Lakewood Villages Lake Lot Owners Association - Special Meeting (August 29, 2017)

President Welch called this special meeting to order at 7:02 p.m at "The Point at Rising View" Community Center (12125 S. 32nd Street, Bellevue). The entire LVLA community was invited. Roll call was taken, and 7 of 9 board members represented a quorum (absent: Stangl, Hermansky). Also in attendance was Simpson (legal). Hoy moved/Mercer seconded approval of minutes from 23 August 2017 board meeting (approved).

Old Business:

Seawall update. President Welch explained that the purpose of this meeting was to propose a way ahead on the seawall and to gain feedback from the members in attendance. Welch provided a summary of the seawall issue.

By 2008 is was very evident that the seawall was failing in multiple locations. The LVLA Board arranged for a local contractor to assess the problem. The seawall could be replaced or repaired. Costs ranged from $40 - $105 per linear foot for the 5400 linear feet of seawall on the lake. The board approved $26,000 for repairs (drill weep holes, emplace tie backs, and some welding). Replacing the seawall was not deemed practical due to financial limitations.

In 2009 annual dues were raised from $400 to $450. Repairs were assessed.

In 2010 annual dues were again raised from $450 to $500 to raise funds for future repairs. Repairs were authorized by lots 156-159.

In 2011 the wall repairs were regarded with mixed success. While the tie backs held the walls back from the water, the bottoms of the walls were blowing out, welds were breaking, and some heaving was reported. Repair/replace was priced at $42 - $120 per linear foot. Other walls were seeing deterioration.

By 2012 the wall repairs were still deemed unsatisfactory and there was no clear way ahead. Legal action was considered but that approach was too expensive and unlikely to succeed.

In 2014 a volunteer Seawall Committee examined the problem. Various solutions were proposed and evaluated. Talks with NP Dodge were fruitless. New estimates to repair-replace discovered the cost had risen to $100 - $400 per linear foot. Options ranged from using a vinyl seawall, repairing with longer seawall sections, employing riprap, or letting the failed walls return to a natural state. None of these options proved adequate.

In 2016 the Board hired legal counsel (Simpson) and hired a firm to conduct an Engineering assessment. The Engineering firm took soil samples from the lake and in yards throughout LVLA property footprint. They found unstable soil throughout (silt/sand/clay) and determined that the 5' seawall wall was woefully inadequate to hold back soil that was saturated by springs and located on significant slopes. The option of replacing the seawall with 20' sections was priced at $2.2M. This option was ruled out as too expensive, though we considered various options for funding that amount (a large special assessment, a long-term business loan, and a 15-year loan from the SID).

In 2017 we reengaged with local firms for an estimate for repairs. Two of the parties failed to respond. Ron Hansen followed through and took the time to see our problems first hand. He devised a series of engineering solutions (new tie-backs, different means of anchoring, dead-men, backfill, dredging, new wall connectors, a new auger-drill affixed to sunken beams, leveling ground to the walls edge, etc.). The board approved 4 test cases.

Mercer took the floor to explain the engineering solution. One of our challenges is there is little seawall repair experience locally. Our area poses a unique challenge because of the slope, saturation, and severe winters. Though our contractor is also inexperienced, he applied engineering solutions that had not been previously attempted. His methodology was to design an economical feasible, yet effective and lasting means to fix our walls. He has experimented with the four test cases, improving his materials, design, and procedures as he progressed. His new techniques involve the following.

Spacing 10' beams that are augured into the ground by a specially designed helix bit. Affixing a sea channel to minimize welds from breaking, Changing the method and connectors of the tie backs. He discovered that walls with a backfill of gravel were failing disproportionately higher than those with a level run off into the lake. He has gained efficiencies in his procedures that have lowered his costs. His repairs run from $28 - $45 per linear foot (depending on slope, access, degree of damage, etc.). The board supports continuing this work over the next two - four years.

At this point the Board took their seats and opened the floor up to questions and comments from the audience.

Question 1: What is the method of Evaluation using to determine success?

Discussion: The discussion centered over our means of determining that this design is successful. There was also concerns that the proposed replacement cost was too high and that the engineering design costs as proposed were too expensive. The board will evaluate the "test case" after the winter thaw to determine the effectiveness. We are taking some risk with moving forward, but it was felt that the early results are positive and that there was a cost associated with doing nothing and forestalling future repairs. The work would proceed "drainpipe to drainpipe" to ensure that work was properly stabilized.

Question 2: Do we have the funds for these repairs.

Discussion: Board explained that we have $127,000 remaining in our account. Explained the various financing options that were discussed and rejected ("Three pots" concept, Owner pays 100%, Seawall-side pays 100%, Association pays 100%). The Boards recommendation is to evaluate each seawall section by lot. The cost to fix the wall will be cost-shared, with the owner paying 50% and the LVLA Association paying 50%. Out-lot repairs would be paid by the Association as a whole. This methodology fixes accountability with the sole user of the wall while assisting financially with the entire HOA. Lake Lot owners comprise 65% of the HOA. This solution results in 82% of the lot costs borne by Lake Lot owners while the out-lots are assessed 65% / 35%. With this funding recommendation we can address every damaged seawall over the next 2-4 years, with a better solution then previously attempted, and at a much lower cost per linear foot.

Question 3: Don't throw good money after bad.

Discussion: We have a significant cost of doing nothing as walls continue to fail. We have trust in this new engineering recommendation and will have a better understanding of its effectiveness in the spring. Total replacement is not an option, but neither is taking no action.

Question 4: I am concerned that the contractor is not charging us enough.

Discussion. We are very satisfied with the quality and diligence of our contractor's work. He communicates routinely with Mr. Mercer (our Project Manager) and has saved us considerable amounts of money with his innovations. He has been adjusting his costs per linear foot downward as he gains efficiencies and proves new methods.

Question 5: What can be done about the trees on the dams?

Discussion: We will investigate hiring a contractor to clear the foliage or determine whether we can go on the dam and clear it ourselves. Spring time project.

Question 6: Can you clarify what the 50% cost share entails? Is it charged by linear foot? That is unfair to large lot owners with little damage to their walls.

Discussion: The cost share formula is based on the actual cost to repair the lot. The linear foot calculation is for estimating costs only. Home Owners will be charged only for the actual cost to repair their seawalls, and that amount is shared by the HOA on a 50/50 basis.

Question 7: What about lake lot homeowners who refuse to pay for repairs? Doesn't that affect my property that has been repaired, if they are adjacent to me?

Discussion: We have not encountered that yet in our negotiations with homeowners. However, if that were to arise, we can assess a special assessment and place a lien on a home. We will only proceed on lots that have the approval of home owners, who in turn have paid the 50% assessment in advance. Larry Mercer personally talks to each homeowner in advance to arrange the upcoming project.

Question 8: What about the $100,00 cost of dredging?

Discussion. There is no need to dredge just yet. We have been in discussions with the Papio Missouri River Natural Resource District (NRD) because they also have an interest in the free-flow of water. We do not know what the dredging would cost. When the time comes, we may have some alternatives that are less expensive then barge-dredging.

Question 9: Shouldn't we be fencing in the lake to guard against an insurance claim?

Discussion. While we have some liability insurance (we will research further), it would be impractical and cost-prohibitive to fence in the entire area. Homeowners have responsibility for supervision of guests on their property. Certainly, they can entertain installing fencing if they so desire.

Question 10: How do we prevent damage to seawalls form Homeowners who are negligent in the future.

Discussion: The covenants address that situation. It is possible to hold homeowners accountable for negligent damage. Homeowners are supposed to submit all plans for yard projects/improvements to the A&E committee for approval. Perhaps we could have Homeowners sign an accountability document for future damage. It requires a 75% vote to amend the covenants.

Question 11: Can we post the engineering design to the web site?

Discussion. We will discuss the advantages and disadvantages of doing that.

New Business:

Dam reports. Stangl absent. Will review the dam report and offer an update on required actions.

Downed Trees. Ellison is pursuing bids to remove Association trees that have fallen on homeowner properties. Dead trees still standing represent a safety hazard and should be removed. These matters will be updated and discussed in greater detail during the next board meeting.

A&E. Residents are required to contact A&E for review and approval prior to beginning work on structural projects.

Dam maintenance. Foliage will likely require the employment of a contractor to remove saplings and undergrowth that may damage the dam integrity.

Erosion. The board will undertake to investigate, monitor, and address the hillside erosion problem. This process is scheduled to begin at the next board meeting.

Adjournment:

Meeting was adjourned at 8:30 pm by unanimous approval (Welch moved, second by Schreier).

Respectfully,

James Hoy, Association Secretary