Discussion followed. It was decided to allow the board time to review the material presented and discuss at the next board meeting.

MEETING DATES

The next Board of Directors meeting was set for Saturday, March 16, 2013 at 9:00 am in the clubhouse.

OPEN FORUM

Association member, Marcia Kindig, shared that many members had suggested a television be purchased for the clubhouse to provide entertainment for events such as; Super Bowl party,

Movie Nights, etc. It was discussed that a TV could also be used as a tool for membership and board meetings to display information via computer.

Another member in attendance requested that a compliance letter be sent to an owner because of the unkempt appearance the multiple vehicles and other items placed in the front driveway of the property. Discussion followed regarding other similar issues within the community. Three other properties were identified by another member in attendance.

The board wanted to remind all owners to please clear your property of debris and weeds that become fuel to potential fires as well as a courteously to your neighbors.

ADJOURNMENT

Mr. Sass motion to adjourn the meeting at 11:50 am and Mr. Fix seconded. The motion passed unanimously.

Submitted by:

Acting Assistant Secretary; Jeri Fifer