

Lake Entiat Lodge Associated Meeting of the Board of Directors

January 19, 2019

TIME AND PLACE

The Board of Directors of Lake Entiat Lodge Associated met on Saturday, January 19, 2019 following the 2019 budget ratification meeting. The meeting was held at the clubhouse in Orondo, Washington and called to order at 9:55 am by President Dan Russell.

PRESENT

Directors present were: Dan Russell, Darrell Richards, Bill Tucker, and Bill Kneadler with Directors Neil Doherty and John Peterson attending remotely. Treasurer J. Anderson, staff members Jeri Fifer, Jason Knight, Jessicah Curry, and approximately 12 Association members were also in attendance.

APPROVAL OF MEETING MINUTES

Mr. Russell presented the November 16, 2018 Board Meeting minutes draft for approval.

Mr. Kneadler made a motion to approve the November 16th, 2018 Board Meeting Minutes as presented. Mr. Tucker seconded and the motion carried with Mr. Doherty abstaining, due to his not having reviewed the minutes.

FINANCIAL REVIEW

Mr. Anderson reported the current balances of the Reserve Accounts: Major Maintenance \$209,370, Water System \$136,621 and Special Capital \$88,921. Mr. Anderson also reviewed with the board of Directors the Newton debt, and due to its age and change of ownership it was recommended by the Association's accounting department that the debt be written-off due to it being uncollectable.

It was Moved by Mr. Tucker and Seconded by Mr. Kneadler, to write off the uncollectible bad debt in the amount of \$2,016 at the recommendation of the Association accountant with none opposed.

OLD BUSINESS

Dave Nelson compliance/construction agreement

Member Dave Nelson requested changes to be made to the Construction Agreement he had been presented which allowed him to begin construction prior to mitigating the Covenant violation discovered upon review of his home addition plans he had submitted. Discussion followed.

Mr. Doherty made a motion to withdraw the Construction Agreement approved at the November 16, 2018 Board Meeting, defaulting to the standing Covenants for enforcement. Mr. Richards seconded. The motion failed with three in favor and three against.

Additional discussion followed providing clarification that the agreement did not prohibit him from pursuing a membership Covenant Waiver, allowed by the Association Covenants, he agreed to sign the Contract Agreement as provided by the Board of Directors November 16, 2018.

Mr. Anderson relayed the formal statement that there is a difference between the Board “ignoring” a compliance issue—which would entail knowingly forgoing necessary enforcement—and simply being unaware of it. As the Association grants permission to build based upon approval of the plans that members submit, and does not later assess whether or not every member actually builds what their submitted plans state, issues may very well go unnoticed, and un-reported, for many years. However, once the Board is made aware of a Covenant violation, it must and will comply with its duty to uphold the Covenants.

Board of Directors Covenant workshop

Mr. Russell stated that the Board Covenant workshop is set for February 23rd. As two attorneys have confirmed the Covenants need clarification, it might be prudent for the Board to review all Covenants, not just the additions regarding lot maintenance and firewise. He commented that as the Association has seen an increase in issues, and expenses incurred, with Covenant clarity and enforcement the workshop will consist of reviewing Covenants that need additional clarification or changes. Any recommended changes will then be shared with the members.

RV compliance enforcement—Attorney response

Mr. Russell opened the floor for discussion regarding the Association’s attorney recommendation regarding RV compliance being challenged by a member. As previously provided to the Directors, the draft correspondence to be mailed from the Association’s attorney to the Lades’ attorney was reviewed and approved. Enforcement had been placed on hold pending review of the relevant Covenants, but will now commence, as the Board has received confirmation and support from legal counsel. Accordingly, compliance letters will be sent to members out of compliance, within the Association setbacks, requiring they come into compliance to avoid fines. Mrs. Fifer reported that several members had already come into compliance after receiving the original compliance letter.

Fine for non-approved Association short-term rentals

Mr. Russell shared that previously at the November 2018 meeting the Board had considered raising the fine for unauthorized short-term rentals to \$5,000. The fine is currently \$1,000, which is equal to the fee for approval, and should therefore be adjusted accordingly. After discussion,

Mr. Kneadler made a motion to raise the fine for short-term renting without Association approval to \$2,000. Mr. Tucker seconded and the motion carried unanimously.

NEW BUSINESS

Water committee formation

Mr. Tucker shared the Board’s intent to create a committee dedicated to addressing matters of the water system. He reported that Trevor Hutton, with the Department of Ecology (DOE), had reported that the Association’s water management program is highly-regarded and that the Association’s probability of being granted additional water rights is very positive. Water rights must be approved for use by DOE and the need must be proven.

Mr. Tucker and Mr. Anderson recommended that, rather than creating a new committee, Water simply be added to the purview of the Long-Range Planning committee. Board consensus was to follow the recommendation.

Short-term rental lottery preparation

Mrs. Fifer reported that 14 applications for 2019 short-term rental had been submitted to date. If by January 31st the Association has received additional applications exceeding the cap of 18, the lottery will take place on February 15th at 10:00am. Don Sass, a Member in attendance, requested he be put on the list as a lottery coordinator.

The Board considered a member’s request for a change in the lottery process, particularly in regard to giving special preferences to properties that were not drawn for approval the previous year. Board consensus that keeping the lottery purely randomized was the best approach.

STAFF REPORT

Compliance

Compactor violation— Mr. Webb, member in attendance, made an appeal to the Board regarding a compliance letter he had received for disposing of non-household garbage in the compactor. He stated he had placed an item in the compactor, but that it was garbage, not a chest of drawers as detailed in the compliance letter. Mrs. Fifer shared that a fellow member had retrieved the chest of drawers from the compactor and reported the violation to staff. Staff also identified the item as a chest of drawers and followed compliance enforcement procedures.

The Board, having been provided a photograph of the item disposed of, could not discover any circumstances to withdraw the violation and resulting fine. Consensus was that the fine stands as is with enforcement to continue. Mr. Webb stated he would not pay the fine.

Association attorney

Mr. Kneadler inquired as to the status of obtaining new legal counsel. Mr. Anderson reported that after research, 13 attorneys are being considered. Criteria includes knowledge of HOA law and for local counsel who would be more familiar with the local governing bodies and judiciaries. Mr. Anderson confirmed that 7 of the 13 attorneys being solicited are local.

Remote electronic Board meeting attendance

Mr. Kneadler inquired as to the status of providing remote access for members to attend Board meetings. This will begin to take place with future meetings. Discussion followed on whether or not the meetings would be recorded and later supplied, or just made available remotely as they are occurring. Mr. Doherty requested that the RCW or other relevant law be provided regarding the legality of recording the meetings.

Staff reported that the meeting currently in progress was utilizing Zoom Conferencing. Mr. Doherty, attending via this service, reported the quality was very good.

Mr. Tucker made a motion to pay up to \$200 a year to make Board meetings available to the membership via electronic attendance. Mr. Kneadler seconded and the motion carried unanimously.

The next Board meeting will take place on February 22nd, 6:00pm.

The date for the Annual Meeting is Saturday, April 13th.

MEMBER CORRESPONDENCE/QUESTIONS

Mr. Sass shared that he would be having a “Sip n’ Dip” social event at the clubhouse on Saturday, February 2nd, starting at 4:00pm, open to all members.

Mr. Richards moved, Mr. Kneadler seconded, and the motion carried unanimously to adjourn the Board meeting at 12:10 pm.

Submitted by:

Jeri Fifer, Acting Secretary