

# Lake Entiat Lodge Associated

Meeting of the Board of Directors

June 23, 2012

## **TIME AND PLACE**

The Board of Lake Entiat Lodge Associated met Saturday June 23, 2012. The meeting was held at the Sun Cove Clubhouse in Orondo, Washington and called to order by Board President Dan Russell at 9:05am.

## **PRESENT**

The following Directors were present: Dan Russell, Nick Nelson, Darrell Richards, Greg Zeller and Walt Wheeler. Also present were: Association Treasurer, Kevin Kalberg, Community Manager; Jeri Fifer and Water/Facilities Manager, Jason Knight. Ken Flynn and Alex Osenbach represented the Management Company. The following Directors were absent: Brandon Fix and Don Sass.

President Dan Russell thanked Brandon Fix for his service as President. Brandon maintains his position as a Board Director but elected to step down as President.

## **HOUSEKEEPING**

Dan Russell presented the March 24, 2012 Board Meeting Minutes for approval.

***Nick Nelson made a motion to accept the minutes as presented and Darrell Richards seconded. The motion carried unanimously.***

Dan Russell presented the April 21, 2012 Annual Meeting Draft Minutes for acceptance.

***Walt Wheeler made a motion to accept the draft minutes as presented and Nick Nelson seconded. The motion carried unanimously with the addition of separating the membership vote of approval for the purchase of the Goose Poo Sweeper and the Clubhouse Renovation out of the Special Capital fund.***

Dan Russell presented the May 26th, 2012 Special Membership Meeting draft Minutes for approval.

***Darrell Richards made a motion to accept the minutes as presented and Walt Wheeler seconded. The motion carried unanimously.***

Dan Russell presented the May 26, 2012 Board Meeting Minutes for approval.

***Nick Nelson made a motion to accept the minutes as presented and Darrell Richards seconded. The motion carried unanimously.***

## **FINANCIAL REVIEW- THROUGH MAY 2012**

Kevin Kalberg asked the management to add pending items or outstanding invoices to the budget schedules for the Capital and Special Capital accounts. He also asked that we create a new line item account for maintenance work performed. Ken Flynn suggested letting the year end surplus cover any expenditures in this account for this year.

Ken Flynn shared that \$26,849.01, remaining in the Waterfront Improvement reserve account, had been moved into the regular Capital Reserve account per the Boards direction.

1. Total cash on hand is \$661,882. Accounts receivable are \$43,366 with \$32,898 set aside for doubtful collection.
2. Reserve balances at the end of February are:
  - a. Special Capital Fund \$199,678
  - b. Waterfront Improvement \$0
  - c. Loan Repayment \$307,480
  - d. Water System Improvements \$80,980
  - e. Capital Fund \$59,697
3. Overall Year to Date the Association has a surplus before depreciation of \$65,830 versus an expected budgeted surplus of \$27,147.
4. Year to date operating revenue is \$208,497 versus a budgeted amount of \$199,690. \$7931 is from late fees and penalties, \$3500 is from Vacation rental fees and \$3000 is from the Associations Rental Property.
5. Total operating expenses Year to date are \$142,667 versus a budget of \$172,543.
6. YTD Labor is less than budget by \$11,907, Power is \$2967 less than budget, Building Maintenance is \$3389 below budget, Garbage is \$8558 less than budget, and Pool Supplies are under budget by \$2854. Management Fee is \$2927 below budget, Insurance is \$1252 less and Other Expense is \$2488 under budget. Line items were over budget year to date are Security supplies which accounts for \$1347 for Boat and Vehicle stickers and \$609 for office supplies which incurred an invoice for IT work of \$643 on the computer system and Grounds supplies of which \$857 is for one ton of fertilizer and labor to spread throughout the community waterfront park and \$732 is for Blue water sanitation. This expense is for cleaning out the septic field and the placement and service for the two port a potty units by the boat parking area. \$540 was spent to repair and fill cracks in the tennis and basketball courts, \$707 on flowers for placement around the clubhouse and \$540 was spent on trimming the large tree overhang at the tennis court and the Arborvitaes along the fence line of the parking lot.
5. Delinquencies: Currently three accounts represent a total of \$32,898 in uncollected assessments, penalties and late fees through May. One lot is owned by Ledoux and the other two lots are owned by Perea Investments, LLC. Once they go to the Douglas County Courthouse steps to sale in July; if no one pays the sale amount, then the Association will own them.

The Schwindt property is out of bankruptcy and the current balance with all fees is \$1464. The mortgage company is foreclosing and has contacted us for a payoff. There is one other account totaling \$2690 in delinquent fees and assessments that has been sent to collections.

## **ACTION ITEMS**

### **Banking Resolution**

Dan Russell shared the banking resolution document with the Board for approval requiring signatures of all new Board members and officers.

***Nick Nelson made a motion to accept the Banking resolution as presented and Darrell Richards seconded. The motion carried unanimously.***

### **Updated Rules**

The Board reviewed the updated rules as revised by Brandon Fix for approval.

***Nick Nelson made a motion to accept the Rules as presented and Darrell Richards seconded. The motion carried unanimously.***

The Reserve Study was discussed and a recap provided on all necessary funds that flow through the reserve account annually to maintain proper funding for asset replacement.

## **DOMESTIC WATER ISSUES AND UPDATES**

Dan Russell set a Board of Directors water planning meeting for July 27, 2012 because of the multiple water system issues that need to be thoroughly researched and discussed prior to moving forward. The items to be considered are: meter reading equipment, digging and electrical work for well #4, emergency contact equipment, etc. Also to be discussed at this meeting if time allows will be details regarding re-engineering and updating of the pool equipment and systems.

Ken Flynn went over Well #4 details that had been discussed at earlier Board meetings and new information discovered during the bid process. The Board had voted to spend \$100,000 to dig a new well, however the decision had not been made as to which account would be funding the project. Also, the earlier rough bids had been low and the cost will likely be closer to \$150,000. The Board was reminded that it is still less costly than putting in another storage tower which could cost up to \$350,000 which is the only other solution we have to stay in compliance with the Department of Health regulations.

The Board asked management to get a timeline of compliance deadlines to assist them in making the decisions over the next few months on the water projects needed. Dan Russell also asked that tax and bonds be included in all quotes so true costs can be considered for the new well project and any other needed capital expenditures.

Recently prepared water conservation and efficiency goals were read by Ken Flynn. Department of Health requirements dictate that a resolution was necessary for compliance. Educating our fellow Owners and proper meter reading equipment will help reduce leaks and lower the residential use numbers. Billing owners for any overages will increase awareness for the need to conserve water. Attached with these minutes is a signed copy of the Resolution adopted.

***Nick Nelson made a motion to accept the water conservation resolution as presented and Darrell Richards seconded. The motion carried unanimously. Dan Russell signed the resolution as President of the Board of Directors.***

The Board would like a conservation piece presented to the membership at each Annual meeting.

## **COMMITTEE REPORTS**

### Facilities/Maintenance-

Nick Nelson reported that the landscaping project is close to completion. Lights will soon be added along the sidewalk soon. He also reported that the clubhouse remodel is progressing well. Completed projects include; new windows, insulation and drop ceiling, lighting and roofs (clubhouse, gazebo, well pump house). Lighting was not in the original bid for the remodel but the Board will work to complete the project within the budget approved by the members.

Discussion followed about the most effective way to pay for maintenance items.

***Nick Nelson made a motion to create a "Maintenance" category in the Operating budget and move any year end surplus into this account to cover the expenses. Greg Zeller seconded. The motion carried unanimously.***

Walt Wheeler reported that work is needed to our pool system including electrical. Identified electrical issues and recommendations for upgrades were provided by Central Washington Water of Wenatchee. Replacement of the pool filters and re-piping of all lines will need to be completed after closing the pool in the fall. To be in

compliance, the electrical panel cannot be located in the same area as the pool chemicals, so re-engineering of the room will need to be done in this fall. The Board requested a scope of work and RFP be prepared by the management company. The project will be paid through the Capital Reserve account and early estimates place it at \$15,000. The Board will review this project at the working meeting July 27, 2012.

### Long Range Planning

Greg Zeller reported that Phase 1 of the trail system is now completed. After receiving recommendations from owners, the Board discussed extending this phase of the trail to meet the Greater Wenatchee Irrigation District property. A bid had been received from the contractor of the trail and was presented to the Board.

***Nick Nelson made a motion to accept the change order from Allen Construction to extend Phase 1 of the trail to the Greater Wenatchee Irrigation District property border at a cost up to \$1,200 from the Special Capital Reserve account. Darrell Richards seconded and the motion passed unanimously.***

Darrell Richard suggested that the board have a plan prepared to present to the Greater Wenatchee Irrigation District and Chelan County PUD for Phases 2 and 3 of the trail system. Discussion followed.

### Social Events

Ken Flynn read a report from Don Sass. The website and bulletin board have the schedule of events for the 4<sup>th</sup> of July. Many residents have volunteered to help with activities but we do need a few more volunteers. Contact Jeri, 509-784-1166, if you'd like to help.

The Divine's have volunteered to be the lead for the Christmas Decorating Party again and will set a date soon.

### Communications

Ken Flynn shared a report from Brandon Fix. Brandon is recommending that the Board consider upgrading our website as the current Google site is slow to load and is close to the end of useful life as we are maxing out the functionality of the Google site with current features. Brandon has volunteered to rebuild the website at no cost saving the association between \$3,000 to \$4,000. The association would however incur a monthly hosting fee of approximately \$12/month once completed. He also suggested the Board appoint a clerk to respond to website owner input and emails. The Board requested that a proposal be brought to the fall board meeting.

### OLD BUSINESS

Ken shared that a request had been made to have a survey performed to identify property boundaries along the park. Discussion followed with further clarification required.

Updated encroachment agreements are needed for all property owners who live along Association roads; Lakefront Road and Drive and W Beach Drive where changes have been made and homes have been built. This will be an extensive project. Surveys may need to be performed on some properties. Ken will enlist Grace McClellan to perform this project.

Ken shared several items that were tabled from past Board meetings such as the RV/Park Model clarification, shed resolution, new website, emails for the Board and staff to be moved and stored on the new server.

### NEW BUSINESS

**Golf Cart-** Darrell Richards suggested that rather than pay \$950 to retrofit and tune up our current golf cart, we should purchase a newer cart for staff to use and sell the existing golf cart for \$650.

***Nick Nelson made a motion to purchase a newer cart, with retrofits needed, up to \$2,500. Greg Zeller seconded and the motion carried unanimously.***

**Storage-** Darrell Richards and Nick Nelson shared storage options for the maintenance area. After discussion, the Board tabled this item until needed projects and funding can be considered.

### **OTHER BUSINESS**

The Board reviewed owner correspondence. Property owners in attendance asked for clarification of the proposed route for Phase 2 of the trail. The Board confirmed that although the currently posted plan shows a route, it is highly unlikely that the route in question would be used as it is a utility easement.

Committees needed were discussed. A Board member will be needed to chair the Rules/CCR committee. Dan Russell recommended that a Water committee may need to be formed as well.

The Board opened the floor for owner comment.

The Board would like to remind owners that motorized vehicles and fires are not allowed on the Wildlife area downriver from Sun Cove.

### **ADJOURNMENT**

***Walt Wheeler motion to adjourned the meeting at 12:25 PM and Greg Zeller seconded the motion. Board was in consensus.***

Submitted by:

Acting Assistant Secretary; Ken Flynn