

INDIAN LAKE CLUB, INC., Indian Lake Estates
Annual Meeting
September 8, 2018

The Meeting was held at the Lake Toxaway Fire Department and was called to order at 10:05 a.m.

Presiding: John McClung, President

Attending: Dick Hennig, Vice President, Jeannette Lee, Treasurer, John Pappas, Barbara Pence, Secretary

Absent: Melba Hernandez, Everett Bedenbaugh

President's Opening Statements

State of Community:

1. The President welcomed everyone and advised the community is doing great, he requested each attendee introduce him or herself. John advised we have had four houses sell this year and properties are turning.

Quorum: The Secretary advised a quorum has been established with 48 lots represented.

Minutes: A motion was made to approve the minutes of the September 9, 2017 Annual Meeting by Dick Hennig, seconded by Frank Campbell; the minutes were approved.

Committee Reports:

Water:

2. Dick advised we have had a loss of power early in the year freezing pipes at the upper well. Gas heaters were rented for both well houses to prevent this happening again. Damage was minimal to a pressure valve.
3. There were four homeowner leaks and two underground leaks which were the responsibility of the community.
4. Five homes were tested for lead and copper at the request of the State about a week ago. We are awaiting results.
5. He advised we have invested in a Geophone which can detect water movement in pipes to spare expense of a contractor trying to find leaks.
6. Nancy Naylor requested the community be advised as to the responsibility of water leaks. Dick advised the Community takes care of the pipes up to the valve; from the valve to the house is the owner's expense. He recommended using our maintenance company if leaks are found. PVC piping is used underground; from the valve to the house is flex black piping.

Roads: John reported for Everett.

Snow Removal:

7. Buddy Owen has agreed to take care of our snow removal again this winter.

Roadside Maintenance:

8. The current contractor, Yardscape, has been outstanding; however the Board requested we reduce our roadside maintenance cost which is currently \$26K per year (including two monthly visits) by a fourth to a third. Everett will approach Yardscape to see if they will do one monthly visit for a reduced cost. Bids will also be requested from Roberto, Ricky Meyers, and Advanced Ground Maintenance and a contractor found by John. Everett will advise the Board of his findings.
9. Everett also recommended a new chairperson be appointed to oversee roadside maintenance, preferably a full time resident if possible. The Board will try to identify a roadside chairman. Everett will continue to oversee Paving and the Website.
10. Ditch erosion was addressed; some minor areas were discovered, but there are no major erosion problems at this time.

Paving

11. Pisgah Asphalt Paving, Inc. completed the 2018 paving of 13 sections of the road at a cost of \$59,145. They also did a number of small patches at no additional cost. The Breakdown is as follows:

1)Indian Lake Rd.	\$11,995.00
2)Cherokee Circle.	\$2,100.00
3)Cherokee Circle.	\$3,162.00
4)Hiwassee	\$4,665.00
5)Hiwassee	\$2,058.00
6)Hiwassee	\$5,460.00
7)Rainbow End	\$6,990.00
8)Water Park	\$1,995.00
9)Qualla Trace	\$4,920.00
10)Mohawk Ln	\$4,500.00
11)Thunderbird Ln	\$7,195.00
12)Toxaway Trail	\$3,855.00
13) Patch Cherokee	\$250.00

Total \$59,145.00

12. If the roads do not degrade much before paving can resume, \$40K may be enough to complete the initial paving started in 2011. Future paving should concentrate on completing Cherokee Circle, the intersection of Toxaway Trail & Indian Lake Road and some work on spur roads.
13. Everett will continue to serve as chairperson for Paving and the Website...At this time, there is no budget for paving next year.
14. Jeannette advised we are looking into a sealant which could extend the life of the roads.

Lakes and Dams:

15. **Spillway Repair:** John Pappas advised we were cited in 2012 for our spillway. We had hired an engineer to do a set of plans...all subject to approval by DEQ (Department of Environmental Quality), original repair was estimated at \$250K. John received another set of plans in 2014, which we submitted in 2014. For approximately three years we heard nothing. In 2017 we were contacted again and were requested to have an H&H study (Hydrologic and Hydraulic study to evaluate capacity of spillway) We have hired John Garner, an engineer to run the model; it failed, but the engineer did not think the dimensions of the spillway were correct; as a result we have hired Ed Holmes Survey company to complete a detailed survey of the Indian Lake Dam and the surrounding area to confirm measurements; we do not have the results as yet. John feels confident that John Garner is a valuable consultant with resources to get us through this reclassification from a high hazard dam to a medium hazard dam. When the H & H study is re-run, John will advise.
16. John also advised that there has been significant turnover in personnel at DEQ, which further hinders our communication with them.
17. Discussion was held about portions of the dam on private property. This will be looked into.

18. John advised there could possibly be some government programs that can help with dam repair expenses in private communities. We will investigate. We have reserves to pay for the repairs, but new regulations come with higher costs so we have to maintain our reserves.
19. All in all, the lakes look great; there has been a lot of community activity. We did not have an algae problem this year, and the fish population is good.
20. We have scaled back on cutting the dam to twice a year per advice from John Garner. (Approximately \$400 per cut) The longer grass puts down deeper roots and it is a deterrent from foot traffic on the dam. Discussion was held regarding signage being posted discouraging people from going onto the dam from the lake or from the access road.
21. We had one 70 lb beaver removed from the lake this year by Andy Mull.
22. Frank Campbell gave the members a brief history of the community, the lake and the dam.
23. Jeannette also advised John Pappas had filed an Emergency Action Plan with the State two years ago.

Architectural Control

24. John reported for Brian Gorman, Chair, that this year there has not been a lot of activity. All requests have been reasonable and readily approved. The ACC appreciates the community asking for their approval when completing their projects.

Beautification Committee

25. Anne reported a community work day was held on April 6 to refresh the entrance park and rock outcrop. She expressed gratitude for all who attended.
26. The Memorial Day picnic was held at Jeannette Lee's with 30 in attendance; the July 4th picnic was held in the park with 38 people in attendance and a guest speaker, Andy Moll, our critter expert. Labor Day was celebrated at the park with 37 in attendance.
27. Wednesday gatherings continue with community members hosting when rain occurred
28. Christmas Party will be held on December 8 at the home of Bonnie and Dave Crocker.

Treasurer's Report

29. Jeannette reported **2017** assessments provided income of \$105,294 vs expenses of \$93,935, coming in under budget. Nine unproductive properties reduced our income. Seven of these were in litigation which ended in the death of the owner in early 2018. Two additional properties are owned by the community and have been listed with a real estate agent. Past due balances are assessed interest and handling charges; we ended 2017 with \$8K in unpaid assessments; most were paid in 2018.
30. Roadside maintenance expense was increased due to unproductive work of previous contractor. This is our biggest expense at about 24% of our budget and we are working to decrease this by a third to a fourth.
31. Improvements to the community consisted of replacement of a 30 year old water tank at the park for \$42,318. No paving was done in 2017. Budget for dam repairs in 2017 was \$120K.
32. **2018** began with cash on hand of \$209K which included \$136K budgeted for the dam repairs and \$75K held in reserve for emergency needs. The BOD and Finance Committee have recommended reserves be held at \$75K
33. As of August 31, 2018, we have cash on hand of \$212K. Unanticipated expenses included rental and installation of heaters for two of the pump houses to prevent freezing at an expense in excess of \$1500. A negotiation for propane for 2019 by prepaying resulted in a cost of \$2.09/gallon compared to \$3.30. Kudos were given to Dick Hennig and Jeannette for their negotiations.
34. 2018 paving budget was \$50K. The BOD authorized an additional \$9145 to repair new areas.
35. The BOD also approved \$4500 for a survey of the dam which should save us a significant amount in the repair of the dam.
36. As of August 31, 2018, we have received \$118,600 in assessments; members in arrears for eighteen months who do not respond to our collection efforts have liens placed on their property. In 2018, this process resulted in three members catching up unpaid balances and one lien being placed. Legal collection costs are passed on to the homeowner. As of August 31, 2018, paid

expenses are \$98,217, with anticipated \$20,000 additional expenses and assessment income of \$12,000. Bottom line, in looking at the dam, we have \$170K set up plus \$75K reserve, so we are covered for approximately \$200-\$250K. There should be no need for a special assessment.

37. Jeannette was credited for her efforts in reducing expenses and debt collection.

Presentation of 2019 Budget

38. **Finance Committee** consisted of Jeannette Lee, Chair; John McClung, Anne McClung, Hale Campbell and Ed Mettler. Jeannette thanked the members and advised they voted unanimously to retain the reserve at \$75K, not to be invaded for the annual budget.

39. The Committee recommended the line item budget be presented to the entire community particularly to show the expenses over which we have no control such as water management, liability insurance, utility, legal and accounting costs, insurance and state permits. Some categories such as critter and dam maintenance are required by the state.

40. **2019** income is estimated at \$110,112. There are nine unproductive properties (two owned by the Association which are for sale and cost us approx. \$100 in taxes and seven in limbo after the deceased owner's bankruptcy proceedings.) We are meeting with an attorney to determine the options available to us. The hit to our income is approximately \$7600 per year.

41. Due to increased regulation by the state the budget for dam repairs was increased from \$136K to \$175K. The budget states \$173.6K, but we should be able to make these funds up from cutting expense in other categories. We anticipate dam repair occurring in 2019/2020.

42. The Committee requested Roadside Maintenance be decreased by \$6K and Beautification be reduced from \$700 to \$200. We hope these are temporary reductions.

43. The Committee also recommended reducing the cost of postage, mailing and printing costs by emailing invoices; current email addresses are requested from all.

44. In order to increase the budget for the dam from \$136K to \$175K, the Committee recommended no paving be done in 2019. We paid for 2018 paving from our reserves last year, but do not have that latitude going forward.

A motion was made to pass the 2019 Budget by Nancy Naylor and seconded by Sandy Pipkins, the motion passed.

Website

45. John reported on the Website (indianlakeclub.inc) for Everett; that it is an invaluable source of information about our community and activities of the Board of Directors. He noted that we recently increased our security with a recent addition of a 'Trusted SSL Certificate' at \$60/year. Monthly usage shows over 60 users with several hits for places like Russia, China and other eastern European countries.

46. The home page advises new documents which have been added and announcements of upcoming events. Members Only access is protected by the password *ilc2010*.

Audit Report

47. Larry Pipkins reported that the audit was performed for the calendar year ending December 31. All documentation reviewed was complete and in conformity with the financial statements.

Results of Voting

48. The Nominating Committee included Susan Sciullo, Bruce Vanderheide, Anne McClung and Gerry Gawronski. The ballots were counted and the two candidates, Ashley Bartol and Danny Pate each received 40 affirmative votes; they were welcomed to the Board, replacing Melba and Michael Gould (whose position was held recently by Everett Bedenbaugh)

Other Business

Association Owned Lots;

49. The Community owns two lots which are for sale at \$3500 each and there are seven in limbo as we do not own them and we are hoping one of the deceased owner's creditors will come forward so they can be sold and we can get HOA fees from them. No past debt can be collected.

Homeowner Association Fees;

50. These fees cannot be lowered because of the impending dam repairs, nor do they need to be increased.

Canoe Racks

51. An email will be sent out in April to determine who wants a rack...those who currently have a rack will need to reapply. Those who do not have one may request one. If we have more requests than racks, the current owners will have to move their canoes; rack space will be issued to the new owners and a lottery will be held for the current owners. The \$25 annual fee will apply and will be set in reserve to improve the racks in the future. It was also requested that the owners keep the area clean.

Speed Limits

52. Nancy Naylor requested the residents and renters abide by speed limits. The Board discussed and it was suggested the homeowners have a form in their home stating the rules of the community for their renters. John will add this to his newsletter. Bonnie will help with a form. This could also be on the website.

The Board and Committee chairs were thanked for their work. John McClung advised he will resign his presidency after this term.

There being no further business, the meeting was adjourned.

Respectfully submitted
Barbara Pence, Secretary, ILC.