

LAKEWOOD VILLAGES LAKE LOT OWNERS ASSOCIATION MEETING

July 11, 2016

President Welch called the meeting to order at 7:00 p.m. Roll call was taken, and 7 of the 9 board members were present (absent were Stangl and Hussman, but Darlene Hussman attended in Hussman's stead). Approximately 25-30 homeowners were represented. Also in attendance were attorney Andy Simpson of Farnham and Simpson, and engineer Jim Olmsted of Olmsted & Perry Consulting Engineering. Ehrnst moved that the minutes of the last meeting (4-26-16) be approved. After a second by Hardebeck, the minutes were approved.

ELECTIONS:

The first order of business was the election of board members. There were 3 seats open for 3 year terms (Welch, Ehrnst, & Hardebeck), and 1 seat open for a 1 year term (Hussman). The 1 year term was a result of prior year resignations. In addition to the existing board members whose terms were up, who all wanted to run for additional terms, Larry Mercier asked to be included on the ballot. All homeowners present were given a ballot and asked to vote for 3 of the 5 candidates. It was agreed that the highest 3 vote-getters would be elected for 3 year terms, while the candidate with the 4th highest vote total would be elected for the 1 year term. The votes were cast on private ballots and counted. Ehrnst, Welch, & Mercier were elected to 3 year terms, and Hardebeck was elected to a 1 year term. The composition of the board then became Welch, Ehrnst, Mercier (all with terms expiring in 2019), Hermansky, Hoy, Schreier (all with terms expiring in 2018) and Stangl, Frill, Hardebeck (all with terms expiring in 2017).

REPORTS:

1. After an introduction by President Welch, Simpson led a discussion on the seawall issue. This discussion, which touched on relevant covenant and bylaw sections, was wide ranging. Items discussed included:
 - Andy's statement that the association, per the terms of the relevant documents, had an obligation to maintain and repair the seawalls.
 - A discussion on NP Dodge's possible liability for defective wall construction. While such liability was considered a possibility, the time and legal expense involved, plus the probability of a favorable outcome was enough to dissuade the board from pursuing such an action immediately. As had been decided at the board meeting of 4-25-16, the possibility of following up with NP Dodge after we had (i) firmer engineering study results, (ii) cost estimates, and (iii) a plan of action, was left on the table.
 - A discussion about the possibility of the association ceding responsibility for seawall repair and maintenance back to the individual homeowners along the seawall side of the lakes. The first issue with such an option was that the homeowners would "own" a structure in the HOA easement, a difficult situation to manage. Inconsistent seawall maintenance from one lot to the next was another issue with this approach. Finally, this option would require the modification of the association's covenants and bylaws (very difficult to achieve).
 - The legal requirement for special assessments of SIDs to have the special assessment benefit the homeowners levied the special assessment. While the HOA isn't an SID, the application of the same principle in this situation is a reasonable approach.
 - Andy summarizing his 3 possible options for addressing the seawall repairs. These were (a) increasing the annual assessment to build up a larger fund to pay for seawall repair, (b) a one-time special assessment for improvement of the seawall to be equalized amongst the owners depending on frontage or seawall benefiting property, with such special assessment to be payable either in a single sum or spread over a period of years, and (c) assessing seawall owners individually as their seawall failed. Given the problems with (a) and (c)...natural side homeowners paying for seawall side

homeowners' seawalls, or the ability of homeowner to pay all their seawall replacement cost in a single sum, option (b) was his recommended option.

- A discussion about the possibility of the association getting a loan to pay for wall repair, with such loan being repaid by a special assessment spread over a number of years. While such a possibility was deemed workable from the association's perspective, we were unsure whether a bank would consider such a loan. Frill and Welch (at the prior board meeting) agreed to approach our bank about such a possibility.
2. After an introduction by President Welch, Jim Olmsted discussed the engineering issues surrounding the seawalls. Olmsted's discussion included the following items:
- The seawalls are failing. He noted that we don't know for sure why the walls are failing, but we presume it's due to the panels used being too short, and having been installed via trenching (with a sand backfill) instead of being driven in. He noted that a search had been made to find the original plans for the seawall, but had been unsuccessful.
 - The need for a geotechnical survey of the soils behind the seawalls. He noted that the lakes were manmade, and thus the soil behind the seawalls included a significant amount of fill. Based on the geotechnical survey, engineers could then design the appropriate seawall. He noted that he had gotten bids from 3 geotechnical surveys and submitted them to the association board prior to the HOA meeting, and that the board had approved the hiring of Thiele Geotech for \$11,500. This bid involved 11 "borings" in the soil behind the seawalls with a cost to the HOA of \$11,500. If more borings are required, the bids included a "per boring" cost for such additional borings.
 - What was involved in the borings. The geotechnical firm would drive a small tracked vehicle (similar to a Bobcat) between the houses where the boring was to be made. (It was anticipated that the affected homeowners would be notified prior to the work, and there would be at most minimal damage to the lawns driven on). Then, the vehicle would drill a 4-5" hole down about 25 feet to get the required sample.
 - The timetable for actions. After the borings were completed in the next 4-5 weeks, the information would be submitted to the engineering firm so that an appropriate proposal could be developed and presented to the board and to contractors for bids. Ultimately, we would hope to be ready for contractor proposals sometime in the fall (October?). Based on the results of the engineering study and the contractor bids, a vote of the HOA on the final proposal and needed special assessments could be held.
 - Many questions were asked about the possible fix. These include whether the work would be from the lake or land (impact on lawns and landscaping), when the work might be completed, whether steel or vinyl seawalls were likely, etc. While there were guesses as to the answer to these questions, it was agreed that reasonable answers couldn't be given until the engineering studies were complete and the contractor bids were received.
3. Schreier presented the treasurer's report. Highlights included:
- The splitting of the HOA's funds into a general fund and a "lakewide infrastructure reserve fund".
 - A graphical depiction of how the funds would interact with any possible special assessment for seawall repair.
 - Total funds available were \$155,243.36.
4. Welch reported on the SID initiative to pay for garbage pickup from the SID funds via a neighborhood wide contract. A SID meeting will be held on 7-13 to explain the details which were reported to include a start date of 10-1-16.

5. Welch and Schreier reported on the website. The website (lvlakelots.com) does include general information like covenants, bylaws, lake rules, and minutes, etc. for years 2010 and prior. We're looking for assistance to update the back end of the website from html to a more modern system (like WordPress). Then, the website would be updated to include the information that hasn't been added (minutes, reports, etc. since 2010). HOA member Larry Reasoner volunteered to help.
6. Welch reminded members of the covenants specifying that trash cans were to be hidden from view, and that any architectural additions were to be submitted to the board for approval prior to work being done. Also, the members were reminded that it was illegal to harass the geese population.
7. Welch noted that the board approved performing a water sample test of the lake again for 2016. Welch also noted that we have a beaver problem on the lake and steps were being taken to remove the beaver population.

NEW BUSINESS:

1. A question was asked about a lake clean-up day. Welch responded that such was definitely needed, and that the board would set a date.
2. The HOA meeting was adjourned at 8:26 (Hermansky so moved with Hoy seconding), with a short board meeting to follow.
3. At the following board meeting:
 - Welch was re-elected president, with Hoy remaining as vice-president, and Schreier remaining as secretary/treasurer for the time being.
 - Ehrnst will pursue options for addressing the beaver problem.
 - Hermansky and Welch will follow up on the geese harassment issue.
 - No date was set for the next meeting.

Respectfully submitted,

Mark Schreier, Secretary/Treasurer