

Lake Entiat Lodge Associated

Meeting of the Board of Directors

March 23, 2013

APPROVED

TIME AND PLACE

The Board of Lake Entiat Lodge Associated met Friday March 23, 2013. The meeting was held at the Sun Cove Clubhouse in Orondo, Washington and called to order by Board President Dan Russell at 11:01 am.

PRESENT

The following Directors were present: Dan Russell, Nick Nelson, Darrell Richards and Greg Zeller. Directors, Walt Wheeler and Brandon Fix, 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 February 16, 2013 Board Meeting Minutes for approval.

Mr. Richards made a motion to accept the February 16, 2013 Board of Directors meeting minutes. Mr. Nelson seconded and the motion carried unanimously.

FINANCIAL REVIEW

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

1. As reported to the Board previously the association received a subpoena in regards to the suit against Assessment Recovery. The association incurred legal costs of approximately \$690. In addition Assessment recovery has stopped any collection work on the association accounts and another company will be used for collections.
2. Delinquencies were reviewed; The Ledoux and Perea property , recommend we hire an attorney to pursue a money judgment because the bank's lien will wipe out any Assessment lien (or Association Recovery will find an attorney for us if we ask them to.) Perea, recommend that the Association continue receiving payments directly from Perea without Assessment Recovery in the middle. Sounds as though Perea's next payment is around April 15th & that will be the last payment they will accept from him.
3. The cash position is \$129,549 in operations and \$635,715 in reserves. Individual reserves are: Capital improvements \$27,114; Water System Improvements \$113,780; loan Repayment \$312,825; special Capital \$174,320.
4. Year to date earnings before depreciation are \$54,387 better than a budgeted \$44.795

Director Walt Wheeler joined via the conference line.

WELL UPDATE

Mr. Russell shared that bid requests were sent out for Phase 2, final phase, of the Well project and are due Tuesday, March 27. Some contractors had asked for an extension for bid submission but with the issue of DOH putting a moratorium on water connections until the Well is approved, waiting will not be advantageous. It was discussed that we may want to enter into a private contract with Bach Drilling, who recently drilled, set the wellhead and pump on Well #4, to complete Phase 2 as well. Mr. Nelson shared information about a private contract as opposed to the contract drawn by the engineer hired by the association, Mr. Cordes of PACE Engineers.

11:30 am, Director Brandon Fix joined via the conference line.

The current estimate at this time of the entire Well #4 project is \$225,000. Discussion followed that during the engineering process, it was discovered that Well #3 upgrades were also needed and approximately \$40,000 is included in the estimates for the Well #4 project.

Mr. Osenbach requested that the Board review the Water Reserve and Water Loan repayment accounts from the financial reports provided.

Mr. Nelson motioned to approve \$125,000 be used to complete Phase 2 of Well #4. Mr. Zeller seconded and the motion carried unanimously.

Mr. Russell shared a recap of the progress of Well #4 for the board members to review (attached). He recommended that the board provide a proposal to the membership, at the Annual Meeting, to get direction on how to best replenish the Water Capital fund to a satisfactory level. He mentioned the importance to be prepared for future repairs and required upgrades to the water system. This will protect the association from possible exposure in the future.

Mr. Osenbach shared that by September 2013, the loan repayment account will have \$200,000 which could be used for the Well #4 project if the board desired. He reminded the board that in the past, the association goal was to always have one additional payment in this account.

Mr. Russell shared that Department of Health (DOH) requires a new well source to establish the sanitary control area by recorded covenant. The covenant was shared with the board for approval.

Mr. Richards motioned to ratify the execution of the Well Source Declaration of Covenant to be submitted to Department of Health. Mr. Zeller seconded and the motion carried unanimously.

COMMITTEE UPDATES

Facilities/Maintenance/Staff-

Private Buoys- Mr. Nelson shared that with the new trail through the park, inquiries have been made regarding the personal buoys in the river. It was discovered that the land the buoys have been anchored to belongs to the association. After a request was made via an email newsletter sent in November 2011, several owners supplied buoy permits and applications for the board to review. No permits or applications received had been signed off on by the association.

Members, attending the meeting, who have buoys placed in front of their properties, shared their views of this issue. Some had received instructions on placement of their buoy(s) from the Army Corps of Engineers years ago. They also indicated that they had received verbal permission from the board in the past when our docks were failing and moorage availability was at a minimum, however this was not recorded nor could the owners provide proof of such action. They feel they followed the proper steps to obtain moorage buoys and that since their personal buoys have been in place for many years that they should be able to continue using them exclusively.

The board consensus is to provide the association attorney with the research gathered; past Board of Director meeting minutes, owner provided permits and applications, Army Corp of Engineer requirements, and any other pertinent information to review and supply the board with a proper response.

12:30pm Mr. Zeller left the meeting.

Capital Improvements/Long Range Planning

Mr. Russell shared the spreadsheet of possible projects recently updated by Mr. Zeller. The goal is to have information available to share with membership at the annual meeting. Mr. Fix asked if a questionnaire could be created to go to the membership to get member feedback prior to the meeting. ADA, Long Range Planning and Self Help were mentioned as topics for the questionnaire. It was determined that a questionnaire would be developed.

Committee Resolution

Mr. Richards had proposed a resolution for board consideration at the February 16, 2013 meeting. The resolution (attached) will provide guidelines for committees to be established with and function by.

Mr. Nelson motioned to approve the Committee Resolution as presented. Mr. Russell seconded and the motion carried unanimously.

More Facilities/Maintenance/Staff-

Trail update- Mr. Richards shared that United States Bureau of Reclamation is reviewing our proposal at this time and we have not received comments back as of yet. Proposal for Phase 3, through Chelan County PUD Wildlife area, will be prepared after we have completed the boulder and sign placement.

Mr. Nelson motioned to ratify the approval up to \$3,000 for boulders and cleanup along the boundary of community and Chelan County PUD managed property to stop encroachments/misuse of this Wildlife area. Mr. Richards seconded and the motion carried unanimously.

Contractor/Vendor Resolution-Mr. Richards had proposed a resolution for board consideration at the February 16, 2013 meeting. The resolution (attached) provides policy and procedure for direction of future projects.

Mr. Nelson motioned to approve the Contractor/Vendor Resolution as presented. Mr. Russell seconded and the motion carried unanimously.

ADA- The Facilities Committee recommended to not allowing owners, with short term rental properties, to use a 3rd party agency as that is what defines the association as a “public” entity regarding ADA compliance. It was discussed that ADA compliance should be a community decision, not something to be forced into.

Mr. Osenbach shared that this would require an amendment to the 1st Amendment of the association Covenants. This change would require an approval from 51% of the membership, which in the past has been challenging to obtain.

Trail Phase 1 Mitigation- Mr. Nelson shared that the spit, upriver from the 3rd cove, is being presented to the county for approval for the mitigation planting. This will move the plants off the main cove, a high foot traffic area, and place it on a rarely used area.

Meter Reading/Water Vault Access- Jason Knight, Facilities/Water Manager, presented the vault access issues found while performing the last water meter readings. It was discussed that the vault lid clearance minimum should be *3 foot diameter around and 5 feet above* to allow adequate space for staff to enter the vaults.

Mr. Richards motioned to approve adoption of a requirement to provide water vault access minimum of 3 foot diameter around and 5 feet above. If all obstacles are not removed, owners will be responsible for the time and labor for an outside contractor to clear the access to the vault. Mr. Nelson seconded and the motion carried unanimously.

Shed Resolution- After discussion, it was decided that it would be beneficial to send the resolution and Architectural Review Committee Shed Placement Application to assist in awareness to all members.

NEW BUSINESS

Ms. Fifer recommended acquiring a project management tool to provide improved communication between the management and the board on projects such as the well.

OPEN FORUM

Owner Correspondance-

Ms. Fifer shared that an owner was interested in teaching a Yoga class at Sun Cove. After discussion, it was decided to allow the Social Committee to review the budget to see if the association has appropriate funds to contract with the yoga instructor.

Member, Ms. Kindig, asked why she had received an invoice when her payment had already been made. Mr. Osenbach shared that the accounting software does not allow for separation of invoices that have been paid and it is time consuming to perform manually.

1:45 pm: Mr. Fix and Mr. Wheeler had to leave the meeting via conference line.

ADJOURNMENT

Mr. Nelson made a motion to adjourn the meeting at 1:46 pm and Mr. Richards seconded. The motion passed unanimously.

Executive Session was suggested by Mr. Osenbach. As a quorum could not be met, the session could not be held.

Submitted by:

Acting Assistant Secretary; Jeri Fifer