

Minutes for Annual Meeting of the Omisol Estates  
Homeowners' Association  
Thurs, Jan 17, 2008

The annual Omisol Homeowners' Meeting was held at the church on the corner of Minnieville and Omisol Roads on Thurs, January 17, 2008. Mr Jim Hart, President, called the meeting to order at 7:30 pm.

Jim thanked everyone for coming, in spite of the bad weather. It is important to update everyone in the community on what's been going on and where we are going. Everyone's involvement is important.

Treasurer's Report. Lawrence Roth presented the Treasurer's Report. The first page of the report shows Income and Expenditures for 2007. We took in \$21,470 in dues. Tower rental from T-Mobile - \$8,537.60 (\$700 a month rental, which now has gone up to \$714 a month). We also had \$540 from interest for a total Inflow of \$30,547. Outflows for various expenses were: \$500 - audit, administrative expenses - \$115, and common area maintenance (not lake) - \$1,350. The expenses for the lake included \$30,000 as the second installment for the initial down payment for the work on the spillway; we paid them \$30,000 in 2006. \$500 was paid for the down payment for the reserve study that Jim Hart will talk about later. We saved a great deal of money switching garbage companies; their service has been great and no complaints. Their fee was \$8458. Insurance fees were \$1217 through Dawn Matthews, State Farm, who lives in the community. We raised our liability to \$5M. Various legal fees were \$2844. Picnic expenses were \$1607, supplies were \$356, and taxes were \$303 to the State and \$63 to federal. When you subtract our inflows from the outflows, we have operated in a deficit this past year.

The second page of the Treasurer's Report is the Account List. We had several Certificates of Deposit that we had to cash in for the dam repair. At the end of Dec 31, 2007, the current balance in the checking account was \$35,695.99.

The last page of the report is the 2008 Proposed Budget. Figures are based on actual expenses, where possible. Some are estimated. Dues at \$440 per year is \$23,320. No interest this year because we have no more certificates of deposit. T-Mobile rental is \$8,568. Recurring expenses

include Trash - \$8,180, Legal Fees projected to be \$4000 (a little higher than last year because of anticipated legal fees this year), Insurance - \$1300, office expenses - \$300, corporation fees - \$100, common area maintenance - \$3000, accountant fees - \$600, taxes - \$400. The Board voted for a small increase for the annual picnic - \$2000. Miscellaneous expenses projected - \$500. Assuming we get billed in February, our loan payment to Watershed Services will begin - \$12,133 (\$1103 per month). We do have two one time expenses coming up: common area repair - \$1000, and driveway repair - \$1500. Projected deficit as of Dec 31, 2008 - \$3125. Projected cash on hand for Dec 31, 2008 should be \$32,571.

Jim Hart made a motion to accept the 2008 Proposed Budget. Motion was seconded and approved unanimously.

Architectural Committee Report. Jim said the Architectural Committee was important to maintain the standards of the community. Brian said 2007 was a fairly quiet year; there were only three requests. There was a request from Mr Blowfeld for garage addition. The Moore's did a lot of landscaping and added a shed. Bill and Martina Milne changed their front door. Brian said that most of the work with the Architectural Committee is handled via email.

Picnic Committee. Jim said one of the things we do to benefit the community over the years is the annual picnic. Kay Richardson said we had a great turnout for last year's picnic and thought everyone had a great time. She said it is a challenge to try to make this year's event even better and encouraged anyone who has any ideas to give her a call. Kay said the date for this year's picnic is Sat, June 21 – so hold that date on your calendar. Kay asked Jerry Delane if he could check on the tents for that date. She said the Social Committee will meet soon to discuss the details. Deborah Hart asked if the picnic could be held some other place. Kay said it was discussed last year, but it was decided not to move it – it is more convenient where it is because of everyone involved. Deborah asked if it could be discussed again this year. Bernard Oliphant said if it's not broken, why fix it. Jerry Delane made a motion to keep the location on the Omisol cul-de-sac for the picnic. Motion was seconded. Vote was taken verbally – majority was in favor; one disapproved. The motion to keep the present location for the picnic was approved.

### Community Action Efforts.

Jim said last September we held a community wide yard sale at the church. We had about 8 or 9 members participating. We were hampered a little because of the roadwork on Minnieville so we didn't get the exposure very well. Jim said we may be able to generate some interest to do it again. Jim said if anyone was interested, give him a call.

### Minutes.

Jim said one administrative item that was not taken care of and that is the minutes from last year's meeting that need to be approved. Kay said she did not have a copy, but they are posted on the website. Motion was made to approve the minutes, and seconded. The motion was approved unanimously.

### Other Comments.

Jerry Delane asked if Jim could check on the street light at the corner of Minnieville and Omisol because the light there is not working and it is very dark. Kay said she thinks it is part of the plan to replace all the lights along Minnieville. Jim said he would check on it. Jim thought they were making good progress on the road.

Chuck McCombs asked whether the roads in our community were still on the schedule to be paved. Jim said was suppose to be in the plans, but he will check with Mike May to see if it is still on schedule -- with the county budget the way it is, he wouldn't be surprised to hear it may be pushed back.

Brian Evans also mentioned about a community project he would like to set up. He said that in his old community they rented a dumpster to have a clean-up weekend. It costs about \$300 for the weekend. If anyone wants to clean out their garage or basement, it would be great just to dump the stuff in the dumpster. Lori Moore mentioned that the Boy Scouts are always looking for projects, like cleaning up the common area of litter. Brian said that a date and location will be selected in the spring and will send out a flyer.

Jim said we are always looking for volunteers to help out on committees or community efforts. Jim encouraged everyone to think about it and give him a call if interested.

## Election of Officers.

Jim said one of the most important things that we need to do is the election of the officers and would like to do it early before we loose any members because of lengthy discussions. Tonight we will elect one board member for a three-year term, the treasurer for a one-year term and the secretary for a one-year term. Jim thanked Richard Jessie (“Jessie”) after serving a three-year term on the board, working very hard and we owe him our debt of gratitude. Also, since the association was formed, Lawrence Roth has served as Treasurer. Lawrence has done great work keeping accurate books. He has been an advisor, someone to count on to pitch in and has worked hard to get us where we are. Jim said Kevin Caudle has volunteered to run for the three-year term, William Milne has volunteered to replace Lawrence as treasurer, and Kay Richardson is running again as secretary. Jim said the nominations are not closed and anyone desiring to run can place their own name in nomination. Jim Reeve asked that his name be placed on the ballot. Jessie passed out the ballots and asked that everyone write in Jim Reeve’s name on the blank line. Each nominee introduced themselves and gave a brief background. Kay verified that there were 24 present (actually 25 since neither Kay or Chuck Richardson had signed in) and 6 proxies. Obie Baker moved that the secretary and treasurer positions be voted on by a show of hands and the motion was seconded by Bernard Oliphant. Kay said the By-Laws state we are required to vote for officers by secret written ballot. Obie said he would withdraw the motion, but Bernard said it was already seconded. Jessie stated that since there was only one name for each position, it would constitute a unanimous vote. Chuck Richardson said it was better to have a written vote than a vote by hand count because it was more accurate and you have a record of the vote. A motion was made and seconded to use the paper ballot for all positions. Vote by show of hands: 23 were in favor/6 were opposed. Motion was approved and a paper ballot was used to vote all positions. Results were announced later. (Winner of the Board Member position was Kevin Caudle; Kay Richardson as Secretary and Bill Milne as Treasurer.)

## New Business.

Jim presented his comments about where we are and where we’re going. Jim asked that the members withhold comments and questions until the end and will take questions after he has finished. We are a small association with small problems, but once in a while there are major

concerns that come our way. One of the down sides of being a small community is that we don't have a lot of resources to address the problems we have. Jim said the community has a board that have worked on their behalf and have taken their interests to heart and tried to do everything possible to continue to allow the community to grow and prosper. The Board takes their jobs seriously and there have been tough decisions. The Board has learned a lot. Jim said it is his intent to be President again, if the Board chooses, and if so, the Board will continue to listen to the community and to do what we think is in the best interest of the community – not acting outside the wishes of the community. The efforts in 2008 will be significant – there are problems to deal with. Jim assured the members that the Board will continue to act in the best interest in the community at large.

Jim said he is pleased with the progress of the Number One issue – the lake. Jim paraphrased Gerald Ford's remarks when he offered his pardon to President Nixon, "our long nightmare is quickly coming to an end." Jim said we have completed the reconstruction of the dam/spillway. It is stable and should be there for a long time. He is proud of the actions taken to ensure that the dam is functioning, as it should. For the first time in the history of the dam, it will be certified by the State this spring. Jim has several letters from the State saying they would like that to happen, to put it mildly. Jim said we did the right thing and knew it was difficult. But it was something we all bought into when we moved here. Jim said he is proud of the actions.

Last year, at the annual meeting, we approved funds (again for the first time) to move on the requirement by law to have a Reserve Study done for the community. State law mandates that we do this once every five years. It has never been done here before. What a Reserve Study is a study to determine level of maintenance and funds necessary for common areas. The one amenity we have is the lake. It is a concern in terms of maintaining it. This brings us to the next phase of the discussion of the lake. It is an on-going problem, one that has not been dealt with well in the past – we have not taken care of our amenity. It is just like your house – if you don't any money into your house in 12 years or more, it is going to be a big bill. The Reserve Study that was done said there was a rather large siltation problem. A lot of siltation comes into the lake at the end opposite the dam and some action needs to be taken over a period of time to stop that siltation and dredge the lake to return it to its original size. To that degree, we have started discussions with the county to see what the county will do to help us. Jim had a meeting with the county on Monday and gave a presentation of

our situation and the kind of work that the Reserve Study said we need to do. Jim can't predict, at this point, what will happen, but they know our case. As soon as he knows something, he will let everyone know. Contrary to rumors, the lake will not become a parking lot. We intend to keep the lake and keep it ours. Jim said he is committed to the lake – we all bought into it; we own it, even though it is difficult to get to. Jim said he is genuinely concerned about property values if anything should happen to the lake. The issues involved are complex and we are legally bound to do certain things. Much depends on the discussions with the county and rather than go too far down the road, at this time, Jim said the Board has to act with the best interest of the community and work with the county to see what can be done with the repair of the lake. In any case, this year the Board has to give consideration to the status of a reserve fund, even if it is just for the maintenance of our property – we have never done that in the past. There is no reason for everyone to be concerned about assessments at this time. We do have to have a fund set aside for maintenance at the very least. At this point, it is eating into our budget and we have to make adjustments when we are operating in a deficit. Jim said he realizes that our \$440 dues is not chicken feed; but in relative terms, it is not a large amount for our community. Keep in mind that we when we start running in a deficit, then that means we either have to cut expenses or we have to gain revenue. There are not a lot of places to cut expenses. Jim said we have to give some thought to a Reserve Fund for at least maintenance. We will discuss later; we will have a special meeting at some time throughout the year solely on the issue of a reserve fund, once we find out a little more about what we're doing. Right now we don't know; there are a lot of questions that need to be answered: degree of maintenance that needs to be performed, schedule of maintenance we want to follow, what is a good faith effort in order to establish a fund, what are the short and long term effects on homeowners and there are many more questions we don't even know yet. Jim said he hopes when we have these discussions, we will have the kind of turnout that we had a couple years ago because it will involve every homeowner. Jim said he wanted to assure everyone that the Board is committed to working with the county in any way possible. He has also starting looking into grants to apply for that might help. He thinks we are fortunate that we have two people in our community that might be able to help: Corey Stewart, who was recently elected as the County Supervisor and Paul Nichols, who was elected as a State delegate. He hopes we can get their assistance, balancing their official positions against their personal interests. Jim said, as the year progresses, we will continue to move in a positive direction and get more answers to do what is right for the community. Hopefully, at the point, we

can put this behind us and move forward. Jim said he enjoys serving the community of 53 homeowners and thanked everyone for their support and opened the floor for comments.

George Youravich asked if there was a report on the Reserve Study. Brian Evans said he would post it on the website. Jim encouraged everyone to go to our website: [omisolhoa.com](http://omisolhoa.com). There is a lot of information there: minutes of meetings, architectural guidelines, etc. Bernard Oliphant asked if there was a ballpark figure. Jim said that is in the Reserve Study, but at this point there are so many variables to consider before we accept their numbers. This is just one company's estimate. There are options as to how deep we would have to go in dredging, there are options in how far to stretch it out, there are options as far as getting other estimates. Jim said if we were to take three feet of siltation out of the lake, by the current estimate, it would cost approximately \$493,000. That comes out to be \$3446 per homeowner, per year, for three years. If we only took one foot out, it would be about \$1148 per home, per year, for three years. That is the reason Jim wants to work with the county. Jim Reeve said that Jim's comments said it would be up to the Board to determine, not up to the community, and when you are talking up to \$10,000 per home, he does not feel the Board has the authority to cause that to happen without the community's approval. Jim Hart said it would have to go back to the community for a vote. George asked what the difference was between one foot and three feet. Jim said it would be how deep they would dig down. Brian said it is two options the company that did the study gave us to restore the lake to its original depth. Jerry Delane asked why we had to restore it to its original depth. Brian said those are questions that need to be answered. Jim Reeve said the question should be "Do we have to" because he didn't think we had to. Jim said that remains to be seen and that's where the legality comes into play. He said, by law we have to set up a reserve fund. Jim Reeve said he takes exception because the law says we only have to have a reserve fund if we have capital improvements. He also asked who would have control over the reserve fund because he thinks the homeowners should have a say on the spending. Ed Shinn asked if we knew the reason the lake was filling in. Jim said no, the county's documents state that we have lost over half the lake. There are lakefront lots that no longer have lakefront lots. Ed said we have to stop it from coming in. Jessie said that he is not a proponent of the lake and has reservations about it, but he said the Board has worked very hard in trying to understand the ramifications and all the issues associated with the lake. Jessie said what Jim is saying is that the Board will bring the proposals back to the community saying this is what we recommend and the community will vote

on it. Jessie said he hopes the Board will have a balanced perspective showing both the pros and cons. Bill Boston spoke of the integrity of the Board and said while he was on the Board never considered spending money without the approval of the community. Bill also mentioned that while he was on the Board, there were discussions about the upstream communities contributing to the silting problem and the runoff coming into our watershed. Jim said he made that argument with the county. Lawrence said there will be a meeting with a gentleman from the county in charge of storm water management to discuss this issue. Bill mentioned that he has some maps showing the 100-year floodplain and there was no indication that there would be any damage downstream to life or structures. Bill said the situation will become a divisive issue in the community. Lawrence said we want to get all the facts and Jim said it would be impossible to deal with it without all the facts. Chuck Richardson commented that the Board is committed to the lake and thinks there should be a survey of the direction that the entire community wants to go. Chuck said he thinks the majority of the community doesn't want to spend a large amount of money for the lake. Chuck said he thinks the Board should determine the direction the majority of the homeowners want to go. Chuck said there are other options, even though there is a cost involved there but they need to be explored also. Jim said that is true and that is why we have to have a meeting devoted strictly to that issue. Jim said the work that has been done was not an option – it was mandated by the state. Jessie said we have an obligation to look at what it would cost to do something to the lake and we also have an obligation to look at what it would cost not to do something – we need a figure of what it would cost to repair the lake and this is what it would cost to let it go. George Youravich asked if we have lost the depth of the lake due to silt. Jim said yes, that it is his understanding that the lake used to be about 13 feet and now it is about 8 feet deep. Jim Reeve said he has never questioned the integrity of the Board, but he said he thinks the Board has proceeded forward without all the facts. He questioned the fact that the two years ago the Board moved forward to get approval to borrow \$125,000 without all the information. He said we weren't under the gun to repair the dam. He said the letter from the State that said we had six months to comply was erroneous. He said the regulations state we have the right to demand a hearing to state our case that we are a Class IV dam, without any loss of life or property downstream. A Class IV dam does not need to be certified. Jim Reeve said we just want information from the Board; we are only a community of 53 homeowners and everyone should be involved, especially now that it is a financial liability. Jim Reeve said we need to have a lake committee and he has volunteered in the past to help out and he has not been

called upon. Jessie said there are not a lot of people in the community willing to step forward and do a lot of work for the community. Jessie thought he sent an email to Jim Reeve concerning the lake committee and apologized if he didn't get the information. Jessie said if Jim Reeve has done all this work and shared it with the Board, we might have been able to make better decisions; the decisions made by the board were based in good faith that we had correct information. Jessie said if Jim Reeve was serious about helping out, to get together some estimates to help to Board. Bill Boston said we had to take action on the spillway because we could have been financially liable if something had happened. Deborah Hart asked if when we bought into the development, didn't we know about the lake and the problems. Jim said the documents said we were responsible for the lake and maintenance; these problems didn't just happen, though – they have been going on for years even before the association was formed. Deborah also said she thought it was important to tell homeowners what went on with the county. Jim said we went to the county in September and spoke with Mike May numerous times and told them he wanted some information to share with the homeowners at this meeting in January. At first, he said he talked to them about owning the lake because of some work the county did in Westridge. He said, however, that Westridge's lake was part of the storm water management system; ours is not. We asked the county to explore the possibility of taking over the lake or doing something to help out; the county never called back. All they did was send a cover letter back on top of a letter they sent in 1996. Jim said he was upset and made it known to them and went to the meeting with the county on Monday. Deborah asked if there was anything the homeowners could do, i.e., write letters to the county? Jim said everyone could write letters. Bill Milne said maybe it might be better to wait until we get a few more facts. Jim Reeve said when he worked with the developer, they wanted to use the lake as a storm water management facility, but the developer faced the same problem we have now. The county came back and said the only way they could use the lake as storm water management was if the dam were brought up to standards and that's why there are two storm water ponds on our common areas. The problem now would be the same with the county – they don't want to take over something that is sub-standard and it would have to be a public facility. It would mean there would have to be easements on all the lake properties and have a paved access to the lake. There are a lot of issues concerning the county. Lawrence said the water in the storm water facility behind his house goes to the lake and by default acts as a storm water management system. Lawrence said we want the county to take responsibility to help clean it up and then we can do the maintenance. He said we need to show them that

their water and silt is going into the lake; we should have a good case to have the county clean it out. Bill said water is coming from other communities. Lawrence said maybe we could get an expert to come in and say, in fact, watershed from other areas is coming into our lake. Jim Reeve said all our area was once part of Rollingwood Estates and the area has contributed to the silt. Lawrence said if the county brought the lake up to standards, he didn't feel anyone would have a problem with maintaining the lake if it were a minor expense. Bernard Oliphant said there needs to be an access area. Lawrence said there was a bridge built leading to the lake, but it needs to be cleaned out. Jim Hart said he said he thinks the county has a lot more leverage in that area than we do. Lawrence thinks our best bet is to try to prove our case to the county. Martina Milne said she feels the Board has done a lot of hard work and appreciates all the effort.

Jim announced the results of the election. Jim said he would welcome Jim Reeve's comments and utilize his expertise.

Motion was made to adjourn the meeting. Motion was seconded and approved. Meeting was adjourned at 9:10 pm.

Respectfully submitted,

Kay Richardson  
Secretary