

LAKE ENTIAT LODGE ASSOCIATED

Annual Meeting of Members

April 12, 2014

WELCOME and INTRODUCTIONS

The Annual meeting of Lake Entiat Lodge Associated was called to order at 9:03 AM by board president, Dan Russell. The meeting was held in the multi-purpose room of the Orondo Elementary School, Orondo, Washington. Members in attendance represented 91 lots. Mr. Russell began with introductions of the Board of Directors and thanked them for their commitment and service to the community.

Dan Russell	President and Director
Nick Nelson	Vice President and Director
Walt Wheeler	Director
Don Sass	Director
Darrell Richards	Director
Brandon Fix	Director - Absent
Greg Zeller	Director - Absent
Jack Anderson	Secretary/Treasurer

Mr. Russell also introduced the Lake Entiat Lodge Associated staff: Jeri Fifer, Community Manager and Jason Knight, Water/Facilities/Grounds Manager.

Thanks were offered to the volunteers who helped with the refreshments and sign-ins for the meeting; Carol Sass, Kim Richards, Lori Andahl, Kim Martin and Shelby Howe.

2013 YEAR IN REVIEW

Mr. Russell shared the Mission Statement adopted by the Board of Directors in 2013 and explained that the desire of the Board is to serve the majority of the membership, which is a challenge. Sun Cove is a diverse community and with growth the Board must properly plan for the future as they are not just charged to maintain and repair current assets.

Mr. Russell provided a review of association business for 2013 which included 10 Board meetings, completion of the new well and upgrades to Well #3, completion of pool equipment upgrades and an update of the management transition that has been in process the last 7 years. WPS, Inc. will still be handling the accounting for the Association, and have discounted the monthly fee. Additionally, the Association office will be moved to 255 W Beach Drive before

June 15, 2014 from the existing clubhouse office. Safety services will maintain a presence, as needed, in the previous office space in the clubhouse.

APPROVAL OF MINUTES

The minutes of the April 20, 2013 Annual Meeting of the Members were reviewed.

After a motion duly made by John DiGiacomo and seconded by Kevin Mellinger the minutes were unanimously approved as submitted.

2013 FINANCIAL REVIEW

Mr. Anderson, Treasurer, provided a summary of the 2013 financial results of the Association. He stated that his primary objective as treasurer is to maintain an affordable assessment/financial structure and to verify that accounting is followed per non-profit status as required by the RCW's as well as association Bylaws and procedures.

He presented an overview of the 2013 reserve fund expenditures as follows:

Water Reserve fund expenditures included completion of well #4 and upgrades to well #3.

The Capital Reserve fund expenditures for 2013 included pool equipment upgrades, maintenance storage containers, and the Trail Phase 2 application review fee.

The Special Capital Reserve fund expenditures for 2013 included funds allocated to Water Reserves for well #4, clubhouse remodel completion, trail phase 1 mitigation engineering fee

Mr. Anderson shared that the operating fund had a surplus over the last 2 years, which was transferred to the Capital Reserve account. He stated that the 2014 budget did not have an increase in dues/assessments.

WATER UPDATE

Mr. Russell provided an update of wells #3 and #4 final costs. Since the final expenditures fell under estimated costs by \$44,206, options to the membership are (1) to leave the funds in the Water Reserves to assist in the cost of the installation of new distribution system water meters and reading equipment or (2) return the funds to the original reserve accounts drawn from. The board recommended that the excess funds be kept in the water fund for the new meters.

Mr. Nelson provided information regarding the water meter replacement needs and meter reading requirements and benefits. He shared that the estimated costs are \$106,000.

He also shared conservation tips and requested that all members educate themselves with a DOH conservation brochure provided.

Water vote ballots were called for.

ELECTION OF DIRECTORS

There were four director positions open on the board. Current President, Dan Russell and members Walt Wheeler, Greg Zeller and association member John Howgate were on the ballot for the open director positions. Mr. Russell asked if there were any nominations from the floor. No additional nominations were submitted from the floor.

Pat Knowles motioned to re-elect Dan Russell, Walt Wheeler, Greg Zeller for another term as directors elect John Howgate for a new term as director for the association. Matt Martin seconded and the motion passed unanimously.

The board offered their thanks to Mr. Sass for his years of service as director and Social Committee chairman.

The water vote ballots were tallied by Mr. Anderson, treasurer and volunteer, Mrs. Sass and reported to the members by Mr. Nelson as follows;

89 members approved Option 1, to leave the excess funds from the Well project in the Water Reserve account to assist with expenditure of the 2014 water meter replacement/reading equipment project planned. 1 member approved Option 2, to transfer the funds back into respective accounts.

COMMITTEE REPORTS

CAPITAL IMPROVEMENTS/LONG RANGE PLANNING

Member survey results

Mr. Russell provided an overview of the results of the Member Survey recently completed by the SE Group. The survey results are intended to be a guide for planning to be used by the current and future board members. 234 members completed the survey of the 444 association. The previous survey in 2007 had 131 responses. The board expresses their thanks to all who contributed. Results will be analyzed by the board in the near future for planning purposes.

Comments included desire for the board to provide information and costing on projects as discovered, maintaining present assets, additional activities for children, more lighting

needed in community, the addition of a community swimming beach, and enforcing cleanup of unkempt properties. The survey as presented at the meeting will be posted on the community website.

2014 Capital Improvements

The current and planned 2014 projects were discussed. They include Phase 2-4 of the trail system, relocation of Association office, replacement of pool furniture, drainage and trail work by the court, and pool restroom repair/upgrades. Ms. Simone was thanked for her time in research and design for the pool furniture replacement project.

The potential 2014 projects discussed were: Upriver “orchard park” development, build a gazebo over old pump house, outdoor kitchen in existing Gazebo, additional docks. It was mentioned that the association will have the “orchard park” area surveyed and the brush cleared to cut down on fire danger. It is estimated at 4 ½ acres of land.

2014 Special Capital Improvements

The board recommended the following Special Capital reserve expenditures in 2014: Replace maintenance truck, widen the boat launch road and paving through the boat launch parking area. An owner recommended the road be widened to 22’ instead of 16’ as proposed, as boat trailers are 8’ wide. The Board shared that the price would increase for the project if widened and 18’ was agreed upon. Pricing for the Special Capital projects presented was revised to \$95,000.

Special Capital Expenditure Ballots were used to vote by the members.

Member John DiGiacomo requested signatures on a petition regarding the tightening of regulations in Douglas County and the effects the regulations are having on the public.

Trail System update

Mr. Richards shared that copies of the trail system feasibility study were published this year and requested that all owners review the study for factual information. Trails are the most desired amenities in communities today and the previous board and current board are committed to completing the project once all costs are discovered and considered. Mr. Richards and staff are seeking grant and county funding to cover some or all of the trail completion costs. He asked that all owners educate themselves and not follow rumors.

Although no permits are in hand, the board is communicating with the USBR and CCPUD regarding the possibility of walking trails upon these government lands and will consider plans submitted by the Association.

The trail system will provide an alternate route within the community and provide safer options for walkers and joggers to reach community property. We are not at full build-out yet and congestion will only increase. Mr. Richards shared that although not all members use the docks or pool, the majority do walk/jog and will be able to enjoy this amenity.

Dollars for Scholars

Ms. Auvil shared information about the Orondo Schools scholarship program and thanked the members for their generous support over the years. She also offered thanks to Kim Richards and her employer, North Meridian Title, for the donation of hanging baskets and pies.

2014 Special Capital Improvements vote results

Truck replacement.....	71 yes	19 no (up to \$25,000)
Widen launch road.....	74 yes (50 yes to 18')	24 no (up to \$24,000 + \$10,000 to 18')
Pave road in launch parking area.....	74 yes	16 no (up to \$36,000)

FACILITIES & MAINTENANCE REPORT

Water- Mr. Nelson made a request that members keep the water vaults clear for meter reading and shut off water mains in winter to avoid potential flooding.

Ross Property- Members are required to call the Ross's 2 weeks in advance for permission to dump on their property upriver off Lakeview Place. Leaves, grass and burnable yard waste go into different areas. Mr. Ross will discontinue this generous free service if abuse continues. They also request that no motorized vehicles drive to CiderWorks via their property. Walking, however, will continue to be allowed. The Ross's were thanked for their donation of this service to Sun Cove homeowners.

Fire Danger- Mr. Nelson reminded owners to clear their lots of combustibles for fire safety. Owners were directed to send letter to the Association with concerns of fire danger on unkempt lots.

New pool/clubhouse hours- Both will now open at 8 am and close at 11 pm Memorial through Labor Day.

Social Committee Report– Mr. Sass shared details and the schedule of social events for 2014.

OTHER BUSINESS

Staff Report - Ms. Fifer

- Safety Service employees are here to observe and report and that owners must call 911 for emergencies.
- NEW Recycle program- Changes include all recyclables are now accepted and no need to sort items. Please break down boxes and be patient when bins are full as with this new program, adjustments will be needed to gain information to provide the service needed.

- Sticker/Passes- The new program began in 2013. Stickers will no longer be sent on a yearly basis and instead be replaced as needed. New stickers identify the Block and Lot # of property owner.
- Volunteers needed- Social Events require many volunteers and for the events to continue, new volunteers are needed.

Questions from the floor

An owner asked why Proxy/Absentee/Mail voting was not an option at this time. Owner Beth Arias volunteered to head an ad hoc committee in 2014 to research options and make a presentation to the board for consideration.

Owner Georgia Mashayekh reminded those in attendance, that fires are not allowed and that we must be diligent to clean up garbage in the wildlife area downriver from the community.

Owner Mark Waldal asked what will be done with the “hump” added along Sun Cove road and when will it be fixed. This was drainage repair completed by the County and that homeowners can send comments to Douglas County regarding the safety concerns for walkers on this uneven paved area. Phase 4 of the trail system could help with this issue in the future as well.

Owner, Ardie Schmitz requested that an off leash dog area be considered.

ADJOURNMENT

There being no further business to come before the membership and following a motion duly made and seconded, the meeting was adjourned at 12:32 PM.

Submitted by Jeri Fifer, Acting Secretary