

MINUTES
SEVEN LAKES LANDOWNERS ASSOCIATION
BOARD MEETING
JANUARY 28, 2009 @ 7:30 PM – NCH

President Zielsdorf called the meeting to order at 7:35 pm with all Directors present. Also present were Community Manager Fulcher, Assistant Manager Beane, a representative from the Seven Lakes Times and approximately 65 residents.

President's Welcome and Comments:

President Zielsdorf thanked everyone for attending. He made a brief overview on the results of the recent survey and advised that the survey will be on next month's agenda for questions. He informed everyone that in the best interest of the Community, the link to the Seven Lakes Times Blog had been removed from the Seven Lakes website due to too many negative comments and the effect this could have on property values.

Approval of Minutes:

Dec. 10 Monthly Meeting – On motion made by Director Shaver and seconded by Director Kindsvatter, the minutes were approved as written.

Dec. 18 Special Meeting (Picerno Appeal) – On motion made by Director Welch and seconded by Director Shaver, the minutes were approved as written.

Jan. 15 Work Session – On motion made by Director Kindsvatter and seconded by Director Shaver, the minutes were approved as written.

Jan. 15 Special Meeting – On motion made by Director Galford and seconded by Director Kindsvatter, the minutes were approved as written.

Members Comments:

Don Fentzlaff – Commented on the Standards Operating Procedures for Security when towing vehicles. Questioned if a non-resident vehicle should be left for 48 hours.

Dave Kinney – Invited all to attend the Civic Group Meeting on Feb. 17. Applauded the Finance Committee for proposing a dues increase and recommended that any monies from the increase be restricted for infrastructure. He briefed about an article in the Pilot regarding our water supply and asked everyone to stay informed.

Ed Chapman – Congratulated the Board of Directors on the job that they are doing and thanked them for always considering the best interest of the community when making decisions. He feels the Board is a positive influence. Also commented that he was glad to finally see a letter from Community Manager Fulcher in the Seven Lakes Times.

Hal Blake – Requested that the Board of Directors look at bumpy road surface at the North Gate and have it corrected.

Mike Pennington – Expressed concern about no hold on raises and bonuses. He is upset about the purchase of new vehicles, security car being seen in the village, why we purchased a pick up versus a car for security, would like to see us consider the option of using off road fuel and feels that keeping the old vehicles is not cost effective. He also would like to see a cap on the manager term in the future and would like a stop sign at gates to give the bar code lane the right-of-way.

President Zielsdorf informed the residents that a meeting had been held and Attorney Stovall had drafted a contract whereas Manager Fulcher will stay full time until the end of 2009 and then be retained as needed on a consultant basis through 2010.

Report Items:

FY 2009-10 Budget:

The meeting was turned over to Director Galford to brief on the budget. Director Galford first thanked the Finance Committee and advised that the Committee had met on January 6, 2009 to discuss 2009-10 budget and long-range budget. He informed the residents that the Seven Lakes Fire Dept. had received a better rating from the N.C. Department of Insurance and this could mean a possible reduction in homeowners insurance. He gave a cost comparison to other communities, which is available for all to see in the Landowners Office and issued a challenge to all to bring suggestions to the next Finance Committee meeting on Feb. 6 at 9:00 am. Director Galford then explained a power point presentation of the proposed 2009-10 Budget. A copy is attached.

Purchase of Trucks for Maintenance and Security:

Manager Fulcher explained that a study had been done on the amount of usage of the maintenance vehicles and that the price was right to purchase the 3 new trucks at this time. Four bids were received and the price paid was \$15,402 including tax and title per vehicle.

Director Kindsvatter expressed concern with keeping the old trucks. Manager Fulcher explained that if we do not keep the old trucks, there would not be enough vehicles when summer help is hired.

Director Welch asked if the complaint regarding the security vehicles being seen out of the compound was valid. Manager Fulcher answered by stating that the security personnel often are sent to the village to make bank deposits and pick up supplies at the hardware store as well as to run other errands.

Petitions to be a Candidate for 2009-10 Board of Directors:

President Zielsdorf called for any petitions to come forward. None were presented. Manager Fulcher announced Meet the Candidates night on Feb. 11 at 7:00 pm at the NCH.

Action Items:

Amendment to By-Law 6.6 Quorum of Directors: (attached) – deferred to next work session

Amendment to By-Law 6.10.2.11: (attached) – On motion made by Director Kindsvatter and seconded by Director Shaver, the amendment was unanimously approved.

Overnight Parking on Association Property: (attached) – On motion made by Director Caulk and seconded by Director Galford, was unanimously approved.

Boat Stickers: - On motion made by Director Truesdell and seconded by Director Caulk, it was unanimously approved to change boat stickers to be 3 inches in height with 3 digits and have a one time decal charge of \$5.00.

Election Committee:

Manager Fulcher presented the following names to be the Election Committee: Ray Pardue, Chairperson, Wayne Burris, Ione Katz, Al Anderson and Bill Settles. A motion was made by Director Truesdell to accept the above names and Director Kindsvatter seconded it. All Directors voted yes with the exception of Galford who abstained because he is a candidate for re-election.

Committee Reports:

Finance: (See attached)

Community Standards: Director Welch reported that his Community Standards Committee is concerned with the clean up of the new driving range. He asked the SLLA to do all possible to help make it happen.

Lakes and Dams: (See attached)

ARB and Beautification: Director Kindsvatter reported that the Architectural Review Board had met January 8, 2009 and there were no new construction requests but four additions or alterations had been approved. The Beautification Committee is not as busy right now due to weather but had planted two Willow Oak trees at the Sequoia swimming area in September and plants at the North mail house. Irrigation plans did not work out due to the budget.

Maintenance: (See attached)

Security: (See attached)

Recreation: Assistant Manager Beane reported that his Recreation Committee had met last month and currently are looking at three vendors for playground equipment. He announced that Deirdre Florence would be chairing the St. Patrick's Day Parade with a corned beef luncheon following. There will be a Little Miss Seven Lakes crowned again this year as well. Dance classes are going strong and the stables are doing well. He also reported that the Judicial Committee is very active.

Manager's Report: Manager Fulcher confirmed that the Association has had no dues increase in four years and has none planned for operating expense until 2014 but that as long as the proposed increases in 2010 and 2011 go to re-paving and state mandated dam repairs, the community should be in good shape. He stated that we have a snow removal contract with Thomas Trucking and that they did a good job during the recent snow days and that the cost to the Association was \$1900.00.

Adjournment:

On motion made by Director Truesdell and second by Director Kindsvatter, the meeting was adjourned at 9:50 pm.

Respectively submitted,

Brenda Massimo

(Now) **6.6 Quorum of Directors:** A majority of the number of Directors as fixed by these By-Laws shall constitute a quorum for the transacting of business. The act of the majority of Directors who are present at a meeting, at which there is a quorum, shall be the act of the Board of Directors.

(New) **6.6 Quorum of Directors: :** A majority of the number of Directors as fixed by these By-Laws shall constitute a quorum for the transacting of business. The act of the majority of Directors who are present at a meeting, at which there is a quorum, shall be the act of the Board of Directors, **except for an act of selling property listed in Warranty Deed dated _____ for which a seventy-five (75%) percent of members of the duly elected Board of Directors of the Seven Lakes Landowners' Association is required.**

(Now) **6.10.2.11** appoint and/or remove all members and Chairpersons of the standing Committees, “Judicial”, “Building”, “Election”, and “Personnel” who shall serve at the discretion and behest of the Board, and assign by resolution such responsibilities and duties not inconsistent with the provisions of these By-Laws or State or Federal Laws as it may deem appropriate;

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SEVEN LAKES SECURITY – STANDARD OPERATING PROCEDURES

K. Towing Vehicles: The following procedure is to insure uniform enforcement for towing vehicles:

Vehicles not in control of the operator that are blocking the gate or boat ramp should be towed without unreasonable delay.

Vehicles blocking traffic. If possible move the vehicle from the road and tag. Tow in 48 hours.

Vehicles parked on Seven Lakes property should be tagged with a note on the windshield and towed after 48 hours.

****In all instances** the owner of the vehicle should be contacted by phone or in person. Two attempts to contact the owner on each of the two days or post a note on the front door of the residence in reference to the vehicle.

Note all calls, contacts and actions in daily report. Revised 1-5-2009

Jan. 6, 2009 Finance Committee Minutes:

Present: Fulcher, Beane, Grout, Jones, Sanchez, Galford Director Kindsvatter

Old

Financial Report Reviewed (note: 2 page will be attached to Open Session Agenda email)
(review column headings)

Funds Statement Circulated – Dalton prepared computerized form

Date for finalized Balance Sheet Asset Listing – Dalton will provide in Feb.?

Accounts Receivable Questions – Dalton will cover in Feb.

Bank Reconciliations – Grout reviewed

OPERATING BUDGET - DALTON

Copies were provided in advance and questions asked as page by page review was conducted:

INCOME

Dues increase – not in budget but recommended by committee
Discussed interest on investments, Mailbox fee, Summer Day camp, No May Follies planned, Miscellaneous has been divided,
Barcode sales: raise dues \$65 and giving 1 \$15 credit for barcodes

EXPENSE

BOD explained – possible offset by anticipated Admin reduction
Salaries in all depts. budget late year 5% merit possible – except recreation admin. (see correctness of 2009 –no pay inc?)
Various expenses discussed see attached proposal for notes

CAPITAL BUDGET – LONG RANGE GOALS

Substantial reductions proposed – see revised budget and 5/10 yr
Early vehicle purchase for discounts discussed.

Dalton will make changes and a balance budget will be submitted for Thursday meeting

Dalton will provide revised May 1, 2009 cash figure.

Galford will formalize a 3 page presentation for review by Finance Committee. It will recommend dues increase and adjust beginning cash and capital requests.

Paving Needs (time table), Cost all roads, Cost primary roads
State Mandated value requirement figures must be estimated

Time Table: Jan. 6 Review figures – operating and long range

Consider options for dues increases

Percentage, Set amount, Collection tiered over years

Member Alternatives: 3% annual, Auto sticker - \$30 yr.

Jan. 15 Finalize Presentation to BOD (consider 2009 buys and survey)

Jan. 28 4:00 – 5:30 open review for all association members

All Finance members willing to attend

Jan. 28 7:30 BOD discussion and approval

A Dues increase must consider

Economy, Operating and Long range needs, Community Standards

Date of Last Dues Increase & How to get people to VOTE

New

Auditors will be asked to include a funds statement in Audited Report

Fire Insurance Rating impact on home insurance

Times letter by Shaw (not a dues paying member-PERSONAL GRUDGE on GM Salary)

Survey Cost - \$917 plus staff time

Next Meeting Date – Feb 6, 9:00 am

FROM: Don Truesdell
 DATE: January 28, 2009
 TO: File

Subject: Lakes and Dams Committee Reports

Number of pages 3

Our plans and specifications have been submitted to North Carolina Department of Environment and Natural Resources for the remediation of Timber Dam and the repair of areas of local erosion on the back of Sequoia. According to the State it will take at least 60 days to respond to our submittals.

The Lakes and Dams budget for this FY is \$100,000. We have spent as per the following table:

<u>Date</u>	<u>Vendor</u>	<u>Cost</u>	<u>Expenses</u>	<u>Comments</u>
6/5/2008	Hobbs Upchurch	\$2,570.00		Invoice 23813
6/5/2008	Hobbs Upchurch	\$14,930.00		Invoice 24039
8/20/2008	Hobbs Upchurch	\$8,500.00		Invoice 24282
9/24/2008	Hobbs Upchurch	<u>\$1,260.00</u>		Invoice 24527
		\$27,260.00		Hobbs Upchurch Total
		<u>\$27,260.00</u>		Hobbs Upchurch Budget
		\$0.00		Total Remaining Contract
EMERGENCY ACTION PLAN COSTS				
6/24/2008	S&ME	\$4,077.50	\$238.15	Invoice 334798 and mileage expenses
7/22/2008	S&ME	\$3,720.00		Invoice 338626
8/19/2008	S&ME	\$1,702.50		Invoice 341773
9/16/2008	S&ME	\$5,100.00		Invoice 345717
11/12/2008	S&ME	\$12,013.75	<u>\$40.00</u>	Invoice 353716
12/9/2008	S&ME	\$4,505.00		Invoice 354685
1/6/2009	S&ME	<u>\$3,956.00</u>	\$54.14	Invoice 357950
		\$35,074.75	\$278.15	S&ME Sub-Total
	S&ME	<u>\$39,250.00</u>		Dam Breach Modeling (including surveying coordination), Mapping
		\$4,175.25		and Emergency Action Plans budget Total Remaining Contract
TIMBER DAM REPAIR SPECIFICATIONS				
11/12/2008	S&ME	\$1,343.50		Invoice 353724

12/9/2008	S&ME	\$2,215.50	Invoice 354692
1/6/2009	S&ME	<u>\$1,439.00</u>	Invoice 357955
		\$4,998.00	S&ME Sub-Total
	S&ME	\$5,000.00	Timber Dam Repair Specifications
		\$2.00	Total Remaining Contract
	S&ME	\$10,000.00	S&ME cost of scope change as per their letter dated Janu
	Hobbs		
	Upchurch	\$27,260.00	Survey
	S&ME	\$35,074.75	EAP's
		<u>\$4,998.00</u>	Timber Dam Repair Specifications
		\$67,332.75	Total Spent
	Hobbs		
	Upchurch	\$27,260.00	Hobbs Upchurch Survey Budget
	S&ME	\$39,250.00	S&ME Budget EAP
	S&ME	\$5,000.00	Timber Dam Repair Specifications
	S&ME	<u>\$10,000.00</u>	S&ME cost of scope change as per their letter dated Janu
		\$81,510.00	Total Budgets
		<u>-\$67,332.75</u>	Total Spent
		\$14,177.25	Remaining Budget
		\$100,000.00	FY09 Lakes and Dams Budget
		<u>-\$81,510.00</u>	Contracted Expenses
		\$18,490.00	FY09 Lakes and Dams Remaining Budget

We have contracted for \$81,510.00 in services from Hobbs Upchurch and S&ME. To date we have spent \$67,332.75 leaving an unspent balance on our existing contracts of \$14,177.25. The S&ME contract for Timber Dam was expanded to include more services and the additional cost is \$10,000. This \$10,000 is included in the contracted expense total of \$81,510.00, however, the bulk of this money will be spent in FY10. I expect will have a surplus of approximately \$25,000 for the current FY09 when comparing our budget of \$100,000 against the actual expenses of approximately \$75,000.

S&ME is working on the bid documents for these two repairs as well as determining the number of square yards of excavation and the cubic yards of fill that will be required. The purpose of these calculations is to make sure that all of the contractors that are bidding are on an equal footing.

The benefit we are achieving with the State is that we are proactive with our dam maintenance. The State inspected our dams on January 2, 2009, and their Notice of Inspection

letters is dated January 5, 2009. For Sequoia they state: "There was seepage and areas of slight erosion noted on the downstream slope of the dam and appeared to be marked with flags since last inspection." On December 23, 2008, S&ME made a site visit and of the objectives was to mark off the areas of erosion on Sequoia. These areas have been surveyed by Hobbs Upchurch and this survey will be part of our bid documents.

Dalton was able to locate a copy of the videos made of our spillways approximately eight years ago and unfortunately they raise more questions than can be answered. The good news is we will have a baseline to compare the videos we expect to take this coming summer. The purpose of these videos is to determine the condition of our emergency spillways.

We still do not have any definitive answers from the State concerning whether or not we need to install emergency drain valves. This question must be answered in order to produce a more accurate long range budget. S&ME is currently working on sizing these drains for our five high hazard dams.

The EAP's for Sequoia, Longleaf and Big J are in review. The EAP for Little J has been finished. It is anticipated that these EAP's will be submitted to the State within the next two weeks. The EAP for Echo was submitted October 30, 2008.

I am fortunate to be able to be working with such a capable committee consisting of Bill Gross, Bill Yarish, Don Fentzlaff, George Stahl, Jean Alfano, Jim Allen, JoAn Moses, John Paulson and Rodney Godwin. Thank you ladies and gentlemen for all of your efforts.

File:board012809

Subject: 2008-2009 Maintenance Committee's 14 January 2009 Meeting Minutes

TO: 7LLOA Board of Directors

Date: 20 January 2009

CC: 2008-2009 Maintenance Committee Members
7LLOA's Community Manager

1. **Maintenance Committee Meeting:** A meeting of the 2008-2009 Maintenance Committee was held on Wednesday, 14 January 2009, in the Maintenance Shop area. The following Committee Members were in attendance: Jim Ball, Bob Darr, Jack Fathauer, Dalton Fulcher, Norm Ihrig, Andy Lowe and Bud Shaver.
2. **Approval of 6 November 2008 Meeting Minutes:** The minutes of the Committee's 6 November 2008 meeting were approved.
3. **Maintenance Department Supervisor's Report:**
 - a. Work/projects that have been accomplished since 6 November meeting:
 - (1) A Seven Lakes area map and a one-year calendar have been installed in the Maintenance Shop area that is used for planning and work assignments.
 - (2) On the North side Dogwood Road has been cleared and trimmed. On the South side Hastings Road has also been cleared (It took 13 truckloads of debris) while Devonshire Road is almost completely cleared. The primary purpose of this road clearing is (1) to remove branches that may come down during a heavy snowstorm and (2) to comply with a request from the Seven Lakes Fire Department to insure that anches will hit their trucks. It is estimated that it will take another 3-1/2 weeks to finish clearing roads on the South side and 1-1/2 weeks on the North side.
 - (3) The use of a Chipper was discussed and it was concluded that it would add to the total labor cost.
 - (4) Soil samples have been taken from the dams to sent for analysis to determine the best use of lime and fertilizer.
 - b. Proposed work/projects planned for the next thirty to sixty days:
 - (1) Paint both the Administration Office, North Clubhouse and Pool Shed wall.
 - (2) Clean and paint recreational equipment.
 - (3) Fix paint gun for road stripping
 - (4) Paint Light poles, tennis fence and Mail Room floors with a non-slip paint.
 - (5) Prepare ditches on Lancashire Road.
 - (6) Build three (3) picnic tables and one bench.
 - (7) Do some construction repair to the stable.
4. **Community Manager's Input:**
 - a. Moore County Utility Pump Houses: Waiting until Probst recovers from illness to complete transaction of the three Utility Pump Houses to the Association so they can be dismantled.

- b. Maintenance Budget accountability for other department requests. A large share of the Maintenance Department's budget goes for accomplishing numerous tasks for other departments.
- c. The Association has purchased three 2008 Ford F-150 Trucks, two for the Maintenance Department and one for Security, for an average cost of \$15,404. The Maintenance Department will retain their current trucks.

5. Committee Member Input:

- a. **Jim Ball & Norm Ihrig (Equipment Survey):** Waiting for the official equipment list from the Treasurer.
- b. **Jim Caudill & Frank Hayes (Beautification Committee):** Two trees were planted for the Beautification Committee.
- c. **Mike Cummins (Roads):** No report.
- c. **Jack Fathauer (Sequoia Point Storage Area & Association Infrastructure Assessment):** Are in the planning stage of assigning storage areas.
- d. **Jay Kenzel (Maintenance Area):** No report.
- e. **Andy Lowe (Lakes & Dams):** Discussed the dam overflow pipe proposal.

- 6. Maintenance Committee Chairman's Comments:** What can the Committee do in the future to contribute appropriate needed support to the Maintenance Department is under study.

Manila G. Shaver

Manila G. Shaver

Maintenance Committee Chairman

SECURITY REPORT
JANUARY 28, 2009
SEVEN LAKES BOARD MEETING

The North and South gates report light activity for the month.

Roving Patrol responded to dog complaints, a boat on Sequoia that was drifting down the lake (it was returned to the dock), a home that was left unlocked (the caretaker was notified) and a youngster that was throwing eggs at vehicles (the parents handled this problem). During the snow, Roving Patrol assisted vehicles that were stuck, checked all of the buildings to make sure the heat systems were running properly and assisted with the

problems on Seven Lakes Drive. There were six different vehicles that slid off of the road and three went through our fences.

A new 2008 Ford F150 was purchased during the month for \$15,400. Security was scheduled to purchase a patrol car later in the year, but Dalton was able to purchase the truck for a savings of around \$5000 to \$7000. We should save money on fuel for many years by going to a smaller engine than was available in the sedan.

The picnic areas at Sequoia Point, Echo, Big Juniper and Longleaf have been equipped with lights and timers. The lights turn on at dark and off at 11:00PM. This allows security to monitor activities in these areas.

Recreation

Each year maintenance does a pickup of Christmas trees that are delivered to the dump site and hauled off. Yesterday 45 of those trees were placed in Sequoia to make two artificial reefs, providing anglers a better opportunity to catch fish. One reef was placed near the boat launch and another at Sequoia Point. Both are accessible from a boat and the bank.

Over the next few years the goal is to have four reefs in Sequoia, two in Echo, two in Big Juniper and two in Longleaf for a total of ten reefs. This program supplies fishermen with great opportunities for a very small cost. It also uses a resource that would otherwise be placed in a landfill.