

## **LAKE ENTIAT LODGE ASSOCIATED**

Meeting of the Board of Directors

March 13, 2008

### **Time and Place**

The Directors of Lake Entiat Lodge Associated met on Thursday, March 13, 2008. The meeting was held at Mr. Lungren's office at 12931 NE 126<sup>th</sup> PL, Kirkland, Washington. The meeting was called to order by President Dan Lungren at 5:00 pm.

### **Present**

The following Directors were present: Dan Lungren, Todd Watson and Greg Zeller. Bryan Wheeler, Brandon Fix and Hal Sullivan join the meeting via telephone via conference calling. Michelle Richardson and Alex Osenbach were also in attendance. Mr. Lungren acted as chairman and Alex Osenbach acted as secretary for the meeting.

### **Booth Residence**

The Board discussed the continuing issue related to the violation of the height covenant of the Association as it relates to the residence under construction at 125 West Emerson, (Block 4, Lot 22). Mr. Nelson a member of the Association was asked by the Board to take some measurements of the height of the home. Those measurements confirmed that the home does exceed the 22' height restriction. Mr. Booth's attorney was advised and provided with documentation on March 3, 2008 supporting the Association's claim that the home exceeds the 22 foot restriction. The Board was informed that Mr. Booth was to supply, for this meeting, a photograph showing the lot before construction that would document the height of the lot. No photograph was received by any member of the Board prior to or during the meeting. Following discussion the Board agreed that Mr. and Mrs. Booth would be formally notified of the covenant violation and be given a period of time to bring the home into compliance or a daily fine per the Association rule would be assessed.

At this point the Board believes they have no other option but to proceed with enforcing the Association Covenants, as there is no mechanism for granting a variance to the covenants. The Membership should be advised that should the Association need to proceed with the assistance of legal council this process could become costly and have an effect on the operating cost of the Association.

### **Approve Meeting Minutes**

The Board reviewed the minutes of the January 26, 2008 meeting of the Directors. Following a motion by Todd Watson and seconded by Brandon Fix, the minutes were approved as submitted.

### **Acceptance of the Member Budget Meeting**

The Minutes of the January 26, 2008 meeting of the members for the purpose of ratifying the 2008 budget were reviewed by the Directors. Following a motion by Todd Watson and

seconded by Greg Zeller the minutes of the January 26, 2008 meeting of the members were accepted as correct.

### Financial Review

The Board reviewed the February 29, 2008 financial statement, which reflects a year-to-date operating surplus of \$34,752. Expenses were in line with the budget with revenues lagging slightly behind budgeted. Reserve balances were reviewed by the Board. It was noted that the final year end surplus after year end adjustments was \$29,583 slightly lower than the \$30,230 reported at the January 26, 2008 meeting. This difference was due to a late arriving utility bill from the PUD relative to December 2007.

As part of the Fund balance review the board discussed the transfer of funds from the water improvement fund to the shoreline improvement fund. Following discussion and a motion duly made and seconded, the following resolution was unanimously adopted, motion by Zeller seconded by Fix.

Resolved that; \$30,000 is authorized to be transferred from the water improvement fund to the shoreline improvement fund and that the Association will make a \$60,000 payment on the Pipkin note in April 2008.

### Common Ground Projects

- a) The association is proceeding with grinding of the tree trunks that were removed last year. The cost will be about \$1,500.
- b) There is firewood available for the members in the boat parking area. This wood is the result of removing the poplar trees. If the members do not take this wood, the Association will proceed to have it removed by May 15, 2008.
- c) The "Tree Guy" will be completing the trimming of the Association trees that were not finished in the fall. This work will be completed in the next week or two.
- d) The Beaver got the willow in the boat lagoon this winter and the Board authorized the removal of the tree. It was also noted that the tree was diseased.
- e) The Board reviewed the bid for the installation of the vinyl fence located on the north side of the new swimming pool deck expansion. The cost of \$4,200 was approved and the bid accepted.
- f) The chain link fencing around the pool does not meet code effective June 1, 2008 the Board reviewed the bid but did not take action. The Board asked for other options besides chain link fencing. The Board agreed to make a decision on the type of material by April 1, 2008. So that time could be provided to order, receive and install the fence prior to June 1<sup>st</sup>, to meet code requirements.
- g) The Board was provided with price quotes for the installation of a card swipe entry system for the clubhouse. Entry would be provided through one door with exiting through all doors/gates. The system as designed would eliminate the need for tags. The cost as proposed is approximately \$8,000. The Board discussed staffing and the responsibilities of the Site manager and the Pool monitor. Ideally the Association needs some type of office space at the clubhouse. For this year the Association will provide a desk with locking cabinets without incurring the cost of constructing an office until it can be determined how best to proceed.
- h) Mr. Fix has purchased the replacement video cameras and recording equipment for the Clubhouse. This equipment will be installed over the next two weekends by members. If there

are any members willing to help with this installation they should contact Brandon Fix at 253-752-0767.

i) The new pool deck has electrical location for the installation of 3 additional lights. The Board will be reviewing and evaluating the type of light best suited for the pool area at their next meeting.

j) The Board authorized the cleaning and inspection of the water reservoir after reviewing the bids received the cost is \$1,800.

Ms. Richardson left the meeting and Mr. Sullivan joined the meeting at this point 6:50 pm.

k) Management was asked to provide the Board with a recommendation for furniture and equipment necessary for furnishing an area to meet the Association's requirements for the Site Manager and the Pool/Clubhouse monitor. Keeping in mind that this is a temporary function at this time for this summer while the full requirements are being determined.

### Annual Meeting Date

The date of April 26, 2008 was confirmed as the date of the Annual Meeting and the Orondo School has been reserved.

### Shoreline Update/Budget/Financing/Assessments

The Board continued their discussions on the financing of the projected deficit for the shoreline improvement project. The current short fall is about \$47,000. This includes member approval of transfer of funds from the water improvement fund at our upcoming annual meeting. Mr. Wheeler and Mr. Zeller agreed to prepare a full in-depth report that will be provided to the members at the April 26, Annual Meeting. This presentation will also be a time schedule and cost estimate for future community capital project improvements the Board is currently considering.

### 2008 Rental Planning

Mr. Lungren provided the Board with a handout which evaluated in more detail the results of question 16 on the member survey prepared by the SE Group last year. The results of the responses to question 16 and its sub question indicate that the members want some controls on rental activities. The Board discussed this issue and agreed to present to the members a Covenant Amendment that would place a cap on short-term rental homes at Lake Entiat Estates. From the information gathered last year there are about 19 short-term rental homes. The cap discussed was limiting the maximum number of short-term homes to 10% of those homes constructed. Today that would be 32 short-term rental homes as there are 321 homes built. This number would be adjusted each year as additional homes are built to a maximum of 45 short-term rental homes. The intent of the Board will be to limit the number of rentals to start with to 25, this is a 25% increase over the number of registered rentals in 2007. The number of rentals could be adjusted each year until the maximum number is reached based on the 10% formula. The Covenant draft will be available for the April Meeting.

Also discussed was the added expense of tracking and managing short-term (less than six months) rental information. Per the survey members want all renters to sign and agree to the rules. In order to do this the board believes the rental registration and per rental occurrence forms used last year will become standard forms required by homeowners that elect to rent

their homes. Given the added administration required the board believes that a special rental fee should be paid by members that are renting their homes on a short term basis. The Board will be presenting information regarding this administration fee at the annual meeting and putting fourth to the members a vote to change the bylaws that will allow the board to set special fees for members who rent their homes on a short term basis.

### Water Consumption

The Board reviewed the previous action taken by the Board in December 2002 and the report provided to the members at the April 2003 Annual Meeting. The additional water rights were purchased on 1/8/02 which increased the annual amount of water and more importantly the rate of withdrawal of water per minute. We are now within 90% use of the annual quantity and have homes built at about 75%. The association again needs to start a conservation program to insure water availability as new homes are constructed. The staff will start reading meters and report the quantities used by each home. The Board in 2003 established a quantity level of 35,000 before assessment of an additional fee per 1,000 gallons. After evaluating the usage volumes for the balance of 2008 the Board will again examine the necessity for charging a fee for excess consumption of water.

### Next Board Meeting

The next Board meeting will be held on April 17, 2008 at Mr. Lungren's office at 4:00 pm.

### Other Business

The Board asked to be provided with the current lease requirements for trailer storage at the Ross facilities for their next meeting.

### Adjournment

There being no further business to come before the Board, the meeting was adjourned at 8:45 pm.

Submitted by  
Alex R. Osenbach