

**SEVEN LAKES LANDOWNERS ASSOCIATION
ANNUAL MEETING
MARCH 22, 2009 @ 3:00 PM – WEE GYM**

President Zielsdorf called the meeting to order at 3:00 pm with all Directors present. Also in attendance were approximately 150 residents, which were confirmed by Secretary Truesdell to be a quorum.

President's Remarks: see attached report

Committee Annual Reports:

Maintenance by Director Shaver: see attached report

Security and Recreation by Director Caulk: see attached report

Community Standards by Director Welch: see attached report

Architectural Review Board & Beautification by Director Kindsvatter: see attached report

Finance by Director Galford: see attached report

Lakes & Dams by Director Truesdell: see attached report

Members Comments & Questions:

JoAn Moses – JoAn presented a hat to Director Truesdell on behalf of the Lakes and Dams Committee in appreciation for all the time he devoted to the Committee.

Charlie Hannel, 156 E. Shenandoah – Mr. Hannel was concerned about the fact that trees had been cut on his street and his driveway was blocked. He also felt that the job was not completed. Director Shaver answered by stating that the maintenance crew would be by his residence to check out the matter.

Peggy Olson, 164 W. Devonshire –Mrs. Olson asked when the drainage problem was going to be corrected on the new construction on W. Devonshire. Director Shaver replied that the Maintenance Supervisor would have it repaired by Tuesday, March 24.

Sharon Russell, 119 E. Devonshire – Mrs. Russell questioned the status of the SLCC Driving Range. Director Shaver advised that this was the problem of the Country Club and not the SLLA.

Loren Swearingen, 100 Amberwood – Mr. Swearingen read a letter to the Board that will be published in the Seven Lakes Times supporting Assistant Manager Chad Beane for the position of Community Manager.

Helen Simpson, 201 Firetree – Mrs. Simpson praised the Community and said that it is a great place to live!

Awards Presentation:

Service awards were presented to retiring **Directors Truesdell and Welch.**

Person of the Year Award was presented to **Pat Weber** for the work she does with Project Linus, Women of Seven Lakes, Backpack Pals, and other service organizations.

Acknowledging that he normally does not speak at the Annual Meeting, Community Manager Fulcher took this opportunity to say his good-bye to the community. He thanked the Board of Directors, both past and present, the staff and Assistant Manager Chad Beane for all the work they have done over the years.

Election Results:

After thanking the Election Committee for their time and effort, he announced the results of the election.

Board of Directors

Droppers	408
Keyser	376
Zielsdorf	356
Galford	290
Pennington	257
Hudson	226

Total votes 537

Dues Increase

Against	240
For	299

Total votes 539

The meeting was adjourned at 4:15 pm.

Respectively submitted,

Brenda Massimo

Maintenance Report

- A. Introduction:** Good afternoon. While the Maintenance Department has accomplished much this year there are still obvious things that need to be done. We have not yet filled in the numerous potholes because we need dry weather to successfully cold-patch them. Nor have the roadway striping or the non-slip paint in the Post Office Buildings been applied as we need warm weather to do so.

Please note the maps behind me with the different coloring which Mr. Darr, our Maintenance Supervisor, uses for planning purposes. Bob, please stand up to be recognized. Thank you. After this meeting and if you have an interest Bob will be by the maps to explain what it all means.

- B. Maintenance Committee Members:** The following individuals served on the 2008-2009 Maintenance Committee and I wish to thank them for their efforts. If in the stands please stand to be recognized: Jim Ball, Jim Caudill, Mike Cummins, Jack Fathauer, Frank Hayes, Norm Ihrig, Jay Kenzel and Andy Lowe. Thank you. The Community Manager and Department Supervisor also attended all committee meetings.

- C. Maintenance Department Organization:** For accounting purposes the Maintenance Department is organized into two sub-departments:

- 1. Buildings and Grounds (Accounting Code–623):** The Maintenance work accomplished by this Department's three assigned personnel is for those clean-up and minor repair tasks required (i.e.–trash removal, change light bulbs, etc.) on and in the stables, the pool, North Clubhouse, North and South Post Offices, the Association's office and the North and South Gatehouses. It also includes any maintenance work required as "projects" in support of the Association's other committees (i.e. – Security, Recreation, Lakes and Dams, Beautification etc.).
- 2. Streets and Grounds (Accounting Code–560):** Includes the work required by the two assigned personnel to maintain the Association's dams, streets (Includes Seven Lakes Drive), and the street shoulders). During the spring and summer season part-time help is sometimes required.

- D. Maintenance Department Priorities:** The following is the Maintenance Department's current list of priorities.

- 1. Dams (North side dams with a major concern for safety and appearance):** All normal routine maintenance is to be accomplished under the Maintenance Committee's oversight except that which is contracted by S&ME or other outside contractors. The down-stream sides of our dams are to be mowed twice a year. We have yet to find anyone willing to submit a contract to perform this service.
- 2. North/South Gates:** Maintain a year around attractive appearance.
- 3. Sequoia Point and Beach Areas:** Maintain an attractive appearance especially during the warm weather season.

- a. Prior to weekends and holidays insure areas are clean with empty trash receptacles.
 - b. If a holiday occurs prior to a weekend during the warm season insure areas are clean with empty receptacles even if it requires work on a weekend.
4. **Seven Lakes Drive:** Maintain an attractive appearance along Seven Lakes Drive and the pasture area. On Tuesdays prior to mowing the Kiwanis Club removes debris and trash from Seven Lakes Drive and should be recognized for their efforts. Give them a wave when drive by.
5. **Association Buildings and Surrounding Grounds:** Maintain an attractive appearance (Buildings include Association Office, North Clubhouse, Pool Area, Postal Offices and Stables). For your information the Maintenance Department mows over 350 acres of Association property.
6. **Association Roads:** Insure Association's 27 miles of roads are periodically mowed and maintained with priority to Dogwood, Firetree, Shenandoah, Devonshire and Hastings. The majority of the roads within the Association have had their right-of-ways cleaned up this year. There are 452 lots without homes with road right of ways that must be considered for mowing or maintaining. We will be contacting homeowners regarding whether or not they want the Maintenance Department to maintain their road right of way. Our mowing equipment can cut them but not necessarily as attractive as one would desire.

For those not aware we have a serious water erosion problem under Hastings Road by the Seventh hole green where water from 72 acres drains under Hastings Road. The major problem is to control the rate of flow once the water passes under the roadway. The Community Manager is seeking bids from a number of contractors. This is not going to be a cheap undertaking.

7. **Lakes:**
- a. Apply required weed control chemicals to all North side lakes annually in May.
 - b. Inspect and maintain all beach areas during the summer for cleanliness and safety.
 - c. Periodically check the location of the buoys on Lakes Sequoia and Echo that must be a MINIMUM of 150 feet from the shores of the dams.

E. Maintenance Department's Year-to-Date Accomplishments: In addition to normal maintenance operations the Maintenance Department has accomplished the following since April last year.

1. **Completed construction of new additional Maintenance Building:** Without the availability of this new building the Maintenance Department would not have been able to refurbish the maintenance area, paint and clean out the other buildings and equipment sheds.

The Maintenance Department buildings have been renovated. The large equipment storage shed has been thoroughly cleaned and equipment assigned to specific parking spaces. When equipment has been used it is to be cleaned

before being stored in the shed. The small storage building by the entrance has had its walls replaced; painted with hand used equipment (i.e. – weed eaters, etc.) now being stored in assigned locations.

2. Refurbished North/South Entrance Gates: Completed painting and installing new floors in the Gate House buildings.

3. **Road Paving:** The Association's roads were first paved between 1973 and 1975. Extensive repaving was again done between 1985 and 1989. The Association's roads are generally in fair condition although there are four areas that need immediate attention. A prime example is Firetree Lane at the south end of Echo dam. To date the integrity of our roads has been maintained by "pouring" or filling the cracks with liquid asphalt. The problem with this process is it makes the roads look ugly. It has been 20 years, more or less, since repaving our roadways that are nearing the end of their life expectancy.

4. **Vandalism:** Vandalism is becoming a major problem primarily at Sequoia Point and around the Association's Office complex.

5. Equipment Inventories: Inventories on equipment with a value of \$2,500 and over and on equipment with a lesser value have been conducted. A sale of surplus equipment and other items was held providing a return of \$1,953.02 with a number of surplus items that were donated to the Sandhills/Moore Coalition for Human Care.

6. Maintenance Department Supervisor: A resident, Bob Darr, was hired in late mid-year as the Maintenance Department Supervisor filling a department employee vacancy. Mr. Darr works for the Community Manager. After six months Mr. Darr is to submit a report to the Community Manager and BOD with his recommendations on how the Maintenance Department should be organized, supervised and function. That report is due next month.

7. **Work Force:** A log of the number of hours it takes to perform specific tasks is being recorded. In time a substantiated work history of general maintenance requirements will be established. To date the Maintenance Department's personnel have responded favorably to direction and have performed their tasks in a very satisfactory manner.

F. Resident's Cost for Maintenance: The Committee has developed a ten-year study of the Association's main-tenance costs by the Buildings and Grounds Department and the Streets and Grounds Department. Those costs have been further broken down to the average daily cost per Home Owner, per Single Lot Owner and per Multiple Lot Owner.

1. North/South Association's Growth since 1999: During the ten-year period 1999 to 2008 the Association has grown by almost 15% as to the number of homes resulting an annual total dues increase of 26.3%. The Association has had only one \$50 annual dues increase in the last eight years during which time the ten-year inflation rate has averaged 2.6% per year.

a. **Buildings and Grounds Expenditures:** Salaries and Benefits average about 74% of the total Buildings and Grounds Expenditures which have decreased by 3.6% during the last ten years. This has resulted in the annual cost per Home Owner to decrease by 8.7%. During year 2008-2009 the Home Owner's cost to date through February for Buildings and Grounds was \$0.26 per day compared to a per day cost of \$0.29 the previous year.

b. **Streets and Grounds Expenditures:** Salaries and Benefits have increased during the last ten years by 15.6% while Other Costs have decreased by 21% resulting in a total reduction of 2.8%. During this period the cost per Home Owner has decreased by 9.7%. The 2008-2009 Streets and Grounds year to date through February cost per Home Owner is \$0.35 per day compared to last year's cost of \$0.38 per day.

2. Salaries and Benefits Comparison: The Maintenance Superintendent's current wages are divided three-fifths to the Buildings and Grounds Department and two-fifths to the Streets and Grounds Department. The Maintenance Department's average annual hourly rate is \$16.11, 16% below the Moore County average hourly rate.

1. **Department Budgets:** I have two budgets that I am directly responsible for overseeing and one that deals with capital equipment:

a. **Buildings and Grounds (Code 623):** At the end of February this department had a year to date budget of \$139,836 and spent \$126,445, \$13,391 under budget.

b. **Streets and Grounds (Code 560):** At the end of February this department had a year to date budget of \$152,123 and spent \$151,641, \$482 under budget. Hence, the total department expenditures are \$13,873 under budget. The large out of budget expenditure in this department is the \$12,022 spent over budget for removal of debris site material. This is not surprising considering all the road right of way clearing that has been accomplished.

While on the subject of the Debris Site only yard debris is to be disposed by residents and please not in plastic bags. Nor is lumber or other such materials to be disposed of at that site. Any contractor caught disposing of material at that site will be banned from Seven Lakes.

G. CONCLUSION: In closing I have two other items of concern. We have had unauthorized residents tele-phoning or visiting with our current or future vendors to discuss Association business. As a result there are vendors who do not wish to do business with the Association.

Lastly the Advocates of Compromise have threatened that if the BOD did not exceed to their demands they will and are encouraging Association members not to vote for the dues increase that is to be restricted only for future road paving and state mandated dam repairs.

What is personally disappointing to me is that four of the 2008-2009 Maintenance Committee's members while being fully knowledgeable about the conditions of our roads signed that petition.

If the Dues request is denied then as a member of the Association's 2009-2010 Board I don't wish to hear any complaints about the conditions of the roads next year.

Thank you.

Manila G. Shaver

**SECURITY AND RECREATION REPORT
MARCH 22, 2009
SEVEN LAKES ANNUAL MEETING
GARY W. CAULK**

SECURITY

With the recommendations of the Security Committee there were many changes during the year:

New patrol techniques were implemented allowing more foot patrol for key areas.

Officers were given training in CPR, Defibulator, and First Aid.

Lights were added to the picnic areas at all of the lakes that turn on at dark and off at 11:00.

A new rule was passed by the board to assist with vandalism.

Our Judicial System was used for the first time to handle some problems on our lakes.

A new Security Manual was developed so that the manager would have more control of the gates and Roving Patrol.

The North and South Gates were refurbished during the year.

The barcode system and camera system will be receiving updates in the next couple of weeks.

RECREATION

This year there were 37 activities offered to residents ranging from dance classes, senior games, pottery tours, shopping trips and a Easter egg hunt. A list of these activities are available on our website, in the interlake and through Recreation bulletins.

Some of the projects completed by Recreation were:

- Refurbish the picnic areas.

- Add new lights to the pool.

- Extend the beach at Longleaf lake.

- Artificial fishing reefs in Lake Sequoia.

A few future projects are:

- New playground equipment for the park.

- New equipment for the Activity Center.

- Basketball goals for the playground.

- Repairs to the Stable.

- Artificial fishing reefs in Echo, Longleaf and Big Juniper.

The most important accomplishment for the year was when the Board protected our Stables, Sequoia Point, Soccer Field and Pool area by taking actions to insure these key areas are here for all of us to enjoy for years to come.

I would like to thank the Board, the staff, maintenance, the recreation and security committees and the many residents who provided advice and support.

Community Standards Committee
Annual Report to the Seven Lakes Landowners
March 22, 2009

I was honored to be asked in July to serve on the Seven Lakes Landowners Board to fill the unexpired term of Donna Stephan. I was asked by the board to serve as the chairman of the Community Standards Committee replacing Sally Kindsvatter who had assumed leadership of the Architectural Review Board. I found a well organized committee composed of Ray Pardue, Mary Ellen Krohn, Nancy Blythe, Jim Lorion, and Nancy Welch. Charles Peterson was added to the committee in September. All of these members have been faithful and creative members.

Each member of the committee assumed responsibility for a designated geographical area of the community and regularly patrolled that area for any violations of the rules and regulations in regard to the appearance of landowners' property. These patrols resulted in over 150 violations reported to Chad Beane and the committee. Some of these warranted immediate phone calls to the owners and the others resulted in 138 letters sent to the offending property owners. Most of the landowners upon receiving a phone call or a letter corrected the situation within 5 days. Ten landowners who did not comply were referred to the Judicial Committee for resolution. During the year there were 14 repeat violators and three landowners who were physically unable to care for their properties were referred to church groups who volunteered to assist them. At present there are 17 pending violations waiting for resolution.

In addition, the committee is proud of the following accomplishments:

1. Yard debris cleanup day in November under the terrific leadership of Sue Zeller with the help of over 15 truck owners and their helpers.
2. A successful clean-up of the Lake Sequoia boat storage area
3. A booklet for new landowners and renters that was prepared by Nancy Blythe and is now ready for printing and distribution.
4. A joint meeting with the Judicial Committee that resulted in heightened co-operation between our two bodies.
5. A regular "Just So You Know" item in the Interlake that calls attention to frequently neglected rules and regulations

We have left for the next committee the following items:

1. Work with maintenance committee to mark off spaces for boat and trailer storage in the Sequoia storage lot
2. More effective way to treat repeat violators
3. Developing a plan to encourage or require absentee owners of empty lots to comply with the standards
4. To require the Seven Lakes Country Club, with the help of the Seven Lakes Landowners Association, to clean up, beautify and resolve the drainage problem at the new driving range.

It has been my great privilege to work with the six other directors on the board in planning for the future of this beautiful place. We have wrestled with some difficult decisions, but I can assure the landowners that every decision was made in good faith with the wellbeing of the community and its landowners the sole determining factor. I regret that my health at present does not allow me to run for reelection to the board, but I wish nothing but the best for those directors who are returning and for those new directors who have been elected.

Respectfully submitted,

Don Welch, Chairman

**Report to the Board
Annual Landowner's Association Meeting
March 22, 2009**

The Architectural Review Board

Members: Sally Kindsvatter, chairman

Mark Widman, Edith Starkey, Mike Cummins

(former members: Bob Darr, Tony Bornhorst – both resigned because of changes in their employment)

The purpose of the ARB, or building committee, is simple – to preserve property values in Seven Lakes. All the members must be approved by the Board of Directors. Along with approving all new construction, the ARB also approves alterations and additions. These range from actual additions to a house to simple alterations such as painting, roofs, and fencing.

Our most important accomplishment last year was to give some teeth to the ARB. We have often been accused of being a “rubber stamp”. The reason for that is that we must adhere to the covenants as well as the rules and regulations. This year’s ARB was able to change and add to the rules and regulations in such a way that we had more authority in reaching our decisions. We put together a Builders Copy and a letter to all builders which makes it easier for them to understand the regulations pertaining to new construction. We also were able to finish a project which had started with the last ARB which allows us to

collect a Compliance Fee deposit from all contractors for new construction. If there is any violation of the regulations relating to the construction, a fine will be levied and the money will come from this Compliance Fee deposit. We have levied fines on several occasions. We have also denied certain new construction based on our new and stronger rules and regulations.

The ARB approved only nine new homes this fiscal year. According to Chad, that's one of the lowest numbers in many years. I attribute this to the economy and also to the fact that our community is almost out of buildable lots.

In the area of alterations and additions, we approved 63 projects including: additions, roofs, fences, decks, porches, windows, doors, painting, hot tubs, lot clearing and tree removal, landscaping, shutters, siding, retaining wall, swimming pool and garages.

I want to thank all the members of my committee for their thoughtful consideration of each project and their willingness to personally inspect many of the sites. I also want to thank Debbie Caulk, Brenda Massimo, and Alice McPheeters for the extra time they put in on making all the changes to the Rules and Regulations Handbook and in the writing of the Builder's copy for the ARB.

Respectfully submitted,
Sally Kindsvatter

**Report to the Board
Annual Landowner's Association Meeting
March 22, 2009**

Beautification Committee

Members: Sally Kindsvatter, chairman

Joanne Guy, Terry Hunt, Deb Temple, Al and Linda Geiger, Angela Terry, Jim Caudill,
Frank Hayes

The Beautification Committee is a spin off of the Community Standards Committee and was appointed in the spring of 2008 by President Randy Zielsdorf. It was apparent last spring that our common areas had been woefully neglected and needed some TLC in order to bring back the beauty of our natural areas.

The first task of our committee was to prioritize our needs. We classified immediate needs as Sequoia Point and the swimming pool area. Both were a disgrace. Longer term needs included repair to the non-working irrigation system, the areas in front of the mail room, Landowners office, NCH and the N/S entrances.

The first thing our committee did was to clean up and replant the area around the swimming pool entrance. Dalton provided new mulch. Because nothing had been done at

Sequoia Point we had to pay a landscape contractor to clean it up – prune, remove dead debris, and add pine straw.

By this time, I was convinced our maintenance crew was not up to the job of caring for our landscaped areas and I launched a one woman campaign to hire a landscaping contractor on a yearly contract basis. I interviewed three contractors and also got quotes for all the mowing, in hopes that the board might decide to do away with most of the maintenance department. I did not have board support however, although the board did vote to put approximately \$6000 in the budget for professional landscaping, if the need arose – thereby giving the maintenance department a chance to succeed in this area. Fate intervened in the person of Bob Darr, who was appointed to direct the maintenance department last fall. He has succeeded in turning the department around and it now appears that we won't need to hire a professional to tend to our landscaping needs.

At Sequoia Point we now have two new Willow Oak trees to provide shade at the swimming area and we will be adding more picnic tables and benches. A new horseshoe court was built by volunteers, headed by Jeff McIntyre and a second is in the planning stage. More trash cans will be provided. Unfortunately, funds are not available to repair the irrigation system, so we will have to rely on mother nature for rain. Also cut due to lack of funds, were curbing around the beach area and removal of the old boat ramp. New shrubs were added to the front of the N. mail room to replace ones that had died. Dogwood has been cleaned up and beautified.

Our priority items for next year are the front entrances. Any suggestions are welcome.
Respectfully submitted, Sally Kindsvatter

SLLA Finance Committee Annual Report:

(FY 2009 - D. Galford, Treasurer)

The Finance Committee met each month with the Community Manager to review current financial activity and focus on the financial future of the community. Minutes were timely prepared and are posted to the Associations' web site.

The committee redesigned the monthly financial report and assured that copies were available at the monthly membership meeting. The reports are prepared from the newly adapted financial software package and summarize the detailed accounting system records that are audited yearly by a Certified Public Accounting firm.

Additionally, the committee developed a Financial Procedures manual to assure that current activities were correctly reported and that the association's assets were protected. The manuals designed internal controls that were beneficial to the newly appointed accounting officer and will provide continuity as the association proceeds through a community management transition. The manual is available for residents' review.

However, the finance committee's principle focus was on the future. The committee members prepared a detailed "Cost of Living Comparison" to determine how the SLLA financial operations compared to neighboring communities and to evaluate if residents received a value for their dues. The comparison clearly showed that the community's amenities are a bargain. Therefore the committee reported to the Board of Directors that an investment in the infrastructure was warranted and would enhance the value of each resident's property.

With input from the Community Manger, each committee and the Board, the finance committee prepared a Five/Ten Year Budget forecast. The forecast was based on a detailed review of the current operations budget and future capital requirements. The forecast, of course, will require future modifications but it is a solid guide for the future. A copy was distributed to each resident to demonstrate the need for a dues increase.

The financial report studies, the procedures manual and the long term budget forecast demanded many hours of work in addition to the lengthy monthly meetings. The community has benefited from the 12 months of dedication provided by Gil Jones and Jerry Grout and the more recent assistance from Ed Sanchez. These committee members provided financial expertise, endured the open membership budget meeting comments and are definitely owed an expression of Thanks from each resident.

As Treasurer and on behalf of the Board of Directors, I thank each of them for the current year services and their contribution to the future of your community.

Thank You!

FROM: Don Truesdell
DATE: March 21, 2009
TO: Board of Directors

Subject: 3/22/09 Annual Report

Number of pages: 3

I would like to thank my committee consisting of Jean Alfano, Jim Allen, Don Fentzlaff, Rodney Godwin, Bill Gross, JoAn Moses, John Paulson, George Stahl and Bill Yarish for all of their support and help. Dalton Fulcher also attended all of our meetings and provided valuable input.

Our first task was to select a consulting engineering firm with expertise concerning earthen dams. The committee

agreed to hire S&ME. The primary contacts with S&ME are Josh Bell, PE and CFM (Charlotte office) and John Garner, PE (Arden office). This firm has provided the Association with excellent service.

The State inspected our dams in January 2009 and we received the best reports possible. The State did not observe any areas of major concern and their only recommendation was for normal maintenance (boiler plate) items. We also established a pro-active position with the State as noted in their January 5, 2009 inspection letter for Sequoia. On December 23, 2008, Josh Bell and John Garner visited with us. The purpose of this visit was to identify the areas of erosion on Sequoia by placing orange flags in the ground. The State in their January 2009 inspection letter noted that the owner was already taking action to correct this erosion.

Our first major project was the submission of State mandated Emergency Action Plans (EAP's) for our five high hazard dams (Sequoia, Echo, Longleaf, Big J, Little J). An EAP consists of three basic sets of information: 1) The names and phone numbers of Moore County personnel to contact in the event of an emergency. This information is the same for our five high hazard dams; 2) Engineering data generated by S&ME defining our dams. This information is unique for each dam; 3) The names and addresses of all affected downstream property owners. This information is also unique for each dam.

We had a deadline of October 31, 2008 for Echo and December 31, 2010 for Sequoia, Longleaf, Big J and Little J. The Echo EAP was submitted on October 30, 2008 and approved by the State in their letter dated February 13, 2009.

The remaining four EAP's were submitted on March 17, 2009. Since the Echo EAP was approved by the State it is reasonable to assume that the State will also approve these four EAP's.

S&ME produced specifications for the remediation of Timber Dam, approximately 3,000 square feet, and to correct the areas of local erosion on the back side of Sequoia, approximately 58,000 square feet. We solicited five contractors, Don Thomas Trucking, EPR Grading, McKenzie Grading, Sanford Contracting and Ken Bouldin Trucking, for a quote. Their bids will be opened at 2:00 PM on Friday,

April 3, 2009. If the budget for FY10 allows we would like to complete both projects.

One of the recommendations made by S&ME was to only mow our dams twice per year. The reason for this recommendation is to minimize the potential for future erosion created by the lawn mowers and to give the ground cover a better chance of survival.

Our budget for this FY09 ending April 30, 2009, was \$100,000. We have contracted for \$81,510 of services, however to date we have only spent \$74,297.25, leaving an unspent balance of \$25,702.75. I do not anticipate any major expenses for the remainder of this FY.

The budget for FY10 is \$130,000. We have three major projects: 1) To complete the remediation of Timber Dam and the areas of local erosion on Sequoia. The cost of these projects will be determined at our bid opening of April 3, 2009; 2) We need to implement approximately 15 more dry-well sites. We currently have five sites on Echo, one site on Little J and three sites on Sequoia. We need more sites on Little J and we need to install sites on Big J, Longleaf and Timber. The purpose of these dry-well sites is to enable us to read the water level inside the dam. Changes in these readings can provide advance warning of a potential problem with the dam. The estimated cost is \$30,000; 3) We need to take videos of our spillways to insure the pipes are not leaking or have been corroded. The estimated cost is \$10,000.

Little J has several design flaws. This lake is five acres in size. Good engineering practice would suggest that you need a 50 to 1 ratio of watershed area to lake area. We certainly do not approach this ratio. A good comparison is Lake Windemere on the South Side. After a good rain the water level in this lake will more nearly approach full capacity than Little J. Also it is not possible to determine the number of underground springs that feed Little J.

In 2001 the Association hired Engineering Consulting Services, LTD to evaluate Little J. Their report dated June 13, 2001, listed four repair alternatives. Three of their recommendations are expensive to implement and two of these repair alternatives require the lake to be drained and there is no guarantee that any one of these three

alternatives will provide the desired result of maintaining the water level. The fourth alternative and the one implemented by the Association was to install pumps on Big J and Longleaf and pump from either (or both) of these lakes to Little J.

When this study was done in 2001 the engineer installed seven dry-well sites in Little J. Unfortunately only one site was permanent and that is one of the reasons why we have \$30,000 in the FY10 budget to install more dry-well sites. The readings from these new sites will better enable us to determine if there is a problem with Little J and what can be done.

A copy of this report is on file in the office.

Our committee has tweaked our rules and regulations with the intent of creating a safer environment in and around our lakes.

Finally I would like to thank you the landowners for giving me the privilege of representing you on this Board. It is hard to believe how fast these last four years have passed. I am proud of my accomplishments.

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