

Lake Entiat Lodge Associated
Meeting of the Board of Directors
June 19th, 2015

TIME AND PLACE

The Board of Lake Entiat Lodge Associated met Friday, June 19, 2015. The meeting was held at the Sun Cove clubhouse in Orondo, Washington and called to order by the Board President, Mr. Russell, at 6:03 pm.

PRESENT

The following directors were present: Dan Russell, Nick Nelson, Darrell Richards, Walt Wheeler, Ryan Haggard and John Howgate. Staff members Jeri Fifer and Jessicah Curry were also in attendance, and two community members.

APPROVAL OF MEETING MINUTES

Mr. Russell presented the May 15, 2015 Board Meeting draft minutes for approval.

Mr. Howgate made a motion to accept the May 15, 2015 meeting minutes as presented. Mr. Nelson seconded and the motion carried unanimously.

Mr. Russell provided a draft of the April 25, 2015 Membership Annual Meeting minutes for Board review. He asked that the minutes be reviewed for acceptance at the July board meeting.

Social Events – 4th of July Celebration

Mr. Howgate informed the Board that the permits for the fireworks have been submitted to Douglas County. A similar show to last year's is planned, with some new exciting improvements. There has been a great turnout of volunteers this year due in part to the Association advertising via the website, e-Newsletter and at the clubhouse.

Mr. Howgate requested that information on the band be posted on the website and inquired as to whether or not a stage would be supplied. The fire truck will take up its usual position.

Mr. Wheeler suggested that the road to the boat launch be signed as closed and locked at 11:30am. It was also suggested to run a cable across the entrance, or that two trucks park nose-to-nose there, blocking entry.

FINANCIALS

The May financial statements were reviewed with all accounts within range of projected budgets.

Banking Resolution

Mrs. Fifer provided a draft banking resolution for consideration that proposed an increase to the authorized amount on the Association credit card. Mr. Russell suggested that accounting review prior to adoption.

Mr. Wheeler made a motion to accept the Banking Resolution as presented pending accounting (Wapato Point Services) review. Mr. Haggard seconded and the motion passed unanimously.

OLD BUSINESS

Firewise Update

Mrs. Fifer shared that the Department of Natural Resources (DNR) have now offered to include private properties in the community in the cost-share application for consideration. An answer should be expected in a week as to whether or not the Association's application will be approved. Additionally, the DNR representative will be available to conduct fire safety assessments of member lots at no cost to the members.

Discussion took place over the requirements for the Firewise plan as detailed in the Chelan PUD response.

Board consensus was to have staff contact fire specialist Mr. Berrigan for his input, and then to set up a conference call with CCPUD, Mr. Russell, Mr. Nelson, Mr. Richards, DNR Representative Cindi Tonasket and Mrs. Fifer to negotiate the partnership and request CCPUD assist with FireWise implementation and future maintenance costs.

Electronic Voting/Attendance

Mr. Howgate shared that he and Mr. Fix had met to review remote attendance data from the Annual Meeting, including member drop-off rate. Mr. Russell asked that the Board be provided with a list of members who attended via electronic attendance for Association records. Additionally, a request was made for a recap on how much drop-off occurred during the meeting.

Mrs. Fifer inquired as to whether or not staff would be provided with a detailed operations manual on the procedures involved in running the equipment for future meetings. Mr. Howgate responded that Mr. Fix volunteered to assist again at the 2016 Annual meeting and, for a nominal fee, would assemble an operations manual for future reference.

Mr. Howgate informed the Board that his attorney has provided a red-line draft of the Association Bylaws to reflect the addition of electronic voting as a valid voting method. He would like to have it presented for Board approval. Board consensus was to provide the draft to the Association attorney prior to adoption and to determine a timing for a membership vote.

At 6:45 pm Mr. Howgate left the meeting.

NEW BUSINESS

Committee Resolution Review

Mrs. Fifer reminded the Board that the Committee Resolution was adopted in 2013 and highlighted the responsibilities of the committee chair. Mr. Haggard volunteered to Co-chair the Social and Rules committees. Mr. Howgate will move from Social Chair to Communications Chair after the 4th of July.

COMMITTEE UPDATES

Capital Improvements/Long-Range Planning

Mr. Russell reported that the survey of the spoils pile identified 2.92 acres of land for development. Discussion followed with plans to include tennis courts, a basketball court, volleyball, grassy play areas, restroom facilities and walking paths. Consensus was to clear and level the area, install sprinklers and then hydro-seed the area in order to keep down the ensuing dust. A comprehensive layout of all amenities can then be developed.

Capital Projects- Mr. Russell shared that the 2015 Capital Projects will not be determined until the Association has a clearer picture of the FireWise implementation costs.

Facilities and Maintenance

Pine Trees- Mr. Nelson recommended that the two pine trees growing into the power lines by the compactor be removed. Board consensus was to remove the trees as they are a fire hazard and could cause power outage issues.

Mailboxes- Mr. Nelson and Mrs. Fifer shared that the Association has been corresponding with the post office in Orondo regarding issues with Sun Cove's mailbox stands, which are not compliant with USPS delivery standards (41-45" from ground to box). There are currently approximately 130 active mailboxes in the community per the Postmaster, and two stands were identified as needing immediate attention.

Board consensus was to find a vendor who can remedy the locations as soon as possible.

Mr. Nelson recommended that the Association move in the direction of Cluster Box Units (CBU) and lock-entry boxes instead of installing a box for all 444 members. The units would be set up in stages. A review of options for installing CBUs will be developed, ensuring all costs, locations, etc. are planned for including funding.

Rules and Regulations

Mr. Wheeler relayed that the Rules Committee is challenged with drafting the Rules and Regulations with the community-wide condition. It was suggested that they assess each rule individually and then determine if all current rules need to be included in the new draft. Board consensus was to pare down the 12 pages of existing rules to only those necessary.

The Board went into an executive session at 7:55 pm. Mr. Russell shared that the executive session was in regards to a litigation matter from a member's attorney, who is proposing a suit against the Association.

Mr. Russell shared that a proposed suit has been sent to the Association's legal counsel by the attorneys of the Wehmeyers (Association members). In particular, the Wehmeyers are disputing the 2005 Covenant change voted on and approved by the Association members in regards to the number of trees they were allowed to have without height limitation. The Wehmeyers were recorded voters on this Covenant change, and were granted 3 grandfathered trees that would not require trimming under 22 feet. Their contention is that there should have been 4 trees grandfathered.

In 2005 the Covenant change was voted on and approved by the Association members. Prior to the finalization of the Covenant being recorded with the county, all members were given the opportunity over the summer of 2005 to dispute or offer correction to the number of trees granted this status on their particular lot(s). Approximately 300 trees were recorded as having grandfathered status with the county. The Wehmeyers did not dispute the quantity of 3 trees that were grandfathered on their lot.

In 2010 a complaint was lodged with the Association's Board of Directors which noted that, although the Wehmeyers possessed only 3 trees that were allowed to grow in excess of 22 feet per the 2005 Covenants, they were allowing a 4th tree to also grow in excess of 22 feet. The Board of Directors reviewed the complaint in regards to the number of trees and approved a 4th tree for the Wehmeyers in the July 2010 Board Meeting.

In August of 2014 a new complaint was received in regards to the height of the Wehmeyers' trees on their property (primarily concerned with the tree blocking views), pointing out that the Covenant as recorded in 2005 allowed for only 3 trees. The Board of Directors reviewed this complaint, the recorded Covenant and the 2010 Board decision, and consulted the Association's legal counsel. Based on this counsel the Board concluded that the Board of Directors had no authority to change a Covenant, and any decision made by the Board in regards to the granting of an additional tree for the Wehmeyers was, in fact, neither valid nor enforceable.

The Board of Directors and its attorneys have attempted to discuss this issue with the Wehmeyers through their own attorney since the 2014 complaint. The Board has additionally offered to allow and coordinate a new Covenant vote which would add the 4th tree, with the cost of the vote to be borne by the Wehmeyers. The Wehmeyers declined this offer.

As the Board is charged to uphold the Covenants, the Board of Directors, by consensus, will proceed with defending against the Wehmeyer suit. To date, the Association has spent approximately \$3,500.00 in attorney fees on the dispute. It is anticipated that the Association will spend an additional \$10,000-\$15,000 in attorney fees to address this suit in court. The Board is determining the best course of action to finance this cost; however, it appears that the best course of action may be a special assessment of all members.

The executive session ended at 8:10 p.m.

STAFF REPORT

Mrs. Fifer reported that the Association has been notified by the Chelan-Douglas County Horticultural Pest & Disease Board that the fruit trees owned by the Association must be sprayed. Mrs. Fifer recommended the trees beside the maintenance shop be removed in the fall; however, Board consensus was to leave the trees. The Association will contract a vendor to have the trees sprayed as needed.

The May 15th, 2015 Board Meeting Minutes had an error recorded under the Facilities & Maintenance report: Mr. Nelson shared that the new mature trees have been planted, not Mr. Richards.

OWNER CORRESPONDENCE

Mrs. Fifer shared that a misunderstanding had occurred regarding a delinquent member's request for reduction in fines/fees. After discussion, the Board consensus was to inform the member that the Collection Policy must be upheld by all members.

A member had requested that additional security be allocated to the docks overnight on holiday weekends. Mrs. Fifer shared that a staff member is scheduled until 3 am on the 3rd and 4th of July and that outside security will be patrolling until 5 am. After discussion Board consensus was to continue with planned security. Security personnel will cover the community-owned property after 11:30pm.

The meeting was adjourned at 8:35. Mr. Wheeler moved, Mr. Richards seconded and the motion carried unanimously.

Submitted by:

Jeri Fifer, Acting Secretary