

Lake Entiat Lodge Associated

Board Meeting
February 23rd, 2011
Final Draft

TIME AND PLACE

The members of Lake Entiat Lodge Associated met on Wednesday February 23rd, 2011. The meeting was held at the clubhouse at Sun Cove. The meeting was called to order by Board President Brandon Fix at 4:05 PM.

PRESENT

The following Directors were present via conference call were Brandon Fix, Greg Zeller, Don Sass, Nick Nelson and Dan Lungren. Also present were Onsite Community Manager; Jeri Fifer, Ken Flynn and Alex Osenbach represented the Management Company. Ken Flynn acted as secretary for the meeting.

ACCEPTANCE OF October 27th, 2010 BOARD MINUTES

After a motion duly made by Don Sass and seconded by Greg Zeller, the minutes of the October 27th 2010 Board meeting were unanimously approved as written.

Board Member Margaux Mason's resignation and appointment of Nick Nelson to replace her.

After a motion duly made by Brandon Fix and seconded by Don Sass. Nick Nelson's appointment was ratified and unanimously approved.

Appointment of Nick Nelson to serve as Vice President of the Association

After a motion duly made by Brandon Fix and seconded by Dan Lungren, Nick Nelson was appointed Vice President of the Association. The motion was unanimously approved.

FINANCIAL STATEMENT REVIEW PROVIDED BY KEN FLYNN

1. Both Operating and Reserve fund cash increased by \$234,000. Operating cash increase basically from the earnings and the collection of delinquent Assessments. Reserve cash increased from additions to the Special Capital Account of \$155,000 and an additional \$28,000 transferred from the 2010 operating surplus.
2. Assessment receivables are lower (\$34,765) from collection effort made at the end of the 1st quarter.
3. State Revolving Fund Note has a balance of \$930,381; 10 years remaining. We have been paying the note for ten years. The reserve fund for this payment has a balance of \$211,931. If we apply all the reserve fund and continue to collect fees at the same rate

the note would be paid off in approximately 6.5 years, 3.5 years early.

4. Reserve balances are:
 - a. Special Capital Fund \$233,482
 - b. Waterfront Improvement (\$7,330)
 - c. Loan Repayment \$211,931
 - d. Water System Improvements \$57,442
 - e. Capital Fund \$81,679 (after transfer of \$26k surplus)
5. Income above budget mainly due to a recovery of doubtful assessments of \$7,288 where we had budget a provision of \$17,000 this is a swing of \$24,288. In addition, we had \$6,000 from owner's nightly rental fees and \$7,500 was received from rental of the association house.
6. Expense Items:
 - a. Labor was above budget due to the error in budgeting the employee payroll taxes. The budgeted rate was 10% and the actual rate is closer to 20%. The cost of the overage was \$10,912.
 - b. Outside security was not budgeted however the Board approved special coverage for the 4 of July activities, \$2,241.
 - c. Garbage was lower than budget by \$7,996.
 - d. Ground supplies continue to be above budget. I'm not sure of the reason other than errors in the preparation of the budget.
 - e. Equipment cost, truck tires and repairs along with the installation of towing equipment to tow the recycle trailer.
 - f. Office supplies are higher due to the added cost associated with having an onsite manager. We also had cost charged to this account to set up the computer and installing security measure on the Internet access. We also added the capability for the onsite manager to access the Assessment Receivable files.
 - g. Management fees were higher due to the receipt of delinquent assessment. The management fee is 15% of operating assessments received.
 - h. Total operating expenses were \$363,458 and budgeted operating expenses were \$361,140.

Nick Nelson made a motion to move \$28,000 out of the 2010 operating surplus into the Reserve Account for Capital Improvements. Don Sass seconded and the motion passed unanimously.

Brandon fix made a motion to use \$28,000 from the Reserve Capital improvement fund to purchase a new compactor (to replace the current non-operational compactor) and security features for the Association. Greg Zeller seconded and the motion passed unanimously.

Alex Osenbach presented a request from account 21400. They requested the Board to consider writing off penalties and finance charges in the amount of \$4000 from their account. Mr. Osenbach summarized the history of the payments made to this account.

Nick Nelson made a motion to leave the lien on account 21400 and deny the request. Dan Lungren seconded and the motion passed unanimously.

CCR/BYLAWS/RULES UPDATES

Ken Flynn shared that he will provide the Board with the Association's attorney terminology for self help. This will need 67% approval from the membership to pass. After discussion, it was agreed that ballots will need to be mailed to receive enough votes to get approval for this CCR change.

Brandon presented the proposed changes, by the staff and the Rules committee, to the Association rules. The changes included:

- No smoking on community property. (changed to 25' from facilities)
- Controlled gas fireplaces and fire pits will be allowed.
- Goose patrol allows dogs with ID, checked out from a staff member, to chase geese off leash for 1 hour.
- \$300 fine for fueling on community property.
- Owners must register boat with management (supply a copy of boat registration) prior to first mooring.
- No hunting on community property. (added after the staff report)

Brandon Fix made a motion to accept the rules and regulations with the amendment to not allow smoking within 25 feet of the clubhouse, gazebo and pool facilities. The motion also stipulated that the Management Company was to review items 7A and 7B for compliance with the CC&R's before enacting these accepted rules. Don Sass seconded and the motion passed unanimously.

GOLF CART ZONING

Brandon Fix gave an updated report to the Board on the Golf Cart Zoning issue. Douglas County is preparing a new ordinance that will create a Golf Cart Zone within the Sun Cove. A complete report will be posted on our web site soon.

BOAT STICKERS

The Board reviewed a request from account #113100, to have a variance from the Association boat mooring rules.

The Board discussed and concluded that this property cannot be dealt with any differently than any other property. The Association rules state that guests must trailer their boats. Enforcement would be more challenging if we have different rules for different properties.

Nick Nelson made a motion to deny the request as presented. Brandon Fix seconded and the Motion passed unanimously.

COMMITTEE REPORTS

Social – Don Sass handed out a list of future events and will provide dates, for those not assigned, to Brandon to post on the website. Don shared concerns regarding the New Year's event due to lack of volunteers. He proposed that the Board of Directors prepare and cook the pancake breakfast for the owners prior to the Annual meeting. Alex Osenbach stated that the Management Company would sponsor the event by paying for the food. Brandon asked Onsite Manager, Jeri Fifer, to provide Don Sass with volunteer signup sheets for 2011 social events available at the Annual meeting.

Communication – Brandon Fix stated that he had set up a twitter feed (@sun_cove) for the association owners to use as well as the Board and staff. He shared that this is a good way to efficiently communicate if there was a power or water outage, social event information, or any other community need.

Long Term Planning – Greg Zeller felt that the Board needed to bring up the trail system at the annual meeting for approval. He has provided a recap of completed projects from 2006 through 2010 as well as those planned through 2020 for discussion. Don Sass asked if we should include an expansion, outdoor kitchen, in the gazebo area.

Facilities, Maintenance & Operations – Brandon Fix asked management to check on setting up four or five no wake buoys in front of all the lagoons. Ken Flynn is to check with Sherriff, Harvey Gjesdal to see if he would help place them in the river for us. Ken stated that the cost to purchase such buoys could be in excess of \$300 each.

STAFF REPORT- Onsite manager, Jeri Fifer, asked that hunting of geese be addressed and added to the Association Rules and Regulations. Jeri presented a spreadsheet of goose dropping solutions. The plan for 2011 will include the use of dogs and repellent. She informed the Board that the cost to use repellent could exceed the budget by as much as \$5000. Board consensus was to spend the money as needed to curtail the problem. Jeri then gave an update on compliance issues. Next Jeri briefly reviewed how she was gathering bids for various security options available to use with the newly purchased compactor. She will forward the information to the board via email next week. One option for milfoil containment was shared, but with a cost of over \$30,000, the Board asked that further research be done. Jeri informed the Board that the Willow trees in the yard of the Associations rental house need trimmed or removed. Consensus of the Board was to trim the trees.

ADJOURNMENT

A motion was made by Dan Lungren and seconded by Greg Zeller to adjourn the meeting at 9:19 AM. Motion was unanimously carried.

Submitted by:

Ken Flynn
Acting Secretary