

President Welch called the meeting to order at 6:35 p.m. Roll call was taken, and 6 of 9 board members represented a quorum (absent: Stangl and Ellison; Schreier arrived later). Andy Simpson (lawyer) was also present. The first order of business was to approve board minutes from the 05 June 2017 annual meeting. Hermansky moved to approve the minutes, Franks seconded, and the motion passed unanimously.

Old Business:

Seawall update. Mercier provided an update on the seawall repairs that have been authorized thus far. The cost to date has been approximately \$7200 (Mercier wall), \$9900 (Giorlando wall), and \$11,000 for the Out lot and property adjacent to the Mercier project.

The contractor (Ron Hansen) has been improving the construction design as he progresses, integrating lessons learned into his subsequent work. Each wall presents a different set of challenges and require modifications to accommodate unique soil, material, water depth, and slope conditions.

One suggestion is to consider working from one anchor point (storm drains) to another to provide a secure start/end point. The work has gone well to date with no significant work stoppages.

Mercier proposed that the board approve funding to begin work on the next set of walls (two properties) which are currently the worst remaining sections of walls. The work will include having the walls straightened, repairing the metal cap, and supporting the sea wall with 8' metal support posts at 12' intervals. New auger bits and 8' disks work to provide greater support. The contractor can do this project (480' and 220') for about \$12,000. The board approved the expenditure and authorized work to begin.

Franks suggested that we run the latest design modifications past an engineer to troubleshoot the design concept. Andy Simpson (lawyer) offered that he would contact the team that conducted the Engineering study. Mercier will work with the contractor to provide a rough sketch to explain his design concept. Mercier also explained that if the walls should shift, due to saturation or freezing, that the auger bits could be tightened.

Our discussion then focused on the strategy to repair walls in the order of severity (worst fixed first) while maintaining the integrity of the existing walls by working anchor point to anchor point.

Seawall financing. The discussion turned to strategies to finance the repair work for all remaining seawall properties (fix obvious damage and to integrate support beams to prevent future wall heaving). Various proposals were forwarded and discussed.

The first proposal was to divide the existing Home Owner Association dues into three pots of money; General Fund, Seawall side fund, and Natural side fund. The current balance (minus the authorized construction expenditures) would serve as the base amount. The Treasurer will examine and propose a formula to allocate funds into the three funds. He will also devise a strategy for splitting the funds from outstanding 2017 Annual dues so they are properly reallocated into the appropriate funds.

Annual dues (currently \$500 per year) will not be raised, only reallocated to reflect the funding demands of our community. Every resident's annual dues will be divided in accordance with a formula (exact proportions to be determined) to support the general fund as well as their own sub-community (Seawall side Fund or Natural Side Fund).

General Funds will support recurring expenditures (i.e. water testing, out lot maintenance, fish surveys, etc.), provide for unanticipated needs (Out lot seawall repairs), and provide the assets to address long term needs (dredging, dam repair).

Natural side funds, from 24 residences, will provide a means to address needs unique to the Natural Side (i.e. tree removal and erosion control). Seawall side funds (from 44 residences) will provide a source of funding to address the needs of the Seawall side sub-community (Primarily sea wall repair).

The discussion then turned to how to finance sea wall repairs that exceed the amount currently available in the restructured Sea Wall Fund. The board anticipates that cost of repairs (immediate and preventative) to reach \$200,000 (about 1/10 of the cost of total replacement).

SPECIAL ASSESSMENT. The means to raise this amount of money could be legal pursued through a Special Assessment. It was agreed that the special assessment would only apply to Seawall side residences with the intent of providing the funds to continue work on the residential seawalls. The discussion centered around two methods of computing financial liability; an assessment per lot, and assessment per linear foot of seawall. A third proposal that assessed costs to households based on full replacement value was deemed impractical and unwieldy.

The proposal would require 51% approval of ALL Association lot owners in a formal vote. The board agreed that the concept should be presented to the entire association in an open association hearing, which included a public comment period.

The Board believes the assessment might reach as high as \$5000 for some residents, depending up the actual costs and the method used to determine individual property assessments.

A motion to address the proposal was moved by Hermansky and seconded by Mercier. On a 4-3 vote the board decided to pursue the linear foot method of assessment as their primary course of action. The board will work to further develop the concept and refine the funding amounts. The date for a concept brief/comment period will be determined later.

Treasurer's Report. A formal Treasurer's report was not rendered, as we are still collecting annual dues. Our account has approximately \$100,000 (after deducting for the latest construction expense).

New Business:

Downed Trees. The Ellison and Warner households have registered complains of Association out lot trees falling on residential property. Hoy will contact the effected homeowners and arrange a time to survey the damage. Mercier volunteered to assist in the survey. They will make a recommendation to the board on how to proceed (volunteer clean up or arrange professional removal). Board discussed the parameters for removing trees; first priority is to safety concerns, and then trees that have fallen onto resident property. Due to the large number of trees that have fallen over the last decade, there may be

some in the Association controlled out lots that may be left untouched. There should be some consideration of trees that have fallen into the lake.

Rules violations. Ernest raised the issue of a homeowner who repeatedly violates the association rule against leaving his trash cans outside. Board discounted a proposal to allow exterior barriers/fences to shield trash cans outside. Ernst will draft a letter reminding the violator of the policy and informing him that future non-compliance can result in fines or liens.

Roof damage. Many local homes received substantial damage from the hail storm last week. Damage is not always readily visible from ground level and requires a close inspection. The Board discussed a proposal to attempt to consolidate neighborhood repair efforts through one vendor in the hope of reducing repair costs. The Board decided to leave the process in the hands of individual homeowners.

Erosion. President Welch raised the issue of erosion in the rear of the Hussman residence. Hoy and Ernst agreed to contact the homeowner and arrange a time to evaluate the property to gain some appreciation for the seriousness of the situation.

Adjournment:

The meeting was adjourned at 9:30 pm (motion made by Hermansky, seconded by Franks, and unanimously approved).

Respectfully,

James Hoy, Association Secretary