



LAKE LIMERICK COUNTRY CLUB, INC,

790 E. St. Andrews Drive

Shelton, WA 98584

Phone (360) 426-3581, Fax (360) 426-8922, e-mail lakelim@hctc.com

BOARD OF TRUSTEES December 18, 1999

ROLL CALL:

President Dick Lombard called the meeting to order at 9:00 a.m. Trustees attending the meeting are, Vice President Darrell Winans, Secretary Scott Carey, Treasurer Bill Buff, Trustee Don Cox, Trustee George Buckley, Trustee Gene Metz, Trustee Esther Springer-Johannesen, and Trustee Mary Lou Trautmann. Trustees absent are Trustee Nan Stricklin and Trustee Ruby Bailey.

APPROVAL OF MINUTES:

Motion made by Tr. Mary Lou Trautmann, seconded by Tr. George Buckley, and carried by the Board as follows:

The Board of Trustees approved the minutes of November 20, 1999 as presented.

FINANCIAL REPORT: Bill Buff

Treasurer Bill Buff recapped the November Income and Expense Financial Reports.

Motion made by Tr. Darrell Winans, seconded by Tr. Scott Carey, and carried by the Board as follows:

The Board of Trustees approved the November 1999 financial reports.

The board received the 1999-year end financial review from Don Gardner. Treasurer Bill Buff discussed two items:

1) Land Resale – Capital Gain Exclusion, The board has two years to reinvest \$11,915.00 in a designated Capital Project. Don Gardner will file with the taxes.

Motion made by Tr. Darrell Winans, seconded by Tr. Esther Springer Johansson, and carried by the Board as follows:

The Board of Trustees approved applying \$11,915.00 realized from sale of property to purchase of a vehicle.

2) Unrestricted Net Assets – The water meter billings, starting next year, will give the board more information on the anticipated water income.

4. Audit Status – Ryan Accounting

Bob Ryan has begun the full audit for LLCC, the procedure will continue throughout the fiscal year.

Motion made by Tr. Bill Buff, seconded by Tr. Darrell Winans, and carried by the Board as follows:

The Board of Trustees approved the Consent Agenda with the following additions: 2. Architectural, 3. Water overtime.

ITEMS FROM THE CONSENT AGENDA:

Consent Agenda Item 1. Inn Committee – Great Hall Status Report

The Great Hall renovation is almost complete. Mary Lou Trautmann doesn't have the final figures yet and will present them to the board at a later date. She would like to thank the many volunteers that made the project possible.

Consent Agenda Item 2. Architectural Committee – Review Guidelines

Pat Feist would like to see the Architectural Guidelines reviewed and presented to the Board of Trustees for approval. Tr. George Buckley volunteered to chair, and select a committee to undertake the project. He will prepare a draft for the July Board meeting.

Consent Agenda Item 3. Water Committee – Overtime

The board discussed the overtime paid to employees for attending the water meetings. The water committee will consider a salaried position for next year.

OLD BUSINESS

1. Employee party – December 21, 1999 7:00-9:00 pm

2. Goose Egg Status

The permit to spray the goose eggs has not been approved yet.

3. Water – Mason Lake Road Break

Water Chairperson Kirk Osborne said the water committee has spent about \$15,000.00 on repairing the Mason Lake Road leaks. The Water manager installed a valve to pressure test the line in the road. It is still leaking but they can control the water flow now. Kirk noted the DOH allowed LLCC to have 1100 water connections, and we are almost there. The committee is researching measures to increase the number of connections.

NEW BUSINESS:

1. Architect Committee Chairperson – Advice and Consent

President Dick Lombard asks the advice and consent of the board of trustees on the Architectural committee chairperson's recommendation.

Motion made by Tr. Scott Carey, seconded by Tr. Darrell Winans, and carried by the Board as follows:

The Board of Trustees gave their advice and consent for the recommendation of Bill Buff and Nan Stricklin as Architectural committee co-chairpersons.

2. Appoint Transition Team

President Dick Lombard discussed the General Manager position requirements. Don Gardner, club accountant, and Rob Wilson-Hoss, club attorney, will donate 1-½ hours of their time to meet with a team of three Lake Merick Country Club members. Bill Buff, Nan Stricklin, and Darrell Winans will represent LLCC. The meeting will be held January 12, 2000.

3. Lot Sales – Change of Realtors

President Dick Lombard said John L Scott was the designated LLCC realtor, with Rick Coleman as the agent. Rick has moved to Windemere/Himlie real estate company and asked if he could continue to represent Lake Limerick.

Motion made by Tr. Esther Springer-Johannesen, seconded by Tr. Darrell Winans, and carried by the Board as follows: Abstained Bill Buff, George Buckley

The Board of Trustees approved changing real estate brokers from John L Scott to Windemere/Himlie.

4. Lake Limerick Lot Sales – Quit Claim

President Dick Lombard would like to market LLCC lots the club needs to get back on the dues schedule. These lots have been the property of LLCC for years and are not incurring income. They could be quit claimed to new owners. He suggested that interested parties make an offer.

EXECUTIVE:

1. American Express Cards

Motion made by Tr. Darrell Winans, seconded by Tr. Esther Springer-Johannesen, and carried by the Board as follows:

The Board of Trustees will accept only Visa and MasterCard credit cards as of January 1, 2000.

COMMENTS FROM MEMBERSHIP: None

CORRESPONDENCE: None

ANNOUNCEMENTS:

Tom and Jerry Party December 18th, 1999.

Christmas Employee Party December 21st, 1999 from 7:00 PM to 9:00 PM..

Motion made by Tr. Esther Springer Johannesen, seconded by Tr. Bill Buff and carried by the Board as follows:

The board of trustees adjourns the meeting at 10:10 am.

Respectfully submitted, Scott Carey, Secretary

Preliminary Minutes not approved by the Board of Trustees, for review only.



BOARD OF TRUSTEES - LAKE LIMERICK COUNTRY CLUB

December 18, 1999 9:00 A.M.

- I. ROLL CALL:** Scott Carey
- II. APPROVAL OF MINUTES:** Board of Trustees Minutes of November 20, 1999
- III. FINANCIAL REPORT:** Bill Buff
- IV. CONSENT AGENDA: (Committees)**
- | | | |
|--------------------------------|-----------------------------|------------------------------|
| Architectural Committee | Election Committee | Financial Advisory Committee |
| Greens Committee | Inn Committee | Lake/Dam Committee |
| Long Range Planning. Committee | Maintenance/Parks Committee | Nominating Committee |
| Security Committee | Water Committee | Youth Committee |
- (Reminder: non-smoking meeting, we will break every hour)

ITEMS FROM CONSENT AGENDA:

1. Inn Committee- Great Hall Status Report
- 2.
- 3.

V. OLD BUSINESS:

1. Employee Party – 21 Dec. 7:00 – 9:00 PM
2. Goose Egg-Status
3. Water- Mason Lake Break
4. Audit Status

VI. NEW BUSINESS:

1. Chairman – Arch. Committee-Advise & Consent
2. Appoint Transition Team
3. Lot Sales-Change of Realtors
- 4.

VII. EXECUTIVE:

1. American Express Cards
- 2.
- 3.

COMMENTS FROM MEMBERSHIP:

VIII. CORRESPONDENCE:

IX. ANNOUNCEMENTS:

MOTION TO CONVENE TO CLOSED SESSION:

(The Motion must state Specifically the purpose for the closed session and must be referenced in the minutes)

X. CLOSED SESSION:

(The closed session may only include matters dealing with personnel matters; legal counsel or communication with legal counsel; and likely or pending litigation of an owner to the association.)

1. MOTION TO RECONVENE TO OPEN SESSION:

XII. MOTION TO ACCEPT ALL CLOSED SESSION MOTIONS:

(Motions or agreements made in closed session may not become effective unless the board, following the closed session, reconvenes in open meeting and votes in the open meeting on the closed session motions.)

Washington State
Society of
Certified Public
Accountants

Donald R. Gardner, C.P.A.

D.R. GARDNER, C.P.A., P.S.
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National Society
of Public
Accountants

Washington Assoc.
Of Accountants

David L. Myer, E.A.

December 3, 1999

Board of Trustees
Lake Limerick Country Club, Inc.
790 E. St. Andrews Dr.
Shelton, WA 98584

Dear Trustees:

As always, it was a pleasure working with the personnel of your organization in the performance of our review. The review analysis and interviews went smoothly.

Two items which came to my attention are as follows:

1.) *Land Resale - Capital Gain Exclusion*

As a result of the narrow definition of "exempt function income", a Section 501(c)(7) Social Club (which you are one) is normally subject to tax on the sale of property even when it is used in an exempt function. However, an organization (according to IRC 512(a)(3)(D)) can defer this tax liability if it acquires other property that it uses in the performance of its exempt function. This is just like the gains re-invest we did with the logging income proceeds.

This replacement property must be acquired within a four-year period that begins one year before the sale and ends three years afterward. When these requirements are met, gain realized on the sale of the old property is recognized only to the extent that the sales price of the old property exceeds the cost of the replacement property.

The new property need not be similar in nature or in use to the property sold; although, both properties must be used directly in the performance of the organization's exempt function.

Administratively, I recommend a board action acknowledging your intentions and some follow-up paperwork documenting the ultimate reinvestment of these funds.

Finally, it would also be advisable to treat each sale/gain separately. If losses occur, these items need not be computed for reinvestment and ought not be "netted" against gains.

Rich Coleman

Windermere
office: (360) 426-

2646

Toll free: 800-281-2740

LAKE LIMERICK COUNTRY CLUB SALE OF LOTS

Lake Limerick has the following lots for sale at the following prices:

Division 3, Lot 078	\$20,000.00
Division 4, Lot 088	\$ 7,500.00
Division 4, Lot 100	\$ 7,500.00
Division 4, Lot 101	\$ 7,500.00
Division 5, Lot 075	\$ 7,500.00
Division 5, Lot 080	\$ 7,500.00
Division 5, Lot 081	\$ 7,500.00

The terms of sale are that Lake Limerick Country Club will provide a quit claim deed to the property and pay the real estate excise sales tax. The purchaser will be responsible for payment for other costs, including title insurance.

Lake Limerick has not had actual possession of these lots, and is not aware of any improvements to, or defects in the lots. To review the Club's file on any particular lot, including what title work has been done, please call Susie at Hoss and Wilson-Hoss, the Club attorney, at 426-2999. Lake Limerick cannot guarantee either the title or the condition of any lots.

Please contact Susie by January 30, 1999 if you are interested in buying any of these lots.

WATER COMMITTEE, Kirk Osborne - Chairperson**Winter Freeze Protection**

It is that time to remind you that any exposed lines or open water boxes are subject to freeze if not attended to. Any call for the Water Department to come and stop an uncontrollable leak will cost \$60.00 per visit if it is on your property. If for some reason you access the water service box at the street please be sure to replace the cover properly. Our installed equipment will not freeze if the box is closed properly. Please check around before any cold weather.

New Water Hook-up Requests

The water department wishes to remind all owners that any new water hookup will cost \$1,000.00 in 1999. The final date that we will accept requests at the old rate of \$135.00 has been extended to January 31, 1999. Any requests received by this date will be done at the old rate.

Water Meter Installation Program

Perhaps by the time you receive this newsletter the work will have begun on the meter installation program. We have selected a contractor, Jack Houston Excavation, to do the work throughout the community. He will begin as soon as equipment is ordered and weather if favorable. Please keep in mind the project will be going on for quite some time, as the completion date is very flexible and may continue through the summer depending on conditions. Your water will not be interrupted except for a short period when your meter is installed. You will be notified when the water is to be off.

Consumption and Conservation

The trend of dropping water consumption is still apparent from our latest water system output report, done monthly by our water system manager. This again, reflects that leaks are being detected and repaired and users are practicing water conservation.

Your water department and the water committee are working hard for you to keep the system functioning and the quality of the water above suspicion. If you have any questions or problems, please call, our goal is to make sure you are a satisfied customer.

Lake Limerick Country Club, Inc.
790 E St. Andrews Drive
Shelton, Washington 98584
(360) 426-3581
FAX (360) 426-8922
Water Department
E-mail Lakelim@hctc.com

Dec. 13, 1999

To: Water Committee:

The following items listed are extremely important to the water system and must be attended to early in the year 2000. This list will be a priority for Ken to accomplish and it must be done as quickly as possible.

1. Finish all meter installations on Lake Limerick owned facilities that we will be tracking for consumption purposes.
2. Calibrate the well output meters.
3. Actively pursuing other leaks in our distribution system.

We may be required to hire a independent leak detection firm with more sophisticated equipment to accomplish detecting leaks but not until we do all that we can in house. We are, as the figures disclose from Ken's consumption readout compared to the well output numbers still way out of line. The Water System Plan indicates that an acceptable level of 20% or less is desirable. In conjunction with this is LL water system is certified by DOH to have 1100 maximum of services connections. As I write we have 1084 meters in place, with 8 or so to finish. The consequences of exceeding our allotment would be getting a red operating permit from DOH, or we prove to DOH that are consumption is well below the annual water rights we now have and be allowed more hookups, or as we approach the maximum number we impose a building, hookup moratorium. A moratorium would automatically come with a red operating permit.

We have already petitioned the DOH for additional water rights and yearly increase in our allowable usage, but the process for this approval is very slow and I would venture a guess of three years or so before this would be granted. If we allow new hookups we would be in violation sooner than any approval. All hookups count, unfortunately, even lock outs and non users with meters.

We do not want to get a Red operating permit, and must do everything we can to avoid it.


Kirk Osborne, Water Committee Chairperson

cc: Executive Committee
Board of Trustees
Ken Douglas: WSM

Lake Limerick Country Club, Inc.
 790 E St. Andrews Drive
 Shelton, Washington 98584
 (360) 426-3581 FAX (360) 426-8922
 Water Department
 E-mail Lakeljm@hctc.com

Dec 9, 1999, Revision

Meter Installation summary

- 1456 Account numbers installed in program:
- 1 Account numbers deleted:
- 1455
- 52 Accounts belonging to LLCC (assumed never to be metered, green belts, golf course etc):
- 1403
- 312 No service but have accounts
- 1091 Includes lots that LLCC owns. ie: Lots we track consumption and lot that are for resale.
- 7 Dual accounts for one lot
- 1084 Lots that should now have meters.
- +16 Meters on hand
- 1100 total (we purchased 1100 meters that should be accountable)

Sites owned by LLCC that will be metered or already metered.

Location	LLCC Div. and Lot #	Status of installation	Current Code
Club House	Div 2, Lots 289, thru 293	To be installed	NSR LLC
Pro Shop (new)	Div 2, lot 256	Yes	LLC LLC
Old Pro Shop water fountain.	Div 2, lot 001	No (My not be required)	NSR LLC
Maintenance Site	Div 2R, Lots 35,36	Yes	LLC LLC
Old Lyme Park	Div 4, lot 237	Yes	LLC LLC
Angelia beach Park	Div 1, lot 66	To be installed	NSR LLC
Banbury beach Park	Div 1, lot 31	Yes	LLC LLC
Tipperary Boat Launch Park	Div 3, lot 507	To be installed	NSR LLC
Log Toy Park	Div 3, lot 510	Yes	LLC LLC
Golf Course rest room #5	Div 2, lot 003	To be installed	NSR LLC
Drinking fountain, above #7	Div 2. lot 005	No (May not be required)	NSR LLC

CODES FOR BILLING:

- Metered, basic rate with excess charges -----R01 MTR
- Metered, locked out, basic service rate -----R01 NON
- Non Metered, basic service rate -----NSR NON

CODES FOR CONSUMPTION TRACKING AND IDENTIFICATION:

- Metered or Non Metered, LLCC owned, no rate or tracking but could be developed or sold in the future. i.e., Lots for sale received in court judgment, lots reserved for well sites.-----LLC LLC
- Non Metered, lots owned by LLCC but generally would not be developed, i.e. Green belts, access strips and golf lots without any facilities.-----NSR LLC

The rate structure we are testing will give the customer 5000 gal per month at a cost of \$13.416666, (\$40.25 per qtr. \$161.00 yr.) which is \$2.68 per 1000 gal, with a penalty of \$1.35 per each 1000 gal excess. We will look closely at this rate structure over the remainder of this year and into next year before we attempt to make any adjustments. Non Metered and Locked out lots will pay \$53.00 per year. (\$13.25 per qtr.)

Kirk Osborne
 Kirk Osborne, Water Chairperson

Water Com.
 BOT
 EXEC