

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF TRUSTEES OF
LUDLOW MAINTENANCE COMMISSION, INC.**

Saturday, June 10, 2006– 9:00 a.m. – Bay View Room

Trustees: Bruce Schmitz, John Van Zonneveld, Art Moyer, Sonny Sanzaro, Jerry Nelson, Ian Feltham, Amy Recht, Terry O’Brien, and Vaughn Bradshaw.

President O’Brien called the meeting to order at 9:05 a.m. and asked Secretary Moyer for a roll call. Trustee Van Zonneveld was absent.

Approval of Minutes: The minutes of the regular 13 May and special 15 April 2006 meetings were approved as written. The minutes of the annual membership 15 April 2006 meeting were accepted as written.

President O’Brien welcomed the membership to the meeting.

Manager’s Report – Brian Belmont

The trustees received printouts of the current financial reports. Responding to the questions regarding LMC finances, the manager stated that last year LMC had about fifty contract members and that the management is collecting money for the instructed swimming lessons. Since some of the LMC RV Storage tenants have very large units, the manager is considering charging variable rates, based on the space rented. The Board proceeded to discuss rewiring some spaces for a 50-amp service to accommodate large RVs. Currently, the storage area provides only 20-amp hookups. Trustee Nelson has volunteered to do an assessment of the RV storage lot electrical system to find out what might be causing unusually high electricity usage in both storage lots. Trustee Nelson’s expert assessment should help determine if there are other factors besides the tenant’s power consumption contributing to the high electrical usage.

For nearly one year now, the LMC have had a cleaning service cleaning beach Club locker rooms and bathrooms two days a week. Overall, the manager has been happy with the level of service they provided. However, not having maintenance staff at the club on Saturday and Sunday nights creates voids in the overall operation. The manager believes that having only three maintenance employees limits the staff ability to cover vacation and sick time and set up weekend functions. The outdoor pool is left uncovered on the weekends, and Bridge Deck, Kehele Park, and the RV Storage Lots are not getting checked at night. Having said that, the manager announced his decision to look for another part time maintenance person that can work Saturday and Sunday nights and be cross trained to work weekday days if needed. Once this position is filled, the use of the cleaning service will be discontinued. Hiring an additional employee will probably add \$100 to \$125 a month to the current expense of having cleaning service, which is \$750 a month. The manager started running an ad in the Leader and will also advertise in Peninsula Daily News.

Having researched different options for replacing the existing office copier that LMC have had since 1999, the manager recommended leasing one. This subject was further discussed under the new business.

The manager made an announcement, that on Wednesday, June 14, Lynn Hovde, LMC swimming instructor, will be conducting a CPR/First Aid Certification class for the LMC staff. The class is scheduled from 9 a.m. to 3 p.m.. All staff, including maintenance personnel, will be certified. The use of defibrillator will be included in this training session.

The manager is working with Carl Jespersen on finalizing new layouts for the RV Storage Lots.

The manager proceeded to report that on either the night of May 28 or during the early morning hours of May 29 there was a break-in at the Beach Club. During the break-in, the doorframe of the indoor pool area sliding glass door was broken, the indoor pool cover was torn, and a fire extinguisher was discharged on the deck and against the building. The cost of sliding glass door replacement is estimated at \$550 with another \$400 in labor. Replacement of the twenty-year old pool cover will cost around \$2000. The cover is too brittle to repair. The Operations Committee has started discussing additional security measures for the facility.

The manager gave thanks to Terry O'Brien and Carl Jespersen for helping form and pour new concrete steps leading out onto the outdoor pool deck.

Finally, he reported that Port Ludlow Drainage District had provided engineering assistance to design a French drain around the perimeter of the Kehele Park tennis courts. The finished plans had been forwarded to the contractors for bids.

Questions and comments followed.

COMMITTEE REPORTS:

Finance Committee – Bruce Pyles

Since the last LMC meeting the committee met twice. The committee conducted a review of LMC insurance policies. Mr. Pyles gave a detailed analysis of insurance premium changes.

Mr. Pyles reported the total surplus funds for 2005 come to \$71,311, of which \$35,000 was moved 1 February 2006. The general manager will move the remaining \$36,311 to LMC Kitsap Bank reserve fund account.

The committee recommended leasing a copier for \$259 a month to replace the existing machine.

Among other subjects discussed at the past month committee meetings were repairs of hot water propane heaters, discontinuation of weekend cleaning service, and upcoming drain repairs at the Kehele Park courts.

Operations Committee – Brian Belmont (for Carol Shamhart)

Mr. Belmont read Ms. Shamhart's report.

The Operations Committee reviewed and approved acquisition of a new copier for the Beach Club office. After lengthy discussion and presentation by the General Manager, the Canon IR 2870 was chosen as the best machine to serve LMC needs. All members of the Operations Committee agreed prompt repair service is important and because the manager has had positive

prior dealings with Pacific Office Equipment in Port Angeles, it was decided to purchase the unit from them. Price per POE is \$7,992.33. The matter was moved to the Finance Committee for their review.

Progress is being made on property maintenance issues. The committee received no new requests during the past month.

The committee is reviewing Kehele Park property boundaries in conjunction with a view improvement request from a Harms Lane homeowner. The property is directly behind the playground equipment. The file came to the Operations Committee from the GBC; it has been ongoing since July 2005. The matter will require careful consideration of requested tree removal. The Drainage District will be consulted and a survey of the Kehele Park parcel may be warranted at that time. Trustee Moyer expressed his concerns with the way this case had been handled. He urged the manager to speed up its approval. Speaking for the Operations Committee, the manager stated that the Operations Committee understood and appreciated the fact that this had been an ongoing and a lengthy process for the petitioners. However, he continued, because the Kehele Part belongs to every member of the LMC, the Operations Committee feels very strongly that they need to be very careful to make sure that they establish the process and work through it very carefully without skipping any steps. They are aware that no matter what the decision is in this case more than likely it will be appealed. Trustee Moyer asked to expedite decision making in this case. Trustee Nelson supported the manager in his response to Trustee Moyer. Trustee Moyer asked the Operations Committee to follow the LMC Regulations while making their decision in this case; he believed that there is nothing in regulations that says one cannot improve his/her view. In case there will be an appeal, the manager asked the trustees not to form any opinions regarding this case until the committee's decision is made. Some argued Trustee Moyer would have to rescue himself from the appeal as he has vested interest in this case. Trustee Moyer disagreed.

Architectural Control – Veronica Ryan

Since the last LMC meeting, the committee has met once. The committee approved seven requests (one new house, one fence, two tree removals, two repaints, and one deck). Two fences were denied.

The committee is working on sixteen pending requests (six new houses, one garage, one fence, one shed, three tree removals, and four repaints) and is developing fence guidelines.

Houses under construction are being monitored. Reported violations are being addressed.

The next ACC meeting is scheduled for Monday, June 12.

Questions and comments followed.

Covenants & Regulations – Catherine Garrison

Ms. Garrison reported receiving an opinion of the LMC legal council on the subject of the No Nuisance Language (Regulation, I Article I: Industrial and Commercial Use.) The committee will discuss it at their next (June 13) meeting.

Ms. Garrison has commended Terry Sutton for his work on her committee. Mr. Sutton has resigned after a two-year term.

The GBC made two minor additional changes to their proposed guidelines in response to the Durling's letter. Ms. Garrison asked the Board to approve this document. This project is a six-month collaborative effort of the GBC and the CRC. Responding to Trustee Moyer, Ms. Garrison explained that the one "will" that was not corrected was in a quote from the LMC Regulations. The CRC might at some point in time take on a task of replacing the word "will" in the governing documents. If undertaken, it will be a very lengthy project.

Greenbelt Committee – Dean Nelson

The committee prepared a response to Dick Durling's letter concerning the proposed GBC Policies and Procedures. The committee appreciates Mr. Durling for taking the time to so thoroughly review the document. As a result of his comments, the committee has made some minor modifications to the language to more clearly express their intentions. Trustee Moyer complimented Mr. Nelson on the response letter and asked the board to send it to the Durlings with a cover letter explaining how the Trees and Views Committee had been appointed. This subject was further discussed under correspondence.

The committee currently have four cases where the requests to remove trees were approved contingent upon restoring the area by replanting and where the trees have been removed and no restoration has been done. Follow-up letters, written by the previous GBC Chairman Ron Garton, resulted in no action. Mr. Nelson intends to contact each of the requesters to find out their intentions. If they are unresponsive, GBC will write them a letter requesting replanting plans by July 1. If they do not respond, their cases will be turned over to the Board of Trustees.

Mr. Nelson has initiated talks with Jefferson County Public Works Department concerning county road right-of-ways. The county would like to be kept informed on any work that involves trees in the right-of-way. Hazardous or diseased trees will be removed. If the GBC receives a request that involves right-of-way trees, they will make a tentative decision; it will be the responsibility of the requester to get a county approval before proceeding to do the work approved.

Dick Atkins, a North Bay resident and a forester, has agreed to provide consultation on greenbelt management issues. He is not interested in serving on the GBC. Mr. Atkins predicted the three trees north of the Bridge Deck would not survive more than one to five years. He believes the trees have surface root damage.

A letter requesting greenbelt restoration has been sent to the resident of 101 Fleet Drive, using part of community greenbelt as a parking area.

Mr. Nelson explained two recent cases of excessive cutting along the Oak Bay Road. The committee is tightening up their approval letter wording to avoid a repeat miscommunication. In both cases, the requesters have been most responsive in replanting the area, putting in large quantity of good size plants.

The next GBC meeting is scheduled for July 11.

Communications – Sally Orsborn

The committee met in April and will meet again on June 14.

The next LOG will be distributed in late June. A draft copy will be available for board review prior to publication. Trustees will be notified by email that copies are in the office.

All trustees and committee chairs were asked to submit topics they would like to see appear in the next issue of the LOG by the time of the board meeting on June 10. Suggestions for topics are also welcomed from the membership. All articles from board members and committee chairs are due by Tuesday, June 13. Topics and articles may be emailed to Ms. Orsborn or left in her box in the office. In this issue of the LOG, the committee plans to focus on LMC committees, their members, policies, and particular concerns.

Committee chairs and the manager were asked to submit copies of the reports they gave at this meeting. Ms. Orsborn will be writing the board article for the Voice this month. All other articles and information should go to Carol Shamhart, Beach Club editor, as usual. The deadline is June 10. Information for the North Bay Bulletin should be sent by email to Amy Recht. The bulletin will not go out in full format this summer.

Trees & Views Ad Hoc Committee

Since the last LMC meeting the committee met twice.

They had two speakers: Brian Belmont, who reviewed some of the issues that are brought forward to the Beach Club and also discussed the process that the Kala Point Association went through regarding setting up trees and views regulations and guidelines (Kala Point Vegetation Policy) and a representative from Platt, Irwin, and Taylor Law Firm from Port Angeles.

The committee went on a tour of the North Bay to get a sense of how many trees, bushes, etc. were in violation and to discuss interpretation of the regulations vs. violation.

Currently the committee is seeking an expert on Shoreline Management to attend one of July meetings.

The committee has begun discussion of current regulation.

Next meeting is scheduled for June 19 at 2:30 p.m. Their July schedule is currently being worked out due to some of members traveling in the month of July.

Lot Owners Associations – Lenetta Johnson (for Karl Barden)

Ms. Johnson reported on the past events and gave a calendar of upcoming events. The Gallery art exhibit will be changed in July.

The Artist Group will hold children's workshops at the Bridge Deck on Monday, Tuesday, and Wednesday, July 10 through 12, between 9 a.m. and noon.

Condominium Associations – Vaughn Bradshaw and Jerry Nelson

Trustee Bradshaw reminded the membership to arrange for a water shut off when leaving for a period of time. He also asked about the reconstruction of the Paradise Bay Road. Larry Nobles explained that the property taxes would not be effected by this county project, which planning had started in 1995. The work that is being done now is the first and the only phase of this road extension project planned at this time. The state picked up \$500,000 of this project cost with the remainder being paid by the county road fund. The Trails Committee is considering realigning the trail that was going along the road in that area.

Trustee Neelson reported the two buildings demolished by the fire still under construction.

Port Ludlow Village Council – Bruce Schmitz

Trustee Schmitz gave the highlights of the Jefferson County Sheriff's Department presentation on methamphetamine use in the Jefferson County, which took up the majority of the council June meeting.

PLA are continuing to discuss possible revisions to their plan for the resort area with a number of organizations within the community. They have already met with LMC. PLA intend to make some amendments to the present plan, which they are not prepared to discuss at this time. The revised plan will probably be presented to the community and the county in the first part of July. The developer continues to ask for extensions to a hearing examiner's decision on the present plan. They expect to have their revisions in before the next extension deadline, which is July 22.

Trendwest and PLA plan on applying to the county for a revision to the development agreement to change the wording to allow timeshare units as a part of allowable uses in Ludlow Cove. The Village Council Community Development Committee plans to meet on this issue and develop an opinion for submittal to the county.

Trustee Moyer urged the Board to take a strong position against stack townhouses. There will be another opportunity for public comments. Everyone is encouraged to comment. The revised plan is yet to be revealed.

Elizabeth Van Zonneveld spoke on various issues. She reminded the board and the audience that the shoreline permit necessary for Trendwest was appealed and was not accepted at state level. Ms. Van Zonneveld explained the process the Trendwest will need to go through to get a shoreline permit.

Ms. Van Zonneveld stated that she recently learned from the county that PLA are asking to have the Trendwest timeshares counted under commercial sewer hookup units instead of residential. The developer appears to try to make Trendwest both multi-family residential and transient lodging commercial.

The Community Development Committee will be meeting to sort out recent developments. They are expecting a legal notice to be approved by the County Commissioners on June 19 and published in the Leader on June 21. This will start a thirty-day public comment period leading towards the final public hearing.

Questions and comments followed.

CORRESPONDENCE:

Last month the Board received a letter from Richard Durling, 11 Foster Lane. At the direction of the Board, the GBC has written a response to this letter. Trustee Moyer proposed sending this response to the Durlings with a cover letter explaining that the formation of the Trees and Views Committee was by mediation agreement and not court mandated. Due to the fact that the Durlings have already apologized for the first paragraph of their June 11 letter, Trustee Recht, supported by several Board members, found it unnecessary to write another letter correcting the Durlings's letter mistake. Following prolonged discussion, Trustee Recht made a motion to forward the GBC letter to the Durlings without further amendment from the Board. Trustee Schmitz seconded this letter. This motion carried by a vote of 7:1 opposed by Trustee Moyer.

UNFINISHED BUSINESS:

Greenbelt Committee Policies and Procedures: Trustee Nelson made a motion to accept revised Greenbelt Committee Policies and Procedures. Trustee Moyer seconded this motion. The membership can pick up a copy of the policies and procedures at the front desk. This is a policy explaining how the greenbelt committee goes about their business. New document will be posted on the LMC web site. Following discussion, this document was approved by a unanimous vote of the trustees.

NEW BUSINESS:

Office Copier Replacement: The manager presented his recommendation for a lease of new copier. Trustees were handed worksheets showing information on two copiers and comparing their lease costs vs. purchase costs. The manager made a recommendation to get a 60 months lease on a Canon IR 2870 with a fair market value buyout. He believes that after a 60 months lease period is over, the LMC will be looking into getting a new machine due to the rapid changes in technology and LMC needs. If leased the copier expense will be covered by operating funds. Both Operations and Finance Committees recommend leasing. The manager assured the board that if the machine proves to be less than adequate at some time during the leasing period, the company would work with the LMC on getting an upgrade. There will be no trade in of the old machine. The LMC will be keeping the old copier until it breaks, as it has no value for the copier selling company. The Finance Committee was commended for evaluating the lease vs. purchase option. By a motion duly made, seconded, and carried by a unanimous vote of the trustees, the manager's request to lease the new copier was approved. The machine should be here within two weeks from the date of this meeting.

Appointment & Confirmation of the Committee Members: President O'Brien asked the committee chairs for the lists of their committee members.

ACC: Ms. Ryan asked the Board to approve Rae Watkins as an ACC member. A motion duly made, seconded, and carried by a majority vote of the trustees granted this request. Trustee Sanzaro did not vote.

Communications Committee: Ms. Orsborn asked the Board to approve Catherine Garrison, Penny Sanzaro, and Carol Shamhart as Communications Committee members. A

motion duly made, seconded, and carried by a unanimous vote of the trustees granted this request.

Operations Committee: Mr. Belmont (for Carol Shamhart) asked the Board to approve Michael Cahn, Teddy Clark, Pat Cooper, Eve McDougall, Paul Moseley, Brad Newell, and Sharon Sorensen as Operations Committee members. A motion duly made, seconded, and carried by a unanimous vote of the trustees granted this request.

Drainage Easement through the LMC Greenbelt (lot 2-3-177): As recommended by the GBC and by a motion duly made, seconded, and carried by a unanimous vote, the Board voted to approve a drainage easement through the LMC greenbelt along Walker Way for the AB General Contractors' Trader Lane lot # 2-3-177. Richard Regan, PLDD chairman, asked to take a 4" pipe restriction out of the easement description as this project might require a larger pipe. The manager explained that the LMC was granting a 10' easement. They do not restrict the pipe size. Since the GBC letter, recommending granting this easement, mentioned a 4" pipe, Mr. Nelson was directed to correct the GBC letter to not limit the contractor to a 4" pipe. The size of the pipe will be determined by the PLDD.

Board Workshop Chair Approval: Trustee Sanzaro made a motion that a vice president may preside over all Board workshops at the discretion of the president. Trustee Bradshaw seconded this motion. Trustee Nelson suggested that it would be more effective to say "a board member as designated by the president" in case the vice president is absent. Trustee Recht suggested that the motion said that at the president's discretion he could appoint any member of the board to run a workshop meeting. Trustee Sanzaro accepted this change. Trustee Recht seconded this motion. The motion carried by a vote of 7:0. Trustee Moyer abstained.

Public Comment Period: President O'Brien opened the floor for public comments. Several members spoke on items of concern to them. Trustees responded.

At 11:15 a.m. the Board recessed to the Gallery for an executive session to discuss legal matters.

The Board reconvened in an open session at 12:15 p.m.

Trustee Schmitz made a motion that the LMC request that Marion Morgenstern write a letter to PLA requesting payment for past due assessments on lots within Ludlow Bay Village. The letter shall state the reason that the assessments are owed and the amount owed including interest. If Ms. Morgenstern is not available, Richard Stattuck shall be requested to write the letter. This motion was duly seconded and passed by a unanimous vote of the board.

The meeting was adjourned at at 12:18 p.m.

Respectfully submitted,

Art Moyer, Secretary
Ludlow Maintenance Commission, Inc.

