

Lakewood Villages Lake Lot Owners Association Minutes  
Oct 19, 2011

The meeting was called to order by President Don Kelly at 7:15pm. Board members present were: Don Kelly, Roxanne Hardebeck, Mark Frill, and Kathy Welch. Also present were Vicki Warner (secretary), Dave Foxall, Rick Warner Steve and Mary Hermansky, Diana and Mark Schreier, Rose Ann and Phil Johnson, Mike Waldhauser, Joyce and Sergio Valadez and Larry and Debbi Reasoner. Also present was Adam Bennett from Inland Marine. No quorum was established so no business could be voted on.

Don Kelly welcomed the newcomers and introduced the board members.

Treasurer's report: Don read the report from treasurer Linda Foxall stating the balance as of Aug 15th was 34,924.41. There was no income. Expenses for seawall repair and water testing respectively were 20,580.00 and 205.50 leaving a balance of \$14,138.91 as of Oct 17<sup>th</sup>. Don explained the spend plan to help with dredging and other capitol expenses to the newcomers.

Rules committee: Roxanne Hardebeck had no report.

A discussion was held regarding the seawall issues. The repairs that have been made thus far have had mixed success. While some have not experienced any movement it is apparent that others are not going to hold for the long term. The existing seawalls are too short and therefore, remain above the frost level subjecting them to movement each winter. NP Dodge, the developer of the development, gave the seawalls to the association. This was their first attempt at developing a lake property and their seawall construction was not optimal although it met the minimum code standards. In a 2006 study, an engineering firm was contracted by the association and they made several recommendations to the association to try to fix our seawall problem (weep holes, clearing behind the seawall and secure with anchors or 8 ft I beams) and mitigate the problems. The past few winters have had a large impact on the seawall and the changes have been substantial and noticeable. To date, none of the association's mitigation strategies have provided a long term fix and in most cases have proved ineffective. In all cases, our current 5 ft walls have already damaged the clay and are above the frost line so any more repairs won't stay for the long term.

Mr. Bennett's company has been repairing seawalls on our lake over the past four years. The estimated cost to finish repairing the walls using the existing approach (repairing the existing walls and using a tie-back system) is \$42 a linear foot, or approx \$300K (without escalation) to finish the approximately 6800 linear feet of existing seawall. The association has been budgeting approx \$20K per year for these costs. Each summer we have repaired the worst of the seawalls (approx 400 feet per summer). If we kept the current approach (no change to dues and repairing existing seawalls) it would take approx 18 years to complete the whole lake, assuming the repaired walls do not fail (which has not been the case). Unless the association takes a different approach we could be spending money indefinitely just to repair failed seawalls, sometimes more than once, as some of these repaired seawalls are already beginning to fail.

To repair the seawalls correctly (install 8-foot walls) the cost would be \$819,600 to repair all seawalls at once (\$120 per linear foot), with no charge to remove the existing seawall. If the wall is completed over one year, it would save the association approx 130,000 – 140,000 minimum in escalation cost that would occur if the association spread the work out over several years. Adam Bennett, the president of Inland Marine, proposed the installation of an 8 ft synthetic composite-

based seawall that comes with a 50 year warranty against failure. The wall would be vinyl, 4 ½ ft underground and 3 ½ ft exposed, with treated wood on top. Mr. Bennett mentioned that over the years he has repaired many seawalls for others but has not had to repair any of their own work (as long as the seawalls were the larger 8-foot deep sections). He also mentioned that due to the Missouri River flooding his schedule is filling up and quickly and he has booked out his schedule already over the next 3 years.

After the presentation everyone agreed something needed to be done to repair the seawalls in order to keep all the property values up, but how to pay for it was the issue. Dave Foxall stated the board can't incur debt by taking a loan out. He also suggested monthly/quarterly/semi-annual assessments instead of a yearly assessment would allow the association to raise revenue and minimize impact to the homeowners. Kathy Welch volunteered to check with an attorney to see about a possible bond to finance the project. It was mentioned that the SID may be able to assist but if the SID were to take on the issue the lake would be open to everyone, so that idea did not seem prudent. Kathy Welch also suggested the possibility of raising dues for a certain amount of time to cover the costs of the seawalls and then lowering them back down again.

Questions about why the 1/3 of the homeowners without the seawall should have to pay were answered with the fact they benefit by their view, and the walls don't belong to the homeowners rather the association which everyone on the lake is a member of and contributes to. Roxanne Hardebeck suggested homeowners with a seawall should have to pay for their own or at least a portion of their repair. It was mentioned the property values would decrease for everyone if the homeowners were solely responsible for their own seawall as the association would lose the ability to ensure the repairs were consistent and act against homeowners who might choose not to pay for a repair. Roxanne was also concerned about the safety issues with the seawalls. Mark Frill stated everyone should have known there were expenses with living on a lake. We just inherited this problem and it needs to be addressed.

Alternatives to the seawall were mentioned, such as rock. Those alternatives were not deemed feasible or acceptable. Most present at the meeting were in agreement this wasn't just a board decision. Don Kelly will get an email out to homeowners to get the process rolling so it doesn't get dragged out. The goal is to have a committee formed by Thanksgiving, lay out the possible courses of action for the way ahead at the board meeting in Jan, and have a vote in Feb by the board or the whole association. Don suggested that volunteers from the association (not just board members) should be on the committee to develop proposals to present to the association members. All homeowners will be encouraged to get involved in the decision process (or at least contact a board member with their feelings).

Next scheduled board meeting Jan 16, 2012

Respectfully submitted,

Vicki Warner  
Secretary