

Minutes for Annual Meeting of the Omisol Estates
Homeowners' Association
Thurs, Jan 11, 2007

The annual Omisol Homeowners' Meeting was held at the church on the corner of Minnieville and Omisol Roads on Thurs, January 11, 2007. Mr Jim Hart, President, called the meeting to order at 7:40 pm. Jim said it was important to have these meetings with the homeowners to determine where we are going for the coming year. Jim welcomed the homeowners new to the community since last year. New homeowners attending the meeting were Lori Moore and Tim and Lisa Forrest. There were other new homeowners this past year; however, they were not in attendance. They are: Denar & Elena Antelo and Ana Escamilla.

Treasurer's Report. Lawrence Roth presented the Treasurer's Report. Lawrence said he has been treasurer since the association was formed, approx 10 or 11 years and said this will be his last year and would appreciate if someone else would step forward and he'll be glad to help. The association presently has on hand \$27,847.89 in checking account. We have a CD totaling \$24,346.74. The third CD we had was cashed in and added to checking account. Total cash on hand: \$52,194.63. Income and expenditures for 2006: Income received through dues, interest, disclosure packages, tower rental were \$27,957.91 Outflows equaled \$49,357.47. These figures were for common area maintenance, accounting fees, administrative, garbage, insurance, picnic, taxes, misc etc. Lawrence explained the common area maintenance fees were primarily for grass cutting. We also had to have the dam cleared: one was for \$3,000 and the other was \$2,000. This was not our choice – the state demanded that the dam be cleared of all growth. The "lake" expenditures of \$30,500 were for the deposit to Watershed Services for beginning the work on the spillway. The 2007 Proposed Budget shows a projected income of \$29,900: Dues at \$400 = \$21,200, interest = \$300, T-Mobile rental = \$8,400. Lawrence explained that we changed trash companies from Waste Management, who kept increasing our rates (so that we would cancel our contract), to Peak Disposal for a significant savings to the homeowners. We have also changed our legal representation. We pay a retainer fee each month to the new company. We currently have a \$1million policy and the lawyers said we need to have a minimum of \$10 million, covered at least by an umbrella policy. Lawrence has projected costs for common area maintenance of

\$3500: routine lawn mowing and one dam clearing. We will be paying \$1103 per month for the financed portion of the spillway repair, probably starting in May. The money we saved on trash service and the T-Mobile income takes care of the financed payment. Projected cash on hand for Dec 31, 2007 is \$20,387. Chuck Richardson commented that he thought that the person doing the mowing for the common area has not been doing a very good job – he does not cut it regularly and it gets very tall, then when he cuts it, he just leaves the grass clippings. Lawrence said Mike Bannister does the mowing, but he gets behind when he gets busy or the weather gets bad. Lawrence said if we want it cut more often or want the clippings picked up, we can have him do it, but it will cost more. Lawrence said he charges \$170 each time, possibly \$180 next year. Chuck thought maybe we could get a couple more options on what others would charge. Jessie made a motion that we explore getting other bids on the cutting the common area. Motion was seconded. Kelly Caudle said she knew of a lawn service that was reliable and could ask them what they would charge. Debra Hart asked if the men in the community could take turns cutting the grass. Jim said that would not work. Jessie said the reason a lot of homeowners have Mike and other lawn services is because we don't want to do the grass cutting ourselves. Kristy Graff asked if kids could do it; Jim said there are liability and equipment issues. Motion to look into options was approved and the board will take it up at the next meeting and pursue bids. Jane Dudley said she could provide some names of companies that deal with homeowners associations. Brian suggested we decide what length we need the grass to be and then they need to cut it at that point. Lawrence asked if there were any other questions on the Treasurers' Report. Debra Hart asked why the costs of clearing the dam area were different. Lawrence said it cost more the first time because the dam was so overgrown; it was \$3000 in February to clear the area and then in November we had to have the area cleared again so they could begin construction and we received two bids, both for \$2000. Debra Hart also asked why we had to pay taxes; Lawrence said because we received interest. A motion was made to accept the budget for 2007; motion was seconded and approved.

Jim introduced one of the guest speakers for the evening: Corey Stewart, resident and recently elected Chairman of the PWC Board of Supervisors. Corey thanked everyone who supported him during the recent special election in November. He urged everyone to go vote in the next special election for his previous position, the Occoquan District Supervisor, on Jan 30. A couple things the county is doing which affect our community is the widening of Minnieville from Caton Hill Road to Old Bridge Road. Mt

Olive Baptist Church is going to build a church across Omisol on Minnieville. This will cause some problems; unfortunately the development will clear all the trees on that side of the road. But the good part is that when Ruth Griggs first talked to everyone about the road widening, she made sure there was a median break so we could get out onto Minnieville to turn left, and a short turning lane. There will be a signal at Colby. Corey said Sturbridge is scheduled for a full turning lane, yet they have access to the signal at Colby. It would be better to give Omisol full access, and because of the church coming in, he wants to try to get the full turn lane moved to Omisol instead of Sturbridge. Corey thanked Jim for his help in talking with the contractors when the construction first began; you could not see as you came out of Omisol. Because of Jim's efforts, they began to carve out part of the hill so there is better visibility. Corey would like to ask VDOT to temporarily lower the speed limit during the construction period. Corey said the county worked on the drainage area on Merganser, built check dams and repaved certain portions of the roads. The full scale repaving is on schedule for 2008. Jim said the drainage area in the ditch on Bufflehead still is not right; there is still standing water in the area around Brian's house. Corey said he would look at it.

Corey also addressed the county tax situation. Because of the housing situation, assessments have declined. There has been a question in the county about what to do. They could increase the tax rate to offset the decrease in assessments so the tax bill remains the same. They could increase the tax rate even more to keep up with inflation. Or increase even more to approx 6% increase in tax bill. Or leave the tax rate even, so that when assessments decrease, you get a tax cut. Corey said the majority of the Board felt when assessments are increasing, you can kind of expect a tax increase. But when values go down, you might expect a tax relief. They wanted to keep tax rate even which will result in a tax decrease.

Corey said the Caton Ridge project was approved, despite his opposition. The American Legion wanted to sell their property and buy another parcel of land. Corey said the developer, Centex, decided they could not build enough homes to make it profitable. Another developer had asked the county to be able to build and to change the plan to allow residential development. With the housing market the way it is, the developer has pulled the plug. The American Legion, obviously, is not happy, but Corey said he doesn't see anything happening for a few years at least. The argument about trying to keep the area because of the ball field was not a good argument since the field is sub-standard. Debra Hart had a few questions for Corey. She asked

if it was because of his position and where he lives that the roads being paved. Corey said no, it was on the schedule to be repaired. She also asked if he could use his resources to get the lake fixed. Corey said no, the county is in a very bad fiscal crisis right now, but anything that the county can do, he will make sure it's done. Debra also asked if he could do anything in his official capacity to eliminate the house on the corner by the church. Corey said no. Question was asked if something could be done on cutting the grass next to Minnieville. Corey said that would go away once the road is done. Corey said he is working on getting decorative lighting along Minnieville. Jessie asked if we could hold questions on the road until Mr Harris spoke.

Mr Rene Harris, the project manager for the widening of Minnieville, addressed the questions from the community. Mr Harris said in a project this size, you always have incidents that occur during the construction. The road will have to be shifted three times. Right now we are in the second phase where the road has been shifted toward our community while they work on the other side. Once that is completed, the lanes will be shifted to the other side. Completion schedule is 2008. The next shift should be the end of this year. The power poles won't be moved until spring because of delays with the utility companies. New poles have to be set, and then the all the utilities have to come in. Kelly Caudle asked if we could have a little more room at the bottom of Omisol. Mr Harris said the contractors have to dig the hill by hand and they have started to cut it back more – there should be more visibility to the left. They are not doing anything to the right so there is very little he can do. Because VDOT requires the left turn lanes into the subdivisions, there is not as much room to work with. Chuck Richardson asked if the hill to the right could be cut down a little farther down from the pole to get a better line of sight. Mr Harris said he would shoot some elevations and see what it looks like. Kelly said there are potholes at the end of Omisol and is concerned if we have ice, the hill will be slippery. Mr Harris said he would check and see what they could do about it. Brian asked about the water was suppose to be cut off because of the roadwork and if it was done. Some were affected, but some were not. Corey said they were doing a great job in a difficult situation. Obie Baker asked if we would have a median break. Mr Harris said yes. Obie asked if anything could be done about the hill so that if the weather is bad, we don't slide into traffic. Mr Harris said he would look into the matter. Lawrence said by the end of the year, we should see a significant improvement.

Architectural Committee Report. Jim asked Brian to present the Architectural Committee report. Brian said it had been a fairly uneventful

year. There were only about a half dozen requests. Brian said he did not have them on hand at present, but included screened in porch, shed, fireplace, and a few others. Brian said the minutes are posted on the website. Brian said he would get the picnic pictures and the newsletter posted on the website. Jim said it was important for everyone to try to look at the website frequently. We are posting a lot of information about what is going on on the website and it may answer a lot of questions. The board meeting minutes are posted.

Picnic Committee. Kay Richardson thanked everyone for attending last year's picnic and encouraged everyone to attend again this year. The date will be Sat, June 23. We will have the same DJ as we had last year and he has agreed to play for four hours this year. Kay thanked the other committee members: Joan Youravich, Toni McCombs, Karren Shinn, and Martina Milne. Jerry Delane asked if it would be in the court again. Kay said she thought that worked out well. Jim encouraged everyone to attend and to participate in one of the committees.

Old Business.

Jim said the one issue of old business is the common area, specifically the dam/spillway. We have made a lot of progress during the last year. It has been a slow, frustrating process and the board realizes this. We finally negotiated a contract with Watershed Services. We ran into a problem with the first engineer that we hired; he got sick and we had to cancel his contract. That delayed us two or three months. Watershed Services has not moved as fast as we had hoped. But all the voids have now been filled. That will prevent any water from getting in there and freezing, expanding and breaking up more. Watershed Services will come back in the spring, hopefully in March, and break it all up and lay it down as a foundation to realign the spillway to prevent any erosion on the right side behind Jack Salata's house. We are working with the Lake Ridge Park & Recreation Authority to use the land adjacent to our property as an access for the construction. We are hopeful that we can leave that area there to provide an access area for the lake. Jim said he realizes that has always been a point of contention and is hopeful that will be a way around the problem. Maintenance of the common area is something we all agreed to when we moved in. The lake is our property and we have to deal with it. The decision was not reached in a cavalier way – we considered everyone's thoughts, the budget and believe we have moved in a prudent way. Jim feels the board has done a good job. No questions were asked.

New Business.

Community Services Committee. Jim said last summer he tried to pool community needs and contact vendors of different services to negotiate a better price. Jim said there are many services we use, i.e., gutter cleaning, lawn service, tree service, etc, that we could save homeowners quite a bit of money. This effort takes some time and Jim would like to start up a committee to handle this. He would like volunteers from the community to step forward and offer to participate. If anyone has a little time and would like to help out, contact Jim.

State of Association. Jim said we are in good shape and everyone should be proud. The Board of Directors has moved forward in a responsible manner in making decisions. This year we hired new legal counsel because the previous firm charged high rates. The firm we hired does nothing but homeowner associations and the board believes we got a better deal by paying their retainer fees. The Board felt, because of the problems with the dam, that we would be encountering many legal questions and we wanted to have access to an attorney. One of the things they provided was to come in and talk to the Board. They went through all the legal ramifications and the obligations that the Board has. It was very sobering. For the most part, the Board has complied with the law. There were a couple areas, however, that the Board was out of compliance with and the Board is determined to make sure we comply in the future. One thing that we need to do is better communicate with the members of the community. We have a legal obligation to let the association know when we meet. In the past, we did not do that – not that we didn't want anyone to know, but we didn't know we had to do it. The meetings will now be posted on the website, which will constitute notifying the members. If we have an emergency meeting for some reason, it will be posted as soon as we know. We have had several emergency meetings, primarily because of the dam, where we communicated via email or phone.

Another situation was brought to the Board's attention – in fact Jane Dudley mentioned it at the homeowners meeting a year ago. Our attorney was very clear to us about a provision of the Virginia Code called Reserves for Capital Components. The Board of Directors must conduct at least once every five years a study to determine the necessity and the amount of reserves to repair or replace or restore the capital components. The results must be reviewed annually to determine if reserves are sufficient and make

adjustments the Board of Directors deems necessary to maintain reserves as appropriate. The code states the association budget shall include the estimated cost of the current estimated replacement cost, estimated remaining life and useful life of the capital components. We have been negligent in having this study conducted. Ignorance of the law is no excuse, however, the Board was not aware of this provision. Our previous counsel did not advise us of such. This board is pledged to seek estimates from vendors who do these types of studies and move forward to have a study done. Jim said this is extremely significant, if we have to put aside reserve cash to maintain the lake. Gordon Middleton asked if the current engineers have given us an estimate on the current life of the dam. Jim said 50 years. Gordon said then we have to think about setting aside 1/50th the cost of maintaining the dam/lake each year. Jane Dudley said she is familiar with reserve studies and the typical cost is \$3,000-\$5,000, but our area is unique. We will have to find someone that is familiar with this type of problem. Jane also said the Washington Area Chapter Community Assoc Institute is a great resource and they have an Expo in February each year. There are a lot of vendors there, as well as seminars. She recommended someone attend. Lawrence said there will be a dues increase in 2008 to start contributing toward the reserve fund. Lawrence said we pay \$400 a year in dues and about 38% goes to trash. Lawrence said next year we may have to ask the homeowners to approve an additional increase, in addition to the 10%. Kathy Holley mentioned that she does not understand why trash is included in our dues for all these years and she felt the Board should have been increasing the dues 10% each year. Kathy also said we should have had an increase this year. Lawrence said we talked about raising the dues but in effect we did get an increase because we lowered the trash fees. Lawrence said when we first started the association, we determined we would get a better deal on the price of trash removal as a community and we added that fee to the price of the dues. Jim said next year the dues will go up to cover the Reserve Study and it may include the beginning of the fund. Jim said the board is only allowed to raise dues by 10% and the community voted to raise the dues last year by \$100. Jessie said when we were discussing the increase this year, we weren't aware of some of the things that have come up since that time. T-Mobile took a lot of the pressure off us because we have the \$700 a month to help with the price of the dam repairs. Debra asked why we didn't have motion to increase our dues 10 percent. Lawrence questioned whether we could legally raise the dues since the Board has already decided not to raise the dues. Kathy said the dues increase would help build up the treasury in light of future of expenses. Gordon Middleton questioned whether we could raise the dues at this meeting or if it had to be

voted on by the entire community. Jim asked if we still had a quorum since several people had left. Ron LaFond suggested that we have money left in the treasury that we haven't spent. Jessie also thought there is no need for a bunch of money to sit idle; we should have a reserve however. Brian said we should table the motion on the floor since we did not have a quorum at that point. Lawrence said we need to research in our documents whether the Board should be allowed to increase the dues now after we've already voted on it; it's in the minutes and the community has been notified. Jim said we would look into it. Gordon asked if we could have a non-binding vote, but withdrew the idea.

Election. The last order of business was the election. Three positions are open: the secretary, treasurer, and one board member (Jim's position). Kay is running again for re-election to the secretary position; Lawrence is running again for re-election to the treasurer's position, and Jim is running again for re-election to the board. Jim asked if there were any other nominations from the floor and there were none. Jim made a motion, since there were no other nominations, to accept the slate as proposed. Motion was seconded. The vote was approved.

Jim assured the homeowners that the Board will continue to work diligently to act in the best interests of the community and will keep everyone apprised. Jim reminded everyone to continue to check the website for new information. Jessie said that we need to have someone step forward to take responsibility since Lawrence has given notice that he is stepping down next year. Otherwise we may have to pay for it. Motion was made to adjourn. Motion seconded. Meeting was adjourned at 9:35pm.

Respectfully submitted,

Kay Richardson
Secretary