

LAKWOOD VILLAGES LAKE LOT OWNERS ASSOCIATION BOARD MEETING

March 16, 2017

President Welch called the meeting to order at 7:04 p.m. Roll call was taken, and 7 of the 9 board members were present (absent were Frill and Stangl). Stangl arrived at 7:10. Also in attendance were attorney Andy Simpson of Farnham and Simpson, and homeowner Terry Franks. The primary purpose of the meeting was the seawall issue.

REPORTS:

1. President Welch updated the board on Mike McKnight (who had approached a homeowner about our seawall issue). Welch noted that she had requested that any homeowner refer McKnight to her, but that she hadn't heard from McKnight. Her planned approach was to ignore him, or just ask him to drop it, as we don't anticipate that his public airing of our issue would be helpful to us.
2. Simpson then summarized the steps needed to give ownership of, and responsibility for, the seawalls to the individual homeowners. He first noted that amending the covenants and bylaws is hard, and is generally discouraged. To make this type of change, the HOA would need signatures of 75% of the 68 homeowners. And, because the HOA would also be effectively ceding responsibility for the costs of maintenance/replacement of the seawall, Simpson noted that the HOA may need 100% of the affected homeowners to accept such cost/liability.
3. Mercier then summarized his discussions with a contractor, and his plan for fixing his severely tilting seawall. To start with, he mentioned that his idea isn't to give responsibility to maintain the seawall back to the homeowners. He just wants to get his wall fixed because his yard is gradually being eroded into the lake. And, if the HOA won't pay for the work he's got planned for his yard, he'd pay. The plan would be to have this contractor pull out his wall, stand it up, install tie-backs and then backfill it. (When pushed about walls that blew out from the bottom even though they had tie-backs on the top, Mercier indicated that the contractor suggested additional tie-backs on the bottom of the wall). The contractor quoted him \$7,000-8,000 for his yard, and the work would be completed in 2 days. The contractor would have equipment in Mercier's back yard, and would like to get started soon, while the ground was dry. Additionally, the contractor would fix Mercier's neighbor's yard and the adjacent outlot (since the failure was impacting all 3 properties). The work on the outlot would entail some grading (road-building?) in the outlot to get equipment access to that seawall.

DISCUSSION:

1. The consensus of the board was that a total replacement of the seawall just didn't seem to be feasible, especially given the estimated \$2.1 million cost of the proposed work (utilizing the soil sample study and recommendation of 20 foot pilings). Even the possibility of shorter replacement pilings with less (or no) additional engineering costs, resulting in a lower overall cost wasn't a popular option.
2. The board was generally of the opinion that the HOA maintain control over the look and structure of the seawall. This, coupled with the issues outlined above dealing with the steps

needed to pass such control to the homeowners, led the board, at least for now, to set aside the the option of passing responsibility of the seawalls to the affected homeowner. For the record, 2 possibilities within this option were presented by board members. Attached are the proposals put forward.

3. The remaining option was to continue/re-start the prior practice of annual repairs to the seawalls in the worst shape. So, this is where the board ended up. The only question was who would pay for the repairs...the affected homeowner or the HOA. Given that prior practice was to have the HOA pay for such repairs, and that prior practice was consistent with the wording of the covenants & bylaws, this was the preferred approach. It was noted that there was some question as to the appropriateness of this practice, given that there are legal arguments against such a practice...even so, the board was inclined to continue the past practice. It was further noted that this would mean any necessary repairs on the natural side would be an expense of the entire HOA. And, of course, using HOA funds to pay for such repairs would mean that repairs would necessarily be drawn out over a long time frame (without raising annual dues, which the board was also hesitant to pursue).
4. Hoy noted that he had sent around a proposed "drone policy" for the board to consider. He asked that board members review the proposed policy and get comments back to him.
5. Ernst commented on the beaver activity in the upper reaches of the upper lake (and into the wetlands across Timber Ridge Drive). Welch, as a member of the SID board, was asked to bring this issue to the SID board.
6. Welch noted that an annual HOA meeting date would be set shortly.
7. Simpson reported on his visit with the SID board regarding the possibility of collecting any special seawall assessments via the SID. The SID responded that this would only be possible if the lake were opened up to all homeowners in the SID. This requirement was unacceptable to the board, so the idea was dropped.

ACTIONS:

1. A motion was made and seconded to have Mercier's contractor put together a bid for the board to consider. The bid would be for Mercier's lot (and the needed repairs to the adjacent lots including the outlot). Additionally, a bid for repairs on the Giorlando lot was to be requested from the same contractor. Ideally, we would get a second bid, so that we could be more confident that the plan and price were reasonable. Then, after this "test project" work was completed, the board could consider exactly how to move forward. The motion was approved with 6 in favor (Stangl had received a proxy from absent Frill), 1 opposed, and 2 abstains.
2. Welch noted that the lawsuit against NP Dodge, which the board had planned to pursue, had been put on hold after the last meeting, due to the difficulty of such an action and the probability of a successful result. After some discussion, a motion was made and seconded to drop the possibility of the lawsuit. The motion was approved with 7 in favor and 2 opposed.

NEW BUSINESS

1. Secretary/Treasurer Mark Schreier reported that the new website update was finalized/installed, and the board should give it a test drive.

Respectfully submitted,

Mark Schreier, Secretary/Treasurer