

INDIAN LAKE CLUB, INC., Indian Lake Estates
Annual Meeting
September 7, 2019

The Meeting was held at the Lake Toxaway Fire Department and was called to order at 10:35 a.m.

Presiding: Dick Hennig, Vice President
Attending: Jeannette Lee, Treasurer, John Pappas, Barbara Pence, Secretary, Ashley Bartol,
Members of the Community
Absent: John McClung, President, Danny Pate

Prior to the Meeting, the Board was addressed by Carmon West, Chief, Lake Toxaway Rescue to bring the community up to date on a proposed Flat Tax to replace the fire tax system. The Chief explained the proposal and requested the community contact their commissioners to oppose the Flat Tax which will be detrimental to Lake Toxaway Fire Department. Information will be sent to the community.

President's Opening Statements: Dick Hennig read John McClung's Statement to the Community advising that the State of the Community is excellent, finances are sound, there are no security issues; two homes were listed for sale, one has been sold to Mark and Libby Santaloci at 149 Hiwassee Road and we welcome them to the Community. He thanked the volunteers; advised that this would be his last year of presidency and stated we needed more members to become involved with the workings of the Board.

Establish Quorum: The Secretary advised that we had a quorum with 39 Lots represented.

Review of Minutes – Annual Meeting 2018. The Community approved the minutes.

Committee Reports:

Water:

1. Dick reported all is well, there was one leak which ran underground undetected, but was found, and pipes replaced. He advised that any home older than 20-30 years could be susceptible to pipe breakage. There is another leak on Cherokee Circle which will be repaired next week.
2. He advised we have investigated the installation of a generator at the Toxaway Upper Well in case of power outage. Cost would be around \$5,000. This was discussed and tabled until we know cost of dam repairs. The Board agreed that most of the community understands conservation and stockpiling of water in storm conditions.
3. A Well test is scheduled for first of October which should satisfy the State requirements as to how many homes these wells will supply. He will advise.
4. An upgrade was made to the electrical panel of the Toxaway Well.
5. He requested the community be aware of small leaks, toilets, hoses that use a lot of water.

Roads:

6. Everett sent in a report summarizing the Snow Removal issues during last year's big storm, and help received from Tracy Jones when our contractor Buddy Owens lost his equipment. The community praised work done by Tracy Jones. Clean up after the storm was performed by Yardscape at an additional cost of \$3500. This was unbudgeted.

Maintenance

7. Yardscape won the bid for our maintenance this past year at \$21,000. Tracy Jones may put in a bid for next year.

8. It was recommended a new chairperson be appointed to oversee roadside maintenance. This responsibility was accepted by John McClung.

Paving:

9. There was no money in the budget for paving in 2018/2019.
10. A patch was required after a water leak on Indian Lake Road at a cost of \$475.
11. Residents on side roads have requested paving; they have been advised that their request will be considered when funds are available.
12. Everett expressed his concern about deterioration of roads if we wait too long between pavings.
13. Rich Firebaugh suggested members of the community be apprenticed to Committee Chairs to learn the water system, etc. Nancie Naylor suggested members attend the Board Meetings to become acquainted with the Board and John Pappas suggested members serve on committees to learn the workings of the committees.

Website – Everett provided a written report showing the information contained on the website for the members of the community and possible property buyers, along with graphs showing current usage of the website.

Lakes and Dams

14. John Pappas discussed lake quality –the importance of members watching out for algae and abundance of grass. He will check with Mountain Lake and Pond on both issues. Fish population is good; there is only one critter in the creek which he will have Andy Mull investigate.
15. Dams are only being cut twice a year per recommendations and money saving.

Spillway Repair

16. John explained to the new members the history of the spillway repairs requested by DENR in 2012; plans were approved but we did not have the money and the remedy was expensive. Another engineer, Ed Medlock came up with innovative ideas to save money; plans were submitted but they came back with questions. Because the State has been busy for several years working with the coal ash problem, they have been unresponsive to our situation.
17. Also hurricanes have caused the organization now called DEQ (Dept. of Environmental Quality) to create a new regulation called “worst case event” requiring us to run a simulation model (H & H Study) of a worst case scenario. Their scenario is 33 inches of rain in six hours which our model failed.
18. We have a new engineer, Michael Goforth who has met with DEQ in Ashville with the results from our H & H Study. DEQ is investigating and we are requesting future direction from them after our simulation failed. Repairs will be extensive including lowering the lake, and monitoring by an engineer...costs could be \$150,000 to \$200,000 which we have in reserve. Until a plan is approved, it is impossible to get a repair estimate.
19. Once we have a plan, we can pursue grant money which might be available to help communities like ours.
20. John Pappas estimates it might be a year before this is resolved.
21. A member questioned our liability. John advised we have an EAP study on file, but was unsure of liability for the community.
22. Algae and silt in the lakes was discussed, John will check into algae, but said there is not much we can do about silt as about five creeks empty into our lake and we have no control. Approximately 450 acres of rain is being funneled into our lake which causes complications with the H & H study as well.

Architectural Control

23. Rich Firebaugh has been appointed Chair of the AC Committee; there was no activity to report.

Beautification

24. Anne sent in a report which was presented by Viviane. She named the committee members and thanked them for their help. She advised a Spring Cleanup was conducted in March at the Front Entrance, Waterfront Park and outcropping.
25. Wednesday gatherings have been well attended and she thanked those who opened up their homes when it rained
26. After the Memorial Picnic which had an attendance of 35, the Community was asked for donations for future picnics. \$310 was received. Paper goods and meats were purchased for July 4 and Labor Day, leaving us a balance of \$75. July 4th attendance was 34 and for Labor Day there were 24 in attendance.
27. She advised we are looking for a host for the Community Christmas Party.

Treasurer's Report.

28. Jeannette advised we finished 2018 with a surplus of \$13,000. This was used for storm cleanup, tree damage and dock repairs.
29. Annual income is \$110,000; we have 10 unproductive properties (two of which are owned by the Association and are for sale for \$4500 each). Seven are in limbo with other creditors associated with the member who is deceased. A lien has been issued on one property.
30. Current annual fees are sufficient to pay our bills and accumulate reserve funds for the dam repair even though costs are unknown.
31. Cash on hand end of August is \$261,000 (\$75,000 of that is held in permanent reserve for emergencies) A majority of our savings has been moved to Wells Fargo for a more favorable interest rate.
32. A member questioned unproductive properties. Jeannette explained that we are at risk if we file a claim, additional creditors could join us and we would have the legal costs.

Audit Report

33. Barbara read the letter sent in by our auditor, Hale Campbell.
34. Hale advised he had reviewed financial books and records of ILE, they adequately reflect the financial condition at the end of 2018 with no issues found. Appropriate document was provided. Adequate control measures are being followed. He thanked Jeannette for providing the books and records.

2020 Budget Presentation

35. Jeannette thanked the members of the Committee, John McClung, Anne McClung, Frank Campbell and Ed Tisdale. Copies of the budget were provided to the members.
36. She advised the number one goal of the committee is to avoid increasing fees and avoiding a special assessment for the dam repairs.
37. The committee unanimously agreed to delay paving until future years.
38. Because of the failure of the dam to meet the new protocol in place from the State, the committee recommended additional reserve funds be increased from \$173K in 2019 to \$234K for 2020. These funds are held in reserve in addition to the \$75K held for emergencies.
39. Roadside maintenance, water management, repairs and testing are our largest expense at approximately \$50K. Committees work to keep costs down. Water expenses are basically fixed, new bids will be examined for roadside maintenance.
40. Propane units have been added to both wells to prevent freezing. A generator for the Toxaway Well will be looked at for the future (cost estimated at \$5K).
41. After considerable discussion about the generator it was decided that it was not necessary at this time; our community can be notified to conserve and our power lines are underground.

42. Liability insurance costs have dropped; we have also reduced our budget for attorney fees and those fees are passed on to the member incurring those fees. Postage costs have been reduced by email invoices and notices.
43. Jeannette thanked her committee and the committees who keep our budget on track.
44. The 2020 Budget was approved

Nominating Committee

45. Jeannette thanked Dave Crocker and Bill Newman for their participation. Five individuals were approached to become a candidate for President of the Board with five declines for various reasons. The Committee determined that it is in the best interest of the community that the President be a current Board member who has participated in decisions needed to run the community.
46. She advised it is imperative that members of our community volunteer their time and expertise to the Board to help shoulder the running of the community and chairmanship of our committees and become back up support in case we lose a Committee chair or Board Member. Lack of support from the community could result in the expense of a management company to run the day to day affairs.
47. She advised that Board Members participate in six meetings a year either in person or remotely and do not have to live full time at ILE.
48. Jeannette cited some of the long term members of committees and suggested we notify the community of the request for more participation.
49. **Voting Results** – John McClung and Barbara Pence each received 42 votes which is a quorum. John's Presidency will be only for one year, so we need another candidate to step up. We have seven Board Members, and could increase that by two.
50. Again the Community discussed the importance of having a backup and documentation for the important committee chairs.
51. Dick Hennig discussed Water shut off meter locations should be identified for each home and marked so they can be easily located. Rich Firebaugh agreed that we need another full time resident to become familiar with the water system.

Other Business

There being no further business, a motion was made by Ashley Bartol and seconded by Vivian Vlahon-Snyder to adjourn the meeting. The meeting was adjourned.