

LAKE ENTIAT LODGE ASSOCIATED

Meeting of the Board of Directors

January 29, 1998

TIME & PLACE

There was a meeting of the Board of Directors of Lake Entiat Lodge Associated at 11:30 a.m. on Thursday, January 29, 1998. The meeting was held at The Brown Bag Cafe, 12217 NE 116th, Kirkland, Washington 98034.

PRESENT

The following Directors were present for the meeting; Dan Russell, John Mitchell, Lynn Rehn, Skip Holman and Nick Nelson. Also present was Pete Bova. Representing the Management Company were Alex Osenbach and Steven Fink. Mr. Russell opened the meeting at 11:40 a.m. as President and Mr. Fink acted as Secretary.

APPOINTMENT

After discussion and a motion duly made and seconded, the Board unanimously approved the following Resolution:

RESOLVED That, Mr. Bova is appointed to the Board of Directors for the remainder of Mr. Rankin's term which ends at the next Annual Meeting of Members, 1998.

APPROVAL OF MINUTES

The Minutes of the November 20, 1997, Meeting of the Board of Directors were reviewed. After a motion duly made and seconded, the Minutes were approved as submitted.

FINANCIAL STATEMENT REVIEW

Mr. Osenbach reviewed the December 31, 1997, Financial Statements with the Board. The cash balance on 12/30/97 was \$ 41,144; of this amount, only \$ 33,867 remains in the Capital Fund. Under Operations, the Association had a surplus prior to depreciation of \$7,472 compared to an adjusted approved 1997 Budget of minus \$ 10,316.

Mr. Osenbach ended his report stating that the number of seriously delinquent owners has been reduce from thirteen owners at the beginning of this year to currently seven owners.

RATIFICATION OF 1998 BUDGET

Mr. Osenbach distributed the 1998 Budget and explained to the Board that they need to ratify the actions of the President and the Vice-President in finalizing the 1998 Budget. Additionally, Mr. Russell informed the Board that each Board member had been contacted and each member verbally approved the new 1998 Fee as of December 1, 1997. After a motion duly made and seconded, the following Resolution was unanimously approved:

RESOLVED That, the Lake Entiat Board of Directors ratify the approval of the 1998 Budget as presented with the 1998 Fee to be \$ 610 annual.

Mr. Russell reminded the Board that the Capital Provision is not adequate for the improvements necessary for Lake Entiat. Mr. Mitchell recommended that the Board meet prior to the Annual Meeting of Members to review the Capital needs and what will be necessary to provide the funding for those needs. Mr. Osenbach distributed a 1998 Operating Cash Flow Projection and pointed out, even with the increase in fees for 1998, the Association will have negative cash flow for July and August.

CREDIT LINE DISCUSSION

After discussion, the Board unanimously authorized Mr. Anderson to continue to proceed with the line of credit for the Association as there would be no cost to the Association if the line of credit was not used.

NEW WELL UPDATE

Mr. Mitchell reported to the Board that the pump test has been completed and there is more than enough water. The test results showed that we are able to pump in excess of 590 gallons per minute. Also, the quality of the water is significantly improved with very low levels of manganese. Management reported that the Engineer firm will complete the specifications for the pump and the connection to the main line by February 15, 1998. Mr. Holman requested a copy of the drill permit for his files.

Mr. Mitchell reported that he is working on the process of the Association applying for a state loan for future capital improvements to the water system. The question that needs researching is whether a filed state plan for the water system needs to be engineered prior to application. Another question is whether or not the Association would have to install meters on all lots.

After discussion, Mr. Mitchell, Mr. Holman and Mr. Bova volunteered to gain further information on the state funding to report to the Board at the next Board meeting.

COMPACTOR

Mr. Fink reported to the Board that a plan has been submitted for the leachate disposal system for the compactor to Chelan-Douglas Health District as requested. Installation is scheduled for March.

ROAD DRAINAGE

Mr. Fink reported to the Board that the County will only provide the materials to place a drywell at the maintenance shop area to collect drainage from Beach Drive.

After discussion, the Board authorized management to have legal counsel write to Douglas County Transportation and Land Services to review the responsibility of the County to take care of the water runoff from County roads.

ANNUAL MEETING DATE

Mr. Russell reported that due to conflicting schedules for the Board members, the Annual Meeting cannot be held in April, as usual. After discussion, the Board unanimously established the 1998 Annual Meeting of Members for May 2 1998. The meeting will be held at the Orondo Elementary School beginning at 9:00 a.m.

PENALTIES & FINES

Mr. Russell requested Mrs. Kindig and Mrs. Rehn to present the final recommended list of Rule infractions and penalties for presentation to the members to vote at the Annual Meeting.

OTHER BUSINESS

Mr. Mitchell informed the Board that he has given final approval for the RV Permit for distribution. After discussion, the Board instructed management to pass out these permits for camping on vacant lots to owners, upon request, and only if they have owned their Lot for less than three years or they have applied and received an extension for one year.


NEXT MEETING

The next Board meeting is scheduled for March 4, 1998, at 11:30 a.m.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 1:55 p.m.

Submitted by:


Steven M. Fink
Acting Secretary

Correct:

Dan Russell
President

SPECIAL NOTE: As a reminder, anyone interested in being nominated for a Board position should submit your name and a short resume to the Association's office, P.O. Box 396, Manson, Washington 98831.