

LAKE ENTIAT LODGE ASSOCIATED  
Minutes of the Meeting of Members  
(Revised)  
April 26, 2008

**WELCOME**

Dan Lungren, President of Lake Entiat Lodge Associated, called the meeting to order at 9:00 am. The meeting was held in the multi-purpose room of the Orondo Elementary School, Orondo, Washington. There were members in attendance representing 126 lots.

**PRESENTATION BY DOUGLAS COUNTY P.U.D.**

Gary Ivory of the Douglas County P.U.D. addressed the membership regarding the fiber optic project which is about 75% complete. Conduit and communication pedestals should be complete by the end of May 2008 with limited service to some areas becoming available in mid August 2008. Rate information will be available from several service providers. Additional information may be obtain from Douglas County Community Network website at [www.dccn.net](http://www.dccn.net).

**PRESENTATION BY DOUGLAS COUNTY SHERIFF DEPT.**

Douglas County Sheriff, Harvey Gjesdal, addressed the membership regarding boating regulations that became effective January 1, 2008 which will be enforced by his marine patrol division this summer. The 2008 law requires that anyone between the ages of 12 and 20 are required to complete a state boater education training course prior to operating a watercraft. After successful completion of the course, participants will be issued a Boater Education Card which must be carried when operating a watercraft. The program will require additional age groups (20+) per the state age groups to become compliant through 2014. Additional information on the program is available through the State of Washington Parks website, [www.parks.wa.gov/boating](http://www.parks.wa.gov/boating). Dan Lungren indicated that he will arrange to have the information posted on the Association's website.

Sheriff Gjesdal also reminded the members that all watercraft, including personal watercraft, must be equipped with fire extinguishers, a sound making device and floatation devices. Additionally, personal watercrafts must be equipped with engine cutoff lanyards.

Sheriff Gjesdal also addressed the violation issue of operating golf carts on county roads and carrying passengers in towed vehicles. These acts are citable events. He advised those present to contact the Sheriff's Department for any public safety concerns.

**INTRODUCTIONS**

Mr. Lungren introduced the Board of Directors, Lake Entiat Lodge staff and Management Company representatives to the membership. Mr. Lungren indicated that Hal Sullivan, the Association's Vice President was unable to attend the meeting.

Dan Lungren	President and Director
Brandon Fix	Director
Dan Russell	Director
Todd Watson	Director
Bryan Wheeler	Director
Greg Zeller	Director

Mike Knight	Groundskeeper
Michelle Richardson	Site Manager
Mary Anne Hawkridge	Management Company Administrative Assistant

Mr. Lungren thanked Michelle Bartoli for her work in maintaining the Association's web site ([www.lakeentiatestates.com](http://www.lakeentiatestates.com)) and he also thanked Rachel Schmidt, Carol Sass and Lisa Wiedmer for their help with the refreshments.

New owners were requested to stand and introduce themselves.

Mr. Lungren informed the membership that the Board has again approved another 4<sup>th</sup> of July fireworks display, even larger than the very successful display in 2007 under the direction of member, Ray Simone.

The Board of Directors intends to formalize small committees, with a Board Member as chairman, to assist in the various projects for the future. Members are encouraged to participate.

The Board works diligently to preserve and enhance the value of the common community assets, owned by every member of the Association.

### **APPROVAL OF MINUTES**

The minutes of the April 28, 2007 annual meeting of the members were reviewed. After a motion duly made and seconded, the minutes were unanimously approved as submitted.

### **FINANCIAL REVIEW**

Dan Lungren presented a summary of the 12-31-07 financial report. A detailed report was provided at the Member's Budget Meeting in January.

Highlights of the December 31, 2007 balance sheet indicates operating cash of \$48,604, Loan Fund cash of \$224,901 and combined Capital, Water, Shoreline and Paving Fund cash of \$186,937.

Actual 2007 revenue amounted to \$285,415, approximately \$12,200 ahead of budget.

Items to note on the 2008 Budget were a) an increase of \$18.50 per quarter for assessments, b) an increase in the Security Payroll from \$35,000 to \$50,000, providing for a pool/clubhouse attendant who will be stationed at the pool/clubhouse.

A chart providing the breakdown of the Annual assessments was shown, breaking down operating expenses, the various fund allocations and special assessment allocations over a 22 year period.

Revenue from the recycling trailer amounted to approximately \$240.00; however members will have to do a better job in separating the recyclable products. Failure to do so could result in a fee being assessed, negating any revenue or causing an additional expense to the Association.

The Board is reviewing the water meter reading. There will need to be equipment and software upgrades before proceeding. Although no fee has been established by the Board of Directors, members will need to start conserving water as the Association is nearing the maximum usage allowed under current DOE water right allocations.

### **SHORELINE PROJECT UPDATE**

The original plan, as submitted to the Corps of Engineers, was approved in 2002 and work commenced in 2005. It is anticipated that all of the permitted work will be completed in 2008, including the installation of docks in the upriver lagoon and the mitigation requirements outlined in the permit. The magnitude of the project, combined in part with the costs and delays due to the port-a-dam failure has resulted in the project running over budget. The Board authorized overtime to the Pipkin Construction crew as time constraints required that 8 weeks of work scheduled had to be performed within 4 weeks. The increased cost of the docks, since the original budget approval, also greatly exceeded the budgeted estimate

To date each member has been assessed \$1,700. The Board is requesting approval from the membership to transfer funds from the Loan Repayment Fund in the amount of \$80,000 and extending the \$87.50 special assessment for an additional two quarters to complete the dock installation and necessary mitigation work. The mitigation work requirement may possibly be downgraded from the approved plan, resulting in some cost savings. Tom Vetter, the Association's consultant, will be contacting the DOE and the Corps of Engineers to negotiate this. Prior to the members voting on the transfer and extending the special assessment, the Board responded to questions from the membership.

Jack Divine, a former Board Member, spoke to the membership about keeping the Association assets in pristine condition and stated that during the project, the Board and the contractors were dealing with a series of unknown factors.

Members were asked to vote on the \$80,000 transfer of funds from the Loan Account to the Waterfront Improvement Fund. Following a tabulation of the ballots cast, the members overwhelmingly approved the transfer by a vote of 117 in favor and 6 opposed.

Members were then asked to vote on continuing the special assessment of \$87.50 per quarter for two additional quarters (first and second quarters of 2009, \$87.50 due 1/1/09 and \$87.50 due 4/1/09). Following a tabulation of the ballots cast, the members overwhelmingly approved the extension of the additional special assessment by a vote of 116 in favor and 8 opposed to continue the \$87.50 per quarter assessment for 1/1/09 and 4/1/09.

### **FUTURE PLANNING**

Greg Zeller provided the members present with a future planning handout, breaking down, by year 2008 through 2011, the capital fund items being considered by the Board of Directors. A review of some of the capital items being considered for 2008 provides for additional pool furniture, creating an office space in the clubhouse, pool deck expansion, boat launch parking area improvement, pool fences upgrades (mandated by the Department of Health), create a sandy beach area, boat launch parking improvements maintaining an annual pruning program for Association owned trees.

Other items being considered for the future include items such as dock lighting, trail system/walking paths, clubhouse remodel, tennis court resurfacing, etc.

The proposals listed are not cast in concrete but do reflect improvements that the Board of Directors feel are necessary and will benefit the members.

To facilitate the proposed improvements, the Board of Directors recommends continuing the special assessment of \$87.50 per quarter for an additional eight quarters, commencing with the third quarter (July of 2009) through the second quarter of 2011 (April of 2011).

After discussion, the following motion was duly made and seconded. Based upon the Board's recommendation, and conditioned upon the Board annually bringing the year's proposed Capital Improvement projects before the Annual Meeting of the Members for approval, it is moved to continue the \$87.50/quarter Special Assessment an additional eight quarters beginning 7/1/09.

The ballots cast were tabulated, resulting in the members' approval of the continuation of the \$87.50 special assessment for an additional eight quarters (7/1/09 through 4/1/11) by a vote of 102 in favor and 13 opposed.

### **SHORT TERM RENTALS**

Bryan Wheeler addressed the membership regarding information derived from the SE Group survey. The members indicated on the survey that they desired some regulations with regard to short term/vacation rentals. If regulations were to be imposed, they would need to be prepared as part of a covenant change, which could not be voted upon today. A covenant change requires the affirmative vote of the majority of the owners.

A draft of the proposed covenant change is available to the members for review and may be picked up following the meeting. A mail vote is required to facilitate any covenant change and members will be provided with the covenant amendment and a ballot to be completed and returned. Items included in the proposed covenant change include, but are not limited to,

establishing a limit on the number of short term rentals allowed (not to exceed 10% of the total number of homes built, prohibiting third party usage of community facilities and a provision for owners applying to the Board of Directors for a hardship exception.

The Bylaws of the Association provide for the imposition of fees. The Board is recommending that a fee of \$500.00, for this year, be established and imposed annually for short term rental properties. There was discussion regarding the determination of the monetary amount of the fee. At this time, the Board is recommending the amount of \$500.00 but indicated that the amount could change in the future.

Jody Oster addressed the membership regarding some questions posed to the Management Company with regard to the cost of maintaining records for rental properties. Approximately 20-30 hours were required to create the data base, set up files and file the documents. She stated that the amount of work necessary does not justify the amount of fee required and that she believed that Michelle Richardson could provide the service at a lesser cost. She also stated that she did not believe that Article 4, Section 3(b) of the Bylaws pertaining to fees and/or special assessments being decided by a vote of the membership at any regular or special meeting was intended to target a small group. Additional questions included why were all rentals not being addressed rather than targeting only short term rentals.

Following an open question period the Board asked the Members to approve a Bylaw amendment that would provide for the establishment of an annual fee for members wishing to rent their homes on a short term basis. This Bylaw amendment would include a provision that the Board could adjust the fees on an annual basis.

Following a motion the membership was requested to vote on this Bylaw amendment. A tabulation of the ballots resulted in a majority approval vote of 89 in favor and 31 opposed. The Bylaw amendment was approved and the revised Bylaws with this amendment would be distributed to the members

### **ELECTION OF DIRECTORS**

The terms of Directors Dan Lungren, Hal Sullivan, Bryan Wheeler and Greg Zeller are expiring. Hal Sullivan is not seeking re-election. Names placed in nomination were, Nancy Christiansen, Lance Harvey and Nick Nelson. Kevin Kalberg was nominated for the Secretary/Treasurer position. Each of the candidates present at the meeting spoke about their qualifications and reasons for seeking a position on the Board. Each ballot included a resume from Lance Harvey, who was unable to attend the meeting. There being no further nominations, the nominations were closed. Following a vote of the membership, the Directors elected for a two-year term were Dan Lungren, Nick Nelson, Bryan Wheeler, and Greg Zeller. Kevin Kalberg was elected as Secretary/Treasurer.

## **OTHER BUSINESS**

Open fires are not permitted. This would include the use of fire pits such as those being sold by Lowe's, Home Depot, Costco, etc. Under the Association's rules, these are designated as open flame and prohibited. Tiki torches fall under the same restriction.

Absolutely no boat fuelling may take place in the water and in the parking lot. Doing so is a violation of the Corps permit and subjects the Association to a fine.

Members responded to holding a cleanup day by a show of hands. After a brief discussion, two weekends (May 10<sup>th</sup> and May 17<sup>th</sup>) were designated as cleanup day. Georgia Mashayekh recommended that the Association enlist the help of school students to assist them in their community service hour requirements. Ms. Mashayekh will co-ordinate with the school.

Members who take their dogs to the community property are reminded to use the clean up stations provided. Also, as a reminder, dogs are not to run wild through the community. Doing so is a violation of the nuisance covenant and subject to a fine.

Members are reminded that Otto Ross is only allowing grass clippings in his compost area. No large debris is permitted.

Arrangements will be made with the Orondo Fire Department to check hydrants.

Volunteers are requested to sign-up to assist with the 4<sup>th</sup> of July and New Year's Eve celebrations.

## **ADJOURNMENT**

There being no further business to come before the membership and following a motion duly made and seconded, the meeting was adjourned at 12:37 pm.

Submitted by:

Mary Anne Hawkrige