

**Lake Entiat Lodge Associated**  
Meeting of the Board of Directors  
October 27, 2010

**TIME & PLACE**

There was a meeting of the Board of Directors of the Lake Entiat Lodge Associated at 3:00 p.m. on October 27th, 2010. The meeting was held at the Coast Hotel in Bellevue, Washington.

**PRESENT**

The following Board Members were present for the meeting: Greg Zeller, Brandon Fix, Margaux Mason and Treasurer Kevin Kalberg. Scott Blair and Don Sass were in attendance via telephone conferencing. Representing Schuchart Services, Inc. the Association's Management Company, were Ken Flynn, Alex Osenbach. Jeri Fifer, community manager was also present. President; Brandon Fix opened the meeting and Ken Flynn acted as Secretary.

**AMENDMENT TO SEPTEMBER 4, 2010 BOARD MINUTES**

Amendments were requested and noted for change to the September 4<sup>th</sup>, 2010 minutes. Under Long Term Planning and Capital Improvements section in the Sept. 4<sup>th</sup>, 2010 Board Minutes. The trail estimates were changed to an amount up to \$50,000. Under the Financial section spelling error was corrected and it was made clear that the overtime was incurred due to the fact that Mike Knight had a two week vacation, as a result other employees were utilized to cover his shift in his absence.

**ACCEPTANCE OF SEPTEMBER 4, 2010 BOARD MINUTES**

***Following a motion by Brandon Fix and seconded by Greg Zeller, the September 4th 2010 Board meeting minutes were unanimously accepted as corrected.***

**FINANCIAL STATEMENT REVIEW**

Kevin Kalberg presented the financial report for the nine month period ending September 30, 2010. Our cash position has improved by approximately \$118,000 after adjusting for the special capital improvement assessment. The reason for this improvement is twofold, collection of delinquent accounts and the operating surplus of \$33,901. Liabilities are down by approximately \$82,000 the reduction in the state revolving loan for our water system. Operating income was above a budgeted surplus for the nine months. Mr. Kalberg continued his report with a summary of the Capital reserve funds. It is anticipated that the association will have approximately \$310,000 in the special capital reserve fund when the assessment that the members approves ends with the 2<sup>nd</sup> quarter 2011 assessment. It was also noted that there are only five members with balances in excess of \$1,000.

## **BANKING RESOLUTION**

Alex Osenbach explained the banking resolution which will allow all Board members the ability to sign checks.

***Greg Zeller motioned that the Banking Resolution be accepted and Margaux seconded. Motion passed unanimously.***

RESOLVED That: Bank of America, Wells Fargo Bank, and Mutual of Omaha Bank are hereby selected as the bank of, and depository for funds of the Lake Entiat Lodge Associated which, may be drawn on check, drafts, or advice of debits given or signed in the Association's name by any one of the following for amounts less than \$4,000, and by any two of the following, one being an Officer of the Association for amounts in excess of \$4,000:

President	Brandon Fix
Vice President	Margaux Mason
Treasurer/Secretary	Kevin Kalberg
Director	Scott Blair
Director	Greg Zeller
Director	Todd Watson
Director	Don Saas
Director	Dan Lungren
Managing Agent	Alex Osenbach
Managing Agent	Jayne Severyns

each of whom is also authorized to draw and accept drafts and execute contracts and other agreements between the bank and the Association, and to make, collect, discount, negotiate, endorse and assign, in the Association's name, all checks, drafts, notes and other paper, signed as aforesaid, including checks payable to the order of any one or more of said persons or to bearer shall be honored by the bank and charged to the Association's account.

This authority shall continue in force until notice in writing of its revocation shall have been given to and received by the bank. All transactions aforesaid, which have taken place heretofore are hereby confirmed and ratified.

RESOLVED Further That: Bank of America, Wells Fargo, and Mutual of Omaha Bank are hereby selected as the institution of deposit for investment in Certificates of Deposit of this Association. At maturity, the certificates are to be reinvested in new certificates or deposited into the Association's accounts.

RESOLVED Further That: Alex Osenbach or Brandon Fix is authorized to transfer Funds between these banks for the purpose of reconciling the cash balance with the reserve fund balance. These transfers are to be made and drawn in the name of the Association.

## **REVIEW OF THE 2011 BUDGET**

Mr. Osenbach reported that the 2011 budget draft earlier distributed to the Board reflects no increase in fees.

The Board discussed several expense categories with Mr. Kalberg commenting on the process and the prior meeting he and Mr. Fix had with the management company in preparation of the draft budget.

Once approved, the 2011 budget is sent to all members. The Annual Budget Ratification Meeting, is set for January 2<sup>nd</sup>, 2011 at 9:00 am in the Lake Entiat Estates Clubhouse. This meeting allows members to ask Board members questions regarding the 2011 Board approved budget. At this ratification meeting, the budget is either adopted or if 50% of the membership (or 223 members), in attendance, vote to reject the Board approved 2011 Budget, the 2010 Budget would be reinstated. The Board unanimously agreed that to assist members in this economy it would be beneficial to keep dues from rising.

Fees for the first and second quarter will be \$416.75 and for the third and fourth quarter \$329.25 unless the members approve an extension of the special capital assessment.

***Don Sass motioned that the 2011 drafted Budget be approved and Greg Zeller seconded. Motion passed unanimously.***

The budget will be distributed with these minutes.

### **COMMITTEE REPORTS**

**Long Term Planning and Capital Improvements** – Greg Zeller explained the importance of completing a land survey of our community grounds to assist the Board and Committee in making informed choices with moving forward on the proposed trail and Community Expansion plans. A proposal for the surveys from NW Geodimensions, Inc. was shared with the Board and discussed. Scott Blair mentioned that we may want to add to the proposal the mapping of the shoreline to establish the effect of any eroding of the shoreline. Mr. Fix stated that it would be good to have the surveys as a benchmark to work from.

***Margaux Mason motioned to approve the NW Geodimensions proposal, phase 1 and 2, with a limit of \$7,500 for topography and shoreline surveying and Scott Blair seconded. Motion passed unanimously.***

Greg also shared that we are coming to the end of the Capital Improvement 5 year plan and it needs updated. The trail was requested by a majority of owners and has been sitting for 3 years now. The committee plans to work hard to get more completed in 2011.

**Social** –Don Sass inquired about the possibility to increase the budget for fireworks on the 4<sup>th</sup> of July 2011. After discussion, the Board chose to take a look at the budget in June 2011 and then make a decision related to any increases. Don shared that the Wine Tasting event will take place on November 13<sup>th</sup> at 6:30 pm and the chair is Alzira Zollo-Dean. The Holiday Decorating Potluck will be chaired once again by Mary Devine and will be December 3<sup>rd</sup> with decorating at 4:30 and the Potluck at 6:00 pm.

Ken Flynn shared that the New Years Eve Party in 2009 was reported by past site manager, Grace, as well as some concerned owners, as being “out of control”. Discussion followed about possible solutions for all to enjoy this event. Several ideas were discussed and the Staff will ensure that this year’s event is fun, safe and family friendly. We are in need of assistance in planning and executing this event so if you are interested, or just have ideas, please call Jeri @ 784-1166 to help make this event a success in 2010.

**Communications** – Jeri has now been trained on updating the website. She will now have access to update information about events, post the Board Minutes, make directory changes as well as keep our Sun Cove Calendar current. Please check your personal information on the website directory and let Jeri know if any information needs updated. Her email address is jeri@suncove.net. Brandon announced that reports show that our eNewsletters and website are getting 10X the industry standard use which shows members are using the tools. We are always looking for member feedback to make the newsletter and web site better.

**Misc.-** Golf Carts- Margaux Mason reported that Lake Entiat Estates has submitted our proposed rules related to Golf Carts in our community and as of right now there hasn't been any action taken by the Douglas County Board. The issue is on the county engineers list of projects. Several County officials will be meeting with State legislators to discuss issues within Douglas County. One issue the Board and Sheriff will address with them is concerns the county has with the golf cart bill that was passed. The County will contact us when any new information is available. Margaux let them know we really want to have something in place by spring 2011.

**Committees-** Margaux mentioned it would be nice to have a monthly Architectural Review Committee report. Brandon said that all Committees need to get together in the off-season for planning. Minutes of the Committee meetings should follow. Kevin shared that it is best to address questions rather than trying to cover everything at the meetings.

## **STAFF REPORT**

**Tree Survey-** Jeri reported that in an attempt to assist in the enforcement of violations of the tree heights, the management company proposed a survey be done by Erlandsen Surveying. The quote was \$6,444 every two years to survey and provide documentation for approx. 200 trees. It was noted that even though it would be a good benchmark, the Board felt that it was too large of an expense to pass to the entire membership when only a few are in violation. The Board asked the management company to have the staff survey the Grandfathered trees, educate the membership of the 22' height restriction and the fines associated with being out of compliance. The staff will also assist any owners with concerns regarding this issue. Scott Blair felt strongly that this is being made to be a bigger issue than it should be. He suggested getting an inexpensive transit tool and only enforce if an issue rises. Greg Zeller agreed and said rangefinders are only \$1,000 and then Lake Entiat staff could get proper reading for violators. Brandon asked that the staff map the trees and then address the issue at the Annual Meeting.

**Dock/Pool Lighting Project-** Pictures were shared of the completed project.

**Goose Droppings** – The board had asked the management company for a plan to solve the goose dropping problem. After research and numerous suggestions, the Board agreed to begin a pilot program to allow dogs off lease if wearing an official Sun Cove "Geese Patrol vest". Inquire to Jeri for more information about the pilot program. The staff will also be strategically spraying the grass with goose repellent.

**Compliance Issues Pending-** Jeri shared the status and documentation of all outstanding compliance issues.

**Water System-**The Board was contacted by the Washington State Department of Health related to an update of our Association "Water Plan". The staff will be working to get the document updated by the July 1, 2011 deadline established by the Department of Health. Also discussed was the need to read the water meters, as this was a requirement under the existing water plan. The meter reading equipment and the software will need to be updated to accomplish this.

## **OPEN BUSINESS**

**Shoreline Mitigation Update** – Dan Lungren was not in attendance so Mr. Osenbach shared an email from Mr. Lungren pertaining to the shoreline mitigation. Although \$48,000 was projected, less than \$20,000 will need to be spent for landscaping with the new plan from Mr. Vetter. The planting will now be done upriver from the Reclamation property. Scott Blair mentioned that we need more plants on the

shoreline to help with erosion. Mr. Fix suggested that Mr. Blair get in touch with Mr. Lungren to discuss further.

**Shed Resolution-** Greg Zeller began by sharing some history with the shed resolution issue. It was set in place not to harass but to protect street frontage from unsightly small structures that can bring down home values. Mr. Osenbach reminded the Board that we must enforce the CC&R's or clarify the identification of a structure within the CC&R's. Discussion followed about placement and foundation of sheds, time table for enforcement after decision is made, hardship considerations and what is the definition of a shed. It was decided to allow the Architectural Review Committee to review and submit guidelines for this issue and then address again at a future Board meeting.

**Maintenance and Upkeep Standard-** Ken Flynn will be working with our attorney on verbiage for self help to be added to the CC&R's. This is a new declaration and will need 60% acceptance of the membership to be added to the CC&R's.

***Brandon Fix motioned to authorize staff to contact our attorney to draft an amendment to the CC&R's regarding Maintenance and Upkeep Self Help. The motion was seconded by Don Sass.***

#### **OTHER BUSINESS**

**Bylaws Amendment-** Alex Osenbach shared information regarding modifying our Bylaws for Collection Resolution. It has been proposed to shorten the grace period on Association dues payments from 30 to 15 days and to have all fees associated be the owner's responsibility. Discussion followed and included; fee structure, refund requests, late charges, escalation charges and waiving late charges. Bylaw changes, Mr. Osenbach reported, need to be considered individually. The Board decided to take some time to review and address this further at a future Board Meeting.

#### **NEXT BOARD MEETING**

A date and time has not been set for the next meeting. Mr. Fix will announce at a later date.

#### **ADJOURNMENT**

There being no further business to come before the Board, the meeting was adjourned at 6:00 pm.

Submitted by:

Ken Flynn  
Acting Secretary