

APPROVED

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

June 21, 2008 – 9:00 a.m. – Bay View Room

Trustees: Jim Boyer, Vaughn Bradshaw, Ian Feltham, Hugh Jenings, Jr., Stan Kadesh, Paul Moseley, Art Moyer, Jerry Nelson, and Elizabeth Van Zonneveld.

President Kadesh called the regular board meeting to order at 9:00 a.m. Roll call was conducted by Secretary Bradshaw. Trustee Jenings was absent

Agenda Changes: President Kadesh asked if there were any changes to the Agenda. Item 10. – Port Ludlow Digital Village Presentation has been rescheduled to the regular board meeting on July 12, 2008.

[Numbering System for Motions: The bold numbers that follow approved motions are a new numbering system to keep track of board motions and resolutions. Board motions and resolutions will be maintained in a dedicated file.]

Approval of Minutes: *Trustee Nelson made a motion to approve the regular meeting minutes of May 17, 2008, as corrected. The motion was seconded by Trustee Boyer and the motion carried by a majority vote. Trustees Van Zonneveld and Moyer abstained. 08-06-01 Trustee Moyer made a motion to approve the minutes of the special meeting of May 28, 2008. The motion was seconded by Trustee Van Zonneveld and unanimously approved. 08-06-02*

President's Remarks: President Kadesh stated the board has done a good job the past two months, completing several items that have been pending for several years, namely the tennis court issue. Openings are available on the LMC standing committees. President Kadesh encouraged LMC members to join in and create the kind of community they would like to live in. LMC members were asked to contact any member on the board of trustees to volunteer their services

All LMC board meetings are routinely recorded. The monthly board meeting is held to conduct the business of the LMC. President Kadesh further explained that limited comments from the members in attendance would be welcomed at the end of the meeting, with the exception of the committee reports. Following the committee reports and comment by the trustees, the members will be permitted to comment. Comments will be limited to three (3) minutes, and one (1) comment per person will be allowed per committee report. Members who wish to address the board are requested to state their name prior to addressing the trustees and to wait until recognized by the President before speaking.

As a standard practice, President Kadesh announced he will vote on all issues requiring a vote. Having been elected by his constituents, he stated they are entitled to his input in such matters.

Manager's Report – Brian Belmont

Mr. Belmont's complete written report is filed with these minutes. Questions and comments followed.

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The May 31, 2008 LMC financial reports have been delivered to the trustees. As of June 17, 2008, there are currently \$11,404.11 in past due assessments and fees owed to LMC by 16 property owners.

Mr. Belmont discussed the recent cougar sighting reports within the Port Ludlow community and suggested that LMC should consider playing a more proactive role in dealing with this problem. One suggestion to the trustees was to send out, via email or in the LOG, a request for feedback of first hand cougar sightings during the past three months and ask for locations of those sightings. Once this information has been reviewed by the trustees, and if the board feels that the number of sightings justifies it, LMC can make a formal request to the Department of Fish and Wildlife (DFW) to trap and relocate the Port Ludlow cougar. Although the DFW previously attempted and failed to track and trap the cougar, with LMC pushing for relocation additional attempts might be successful.

Discussion followed. Trustee Van Zonneveld will discuss adding this item to the next issue of the *LOG* with the Communications Committee.

Based on a previous memo to the trustees, Mr. Belmont provided background information pertaining to the 120-foot communication tower located in the LMC RV storage lot. Recently Jefferson County leased tower space on a new tower located near Teal Lake that has been constructed by Kitsap County's CENCOM. Jefferson County has yet to make any decisions regarding the long-term need for the tower located in the LMC RV storage lot. Trustee Moyer pointed out potential liability, safety and repair issues related to the tower. Discussion followed. The matter will be discussed in depth once the County has made a decision regarding the tower.

Dine and Discover made a \$400 donation to LMC to be used for the purchase of two lapel microphones for the Beach Club. With the help of LMC member Bob Azen, Mr. Belmont has researched and selected a good quality microphone system and is in the process of ordering the new equipment. Dine and Discover's generous donation is greatly appreciated.

Mr. Belmont reported two previous recommendations from LMC's insurance carrier involving the Kehele Park playground area have been completed. They include (1) The playground surfacing material (sand) is now at least 12 inches deep under the playground structures and swing set and (2) The fall area in front of and behind the swing set is now twice the height of the swing set. In our case we needed 24 feet of fall protection both directions as measured from the center of the center axis bar of the swing set. Additional recommendations related to hold harmless agreements, liability insurance for rental of LMC property and age appropriate signage for the playground equipment will be discussed by the Operations Committee with recommendations to the board of trustees.

The clutch in the 1995 Mitsubishi pickup truck has gone out. Estimated repair cost is \$800 plus tax. Because LMC spent \$800 last year to replace the gas tank, Mr. Belmont indicated he had concerns about spending more money on this truck. The LMC backup truck, a 1989 Ford, is not in much better condition. Mr. Belmont discussed the feasibility of buying a new used truck rather than putting more money into the Mitsubishi. Discussion followed. The matter will be discussed further by the Operations Committee with recommendations to the board of trustees.

The auditing firm of Hurley, White & Williams will begin the 2007 audit on June 23.

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On June 9, LMC hired Race Malin as a part-time maintenance employee, replacing part-time employees Steve Chase and Mike Roddy, who resigned.

The chain link fencing that partially surrounds the outdoor swimming pool was replaced on Friday, June 20. The fence is now in compliance with Washington State's barrier requirements for swimming pools. The gate will be installed in a few days.

Facility Advisory Group member, Vaughn Bradshaw, and Mr. Belmont have been gathering information on the men's locker room floor drain replacement. They hope to have competitive bids in time for the August board meeting.

Facility Advisory Group member, Steve Siegiel, has been helping Mr. Belmont review monitoring camera systems that will allow us to record what is being viewed within the Beach Club. In this year's Operating budget \$2,250 was allocated for this project. Mr. Belmont will present their recommendations to the Operations Committee at their July 1 committee meeting.

COMMITTEE REPORTS:

Architectural Committee – Trustee Bradshaw for Chair Bill Lazarus

The committee approved 13 requests, one roof height waiver, one propane tank, three tree removals, and one subdivision of a five-acre parcel. The following requests were denied: One fence, three tree removals, and one neighbor tree obstruction. The following are pending results and include three new houses, one house addition, one stairway to the beach, seven tree, view and obstruction requests by neighbors and four tree removals. The committee sent out neighbor comment letters for review of one house paint color. Houses under construction are being monitored. Reported violations are being addressed. Trustee Bradshaw reported an increase in new house construction requests. He stated he has submitted a draft of policies and procedures to members of the AC for review. Discussion and completion by the committee for presentation to the trustees is expected in the near future.

Covenants and Regulations – Trustee Moyer

Trustee Moyer reported the C&R committee does not have a chair at this time and is need of additional members. A report prepared by former chair, Catherine Garrison, detailing items that were before the committee in November 2007, was discussed. Two items that stand out include the Attorney Contact Policy and the discrepancy between the Articles of Incorporation and the Bylaws regarding the requirements for amending the Articles of Incorporation (50% rule). Other items requiring attention by the C&R Committee include maintenance on undeveloped lots. Trustee Moyer reviewed the previously submitted report by Ms. Garrison in depth and discussion followed.

Communications Committee - Barbara Berthiaume, Chair

Ms. Berthiaume reported the committee is developing material for the spring edition of the *LOG*. A draft of the material will be submitted to the board as soon as possible.

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David Goudie has agreed to be the editor of the *LOG*. The committee is in the process of trying to streamline the *LOG* and because this is a relatively new committee, they have been trying to ascertain what type of material the community wants in the *LOG*. The committee will be developing their policies and procedures in the near future. New committee members with communication skills, and/or a communications background are being sought.

The committee participated in the Communications Workshop with the board on June 11, 2008. Ms. Berthiaume thanked LMC member Bob Reasoner for volunteering his time and talent to participate in this workshop.

A Mission Statement will be discussed and prepared at the next Communications meeting in July.

Discussion followed.

Finance Committee – Ian Feltham, Treasurer

The Finance Committee does not have a chair at this time. The FC has two new members, Robert Bima and Patrick Shannon. Trustee Feltham discussed the new members' impressive finance experience.

Non-budgeted items were discussed as were expected increases in utilities and propane.

The committee is working toward reconciling the difference between the E. Jones and LMC in-house account balance. Mr. Bima has volunteered to review the past 5 years using tax form 1099's to see where the difference is.

Greenbelt Committee – Jerry Nelson

There is no current chair for this committee. Trustee Nelson has been helping run the meeting. The committee received one new case and a 21-day letter has been sent on that request. There were two previous requests that had been reviewed and approved. Approval letters were sent on these requests. At the present time there are no new requests.

Operations Committee – Pat Cooper, Interim Chair

Mr. Cooper reported an increase in the number of RV's and boats exceeding the 72-hour rule since the warmer weather began. Two letters were sent out this week, one to an owner on Osprey and another on Fleet. Several other pending complaints have been dealt with and have been resolved. There are several outstanding issues that have been addressed and are expected to be completed soon. Mr. Cooper endorsed LMC member, Jim Goode, as a candidate for chair of the Operations Committee.

Lot Owners Association – No report.

Condominium Associations – No report for Admiralty I, Admiralty II, or North Bay Lane.

Port Ludlow Village Council – Trustee Van Zonneveld

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Trustee Van Zonneveld reported there is no written report but she had attended the council meeting on the President's behalf. The council is proceeding, with a considerable amount of concern, on an appeal together with PLA and South Bay Association (SBA) against the use permit for the Iron Mountain Quarry application that is before the County at the present time.

The council also apprised everyone that they were unable to raise funds to have a 4th of July fireworks that would have been a community effort. The event has been cancelled.

CORRESPONDENCE: Secretary Bradshaw reported he was not aware of any correspondence at this time.

UNFINISHED BUSINESS:

Appointment of Committee Chairs – President Kadesh requested the board accept John Van Zonneveld as chair of the Finance Committee. Mr. Van Zonneveld has worked closely with the FC for several years and has served as chair of the Operations Committee. *Trustee Feltham made a motion to accept John Van Zonneveld as chairman of the Finance Committee. The motion was seconded by Trustee Moyer. Discussion followed. The motion carried 7:1 with trustee Van Zonneveld recusing herself. 08-06-03*

President Kadesh reported Jim Goode has agreed to accept the position of chair of the Operations Committee. Based on Mr. Goode's extensive business background, President Kadesh recommended the trustees appoint Jim Goode as chair of the Operations Committee. *Trustee Nelson made a motion to accept Jim Goode as chair of the Operations Committee. Trustee Van Zonneveld seconded the motion and it was unanimously carried. 08-06-04*

Facility Advisory Group – Status Report by - Trustee Bradshaw provided background concerning President Kadesh's announcement at the May board meeting that he was forming an ad hoc committee to be known as the As-Built Utility Systems Committee. This committee would be responsible for tracing and creating as-is drawings of the location of electrical, mechanical and plumbing systems in the Beach Club, where possible. In the interim, Trustees Nelson, Kadesh and Bradshaw, along with Steve Siegiel and Brian Belmont, have met several times and ultimately agreed, after extensive discussion, that the efficient implementation of facility maintenance, repair, and quality control in the specific areas of electrical and mechanical systems would be best served by an informal or ad hoc facility advisory group. The group will initially consist of LMC members Jerry Nelson, Steve Siegiel and Vaughn Bradshaw who all have extensive professional experience in building construction. Additional members with similar expertise may be added as available.

The group is in the process of creating as-built drawings of the Beach Club electrical system and preparing recommendations for corrections to the deficiencies in the electrical system. The group will also review plans in general, including materials and methods for modifications and/or additions to the facility mechanical and electrical systems, whether the use of outside contractors or LMC staff would complete the work. The group will review any work when completed to make sure it complies with the conditions specified. This will be a very informal group and strictly act in an advisory capacity to the General Manager.

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Long Range Planning – Elizabeth Van Zonneveld – In February 2008, the previous board met at a workshop on facility planning to consider whether we need to remodel or expand our facilities, and ways to ascertain the membership’s wishes. No further meetings have been held. One of the goals this board developed during our recent orientation is to “review the current long-range plan and assess progress made on implementation of the plan. In the process, the board shall assess and determine whether there is need for updating the long-range plan.” This was adopted as a goal for this year (see board action below).

Tree Cutting – Condon Lane – President Kadesh reported a letter had been received regarding tree cutting, in violation of LMC C&R’s and the County, on Condon Lane. It appears these trees are located in a critical area. Approval had been given by ACC to trim these trees and that is all that was done. No trees were cut down or topped. The owner had given permission for the trees to be trimmed and the County had been apprised of the situation and stated they had no problem with the trimming.

Port Ludlow #5 Bluff Ownership – As previously instructed by the board, President Kadesh contacted the LMC attorney as to what cost might be required to have the subject brought to court and a motion approved by the court wherein LMC would be declared not the legal owners of the #5 bluff. A written report from the LMC attorney stated a minimum amount required to take this issue to court would be in the vicinity of \$10,000. If Pope Resources or PLA were to protest the proceedings, with depositions and further investigation the final cost might be as high as \$100,000. President Kadesh recommended LMC accept the quit claim deed. Lengthy discussion followed. Mr. Belmont will continue to research this matter and try to obtain a preliminary title report from Jefferson Title Company.

Actual vs. Typical CC&R’s Owner Documents – LMC now has recorded copies of the CC&R’s for Port Ludlow plats 1-7, in addition to a recorded copy of the Scott Court plat. Because of poor quality resolution and clarity these documents have been typed exactly, as filed with the County, into the LMC computer. Because there are differences among the CC&R’s for the seven plats, the standing committees will be able to refer to each plat’s CC&R’s. Mr. Belmont stated he felt LMC should begin working with the actual CC&R’s that pertain to each of the plats and noted the each plats’ CC&R’s have the authority. This matter is scheduled to be reviewed by the C&R Committee. Discussion followed.

Removal of Sanction from Lot 7-0-014 – *Trustee Moseley made a motion to lift the sanction on the owner of lot 7-0-014, in that they are now in compliance with the requirements of the board. The motion was seconded by Trustee Van Zonneveld. Trustee Moseley made an amendment to use the lot number and not the owners name in the record. The amendment was seconded by Trustee Nelson. The amendment was unanimously carried 08-06-05- The original motion, as amended, carried unanimously. 08-06-06*

The meeting went into recess at 10:45 a.m. and reconvened at 10:52 a.m.

NEW BUSINESS:

Board Goals 2008-2009 – Trustee Van Zonneveld reported at the recent board orientation, with the assistance of Catherine Garrison and Mr. Belmont, the board went through an exercise to develop goals and then to set priorities on those goals. See below.

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LUDLOW MAINTENANCE COMMISSION BOARD OF TRUSTEES

GOALS 2008-2009

BE IT RESOLVED that the Ludlow Maintenance Commission Board of Trustees will focus on the following five goals throughout the year. The trustees will measure progress on these goals at regular intervals.

1. Establish and review policies and procedures for the Board of Trustees and all standing committees. In addition, a description of the duties of each committee chair shall be established.
2. Review the current long-range plan and assess progress made on implementation of the plan. In the process, the board shall assess and determine whether there is need for updating the long-range plan.
3. Develop a corporate organizational chart. Additionally, define the LMC relationship (if any) with various community groups.
4. Establish a committee to develop and maintain a resource base of volunteers in order to identify skills and availability to serve on various committees.
5. Follow-up on creating a committee to develop election procedures and ballot materials. Include consideration of changes to Bylaws, Article III to allow condominium owners to vote for lot-owner trustee representatives and lot owners to vote for condominium trustee representatives.

Adopted at a Regular Meeting of the Board of Trustees June 21, 2008

Vaughn Bradshaw, Secretary

Stan Kadesh, President

Trustee Bradshaw made a motion to approve and adopt the LMC Board of Trustees Goals 2008-2009, as revised by Trustee Van Zonneveld, with the exception of Item 4 which would read – establish a committee to develop and maintain a resource base of volunteers in order to identify skills and availability to serve on various committees. The motion was seconded by Trustee Van Zonneveld. Discussion followed. The motion carried unanimously. 08-06-07

Board Member Conduct Policy (see below) – President Kadesh introduced the LMC Draft – Board Member Conduct Policy for First Reading. *President Kadesh made a motion to accept the Board Member Conduct Policy for First Reading. The motion was seconded by Trustee Van Zonneveld. Discussion followed. The motion carried unanimously. 08-06-08*

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LUDLOW MAINTENANCE COMMISSION

DRAFT - BOARD MEMBER CONDUCT POLICY

First Reading: June 21, 2008 Regular Board Meeting

Trustees shall:

- Recognize that the board must comply with the Revised Code of Washington, Chapters 64.38 Homeowners' Association and 24.03 Washington Nonprofit Corporation Act, and only has authority to make decisions at official board meetings;
- Respect the right of the membership to attend and be heard at board meetings;
- Respect the right of the membership to be informed about board decisions and LMC operations;
- Recognize that the General Manager is the board's advisor and should be present at all meetings, except when the board is considering the manager's evaluation, contract or salary;
- Understand the chain of command and refer problems or complaints to the manager or to the responsible committee;
- Work from open, agreed-upon agendas with time to gather information and reflect on issues;
- Actively pursue opportunities to give and receive feedback regarding board member performance as responsible communicators;
- Communicate openly and honestly;
- Resolve issues directly with one another;
- Respect differences and listen with positive intent;
- Listen well;
- Support the will of the majority.

Monthly Board Meeting Schedule – Trustee Van Zonneveld discussed changing the monthly board meeting from the third Saturday of each month to the second Saturday of each month. Discussion followed. *Trustee Zonneveld made a motion that beginning in July (12th), the monthly board meeting will be moved to the second Saturday of each month, with the exception of September, and that the membership will be notified by all means available. The motion was*

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seconded by Trustee Boyer. The motion carried 6:2 with Trustees Feltham and Moyer opposed. 08-6-09. Discussion followed.

Previous Tennis Court Action Items – 1/14/06 & 3/15/08 – President Kadesh discussed the previous board action items regarding the LMC tennis courts, as follows.

January 14, 2006 Board Motion

Trustee Moyer made a motion that the Board terminates the negotiations that have been ongoing with the South Bay Community Association on the joint usage of the LMC tennis courts and that those South Bay members who wish to use LMC tennis courts on a continuous basis be required to buy contract memberships. Trustee Sanzaro seconded this motion.

President Kadesh asked for a motion to rescind the January 14, 2006 board motion. *Trustee Nelson made a motion to rescind the board action related to the tennis courts. The motion was seconded by Trustee Moseley and carried 7:1 with Trustee Moyer opposed. 08-06-10*

March 15, 2008 Board Motion

Trustee Buehler made the following motion: 1) Both side of the issue be presented to the members in the form of a ballot or survey at the earliest possible date; 2) The CRC be asked to determine whether the OPS Committee proposal would be considered a restriction in use of the facilities and require a formal vote and/or legal opinion; 3) in the interim the current regulations regarding use of the tennis courts will be in force; and 4) an ad-hoc committee be formed to frame the issues and make a recommendation to the trustees as to how the above items be facilitated. Trustee Moyer seconded the motion.

Trustee Nelson made a motion to rescind the March 15, 2008 board action related to the tennis courts. The motion was seconded by trustee Van Zonneveld. The motion carried unanimously. 08-06-11

Trustee Moyer discussed a motion previously made by former trustee Ted Buehler, related to a first reading on March 6, 2008 that dealt with consistent procedures among LMC enforcement committees and conflict of interest. The matter had been brought to the attention of the standing committee chairs. To date the matter remains pending.

Trustee Nelson made a motion that the Secretary will send the item to the C&R Committee for review and a written report to the board. Trustee Moyer seconded the motion and it carried unanimously. 08-06-12

ACC – Clerical Support - Trustee Bradshaw reported the ACC chair, Bill Lazarus, agreed to accept the position of chair under the condition that clerical support would be provided. Over the last month there has not been any formal clerical support. Attempts to recruit volunteer help have been unsuccessful. At this time paid staffing is required to meet the need of the ACC. Mr. Belmont further addressed the duties required for clerical support and recommended a cap of 25 hours per month. Discussion followed. Trustee Moyer made a motion to give the ACC paid clerical staff up to 25 hours per month. The motion was seconded by Trustee Feltham. Lengthy discussion continued. Trustee Van Zonneveld called for the question. Trustee Feltham commented. There was no second for the call for the question.

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Trustee Nelson made a motion to table the original motion until after executive session. Trustee Van Zonneveld seconded the motion and the motion carried unanimously. 08-06-13

Committee Orientation – At the recent board orientation, Mr. Belmont reported there was discussion regarding holding a committee orientation in a workshop setting. Former C&R chair, Catherine Garrison, has offered to act as a facilitator. The workshop would start with the authority of each of the committees, beginning with the highest level which would be the C&R Committee. Mr. Belmont discussed items in the governing documents in which a consensus agreement by the board and the committees as to what those items mean is needed. Committee policies and procedures would also be addressed.

Discussion followed. Mr. Belmont will discuss the committee orientation with Ms. Garrison before any final agenda is made.

Public Comment Period: President Kadesh opened the floor for public comments. There were no comments from the members.

Trustee Bradshaw made a motion to recess the meeting to executive session for the discussion of personnel matters. Trustee Van Zonneveld seconded the motion by unanimous vote, the meeting went into executive session at 12:20 p.m. to discuss personnel matters. 08-06-14

The regular meeting reconvened at 1:28 p.m.

Trustee Bradshaw explained that LMC clearly needs clerical support for the ACC, and is unable to find volunteer help at this point to provide clerical support. *Trustee Bradshaw made a motion that the board authorizes an unbudgeted line item expense for the General Manager to provide staff support for the ACC. The level of effort shall be limited to 25 hours per month and the board commits to this expense for at least the next six months. The motion was seconded by Trustee Moyer. The motion carried 7:1 with Trustee Moseley opposed. 08-06-15*

By a motion made by Trustee Moyer, seconded by Trustee Van Zonneveld, and unanimously carried, the regular meeting of the board of trustees was adjourned at 1:31 p.m. 08-06-16

Respectfully submitted,

Vaughn Bradshaw, Secretary
Ludlow Maintenance Commission, Inc.

Prepared by Carol Shamhart
LMC Recording Secretary

Manager's Report:

The trustees have been provided the May 31, 2008, financial statements. Are there any questions? As shown in the Late Collection Summary dated June 17, 2008, there are currently \$11,404.11 in past due assessments and fees owed to LMC by 16 property owners.

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Over the past several months we have all heard the cougar sighting reports within the Port Ludlow community. Most of us have probably seen the pictures, from three months ago, of the cougar in the back yard next to the kid's toys. I have had reports of owners that are afraid to work outside in their yard or that are afraid to allow their children or grandchildren to play outside for fear that the cougar is stalking them. I know that Port Ludlow provides habitat for a wide variety of wildlife. However, I feel that LMC should consider playing a more proactive role in dealing with the cougar that appears to spend so much time in our community. I would like to suggest to the trustees that we send out, via email or in the LOG, a request for feedback of first hand cougar sightings during the past three months and ask for locations of those sightings. Once this information has been reviewed by the trustees, and if the board feels that the number of sightings justifies it, LMC can make a formal request to the Department of Fish and Wildlife (DFW) to trap and relocate the cougar that has been calling Port Ludlow home. I know that DFW attempted and failed to track and trap the cougar previously. With LMC pushing for relocation maybe additional attempts will be made.

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