

Agenda – Annual Timbrshor Homeowners Association Meeting
June 28, 2008 – 1:00 p.m.
“The Lodge”

Call to Order, Presentation of Proxies

Introduction and Background: WATER/SEWER DISTRICT: Burke

WATER/SEWER DISTRICT Information, Anita Miller (from Seaver’s Creek Water District)

Treasurer’s Report and 2008-2009 Budget: Tom Cox for Tom Roy

Report on Revised Subdivision Plan: Burke

Progress to Date:

- Undeveloped lot placement
- Special assessment
- By-laws revision
- WATER/SEWER DISTRICT Proposal: Burke
- Grounds Committee Report: Blake
- Dock Committee Report: Bill Borchers
- Election of Board Members
 - Treasurer
 - Nominated by Board: Tom Roy

Further Business/Additional Agenda Items

Minutes - Annual Timbrshor Homeowners Association Meeting
June 28, 2008 – 1:00 p.m.
“The Lodge”

Members Present: Amy Acher, Bill Borchers, Margaret Caraway, Tom and Caryl Cox, Jerry Fetz, Evie Fordahl, Stephanie Isbell, Blake Johnson, Phil and Karen Korell, Fred and Anne Long, Lane and Aleta Mead, Jim Payson, Lorin and Audrey Peterson, Doug and Ruth Rotondi, Carl and Beverly Rountree, Mike Sand, Jock Schwank, Beverly Stam, Carolyn Swindlehurst, Burke and Karen Townsend, Larry and Kathleen Walters

Presentation by Anita Miller on Seaver’s Creek Water District: Burke asked that Anita be allowed to precede presentation of proxies. He introduced her and said this presentation was to be informational only, and questions should be related to her experience with water districts, not questions about our particular situation. Anita spoke both about the Seaver’s Creek water district and the Wood’s Bay water district. They created the water districts because of poorly working water systems. Anita became manager of the Seaver’s Creek Water/Sewer District in May of ’08. They became a Water/Sewer District in order to qualify for grants from DNRC and the Treasure State Endowment Program. Grant eligibility depends partly on median income of residents of Water/Sewer District, not so much for low interest loans (3.75%). These sources of funds make infrastructure development affordable. Also, even though we are called the Seaver’s Creek Lake County Water/Sewer District, the County doesn’t know we exist unless we use them to assess our membership. The Montana Code Annotated governs the formation of Water/Sewer Districts. Because Sheaver’s Creek was under a fluoride watch, they were able to receive \$1,000,000 in emergency grant money. Wood’s Bay is receiving 45% of their funds from grants, 55% from low interest loans.

Question: How many people are in your Water/Sewer District? Answer: 125 people in Sheaver’s Creek Water/Sewer District, and our water is metered.

Question: what is your capital budget? Answer: about 3.5 million – member’s portion of that is \$20/month. If the County does a special assessment, it amounts to \$157/year.

Question: What was the time frame for setting up your Water/Sewer District. Answer: 8 years, but we ran into many complications having to do with neighbor’s easements.

Burke pointed out that because we are a homeowner’s association, and the property is common, we won’t have to have individual easements, but rather the homeowner’s association will grant a single easement. Also, we will have sub-systems, not one overall governing system.

Question: who determines minimum requirements? Answer: the County Sanitation Department guides you through the process.

Presentation of Proxies: There was the question of whether emailed proxies would suffice. Since the by-laws say proxies must be in writing, it was determined that emailed proxies meet that requirement.

Frankie Selvig assigned her proxy to Jim Payson

Tom and Sue Roy assigned their proxy to Tom and Caryl Cox

Nancy Lewis/Tom and Ann Brook assigned their proxy to Tom and Caryl Cox

The McCarthys assigned their proxy to Blake Johnson

Nichole Borchers Michione assigned her proxy to Marlies Borchers.
Jeanne Johnson assigned her proxy to Beth and Doug Korinek

Budget: Tom Cox presented the budget for Tom Roy. A motion was made and seconded to accept the budget as presented. The motion passed unanimously.

Report on Revised Subdivision Plan: Burke summarized what has occurred to date – that when the subdivision plan was first accepted by the County, the County had five years to oversee the project and make sure it was being conducted according to plan. The County did not do this, and so the Board authorized funds to seek a legal opinion to determine who is legally responsible for paying for the County's requirement of us: the survey and the septic plan. The legal opinion from Colleen Dowdall concluded that Alice probably has no legal obligation, and that the County *might* have some legal culpability. The Board sent Alice a letter requesting funds to help pay for our obligations to the County, stating that it is a moral issue, if not a legal issue, since the association is in this dilemma because the developer did not follow the plan, and as a result the Association is out of compliance with the County. In response, Alice sent us a check for \$15,000, which covered the cost of the survey. We still have to determine how to pay for the cost of the septic plan. The County is willing to help us only in so far as *perhaps* waiving filing fees.

Progress to Date:

Undeveloped Lot Placement: Those with undeveloped lots, if you haven't provided input yet regarding the placement of your lot, please do so soon so that we can finalize the survey and place pins in those undeveloped sites.

Special Assessment, By-Laws Revision, and Water/Sewer District: How are we going to pay for the septic plan? We may need to levy a special assessment to pay for the plan. Burke talked about a Water/Sewer District and grants as a possible way to pay for the septic plan and/or infrastructure. Becoming a Water/Sewer District will also help us put user agreements in place. We will not all be on the same system, but rather sub-systems much like the way it is structured now. Also, the State Dept. of Natural Resources *may* provide a retro-active planning grant if we initiate a special assessment to pay for the septic plan now. There will not be money available until March 15th of next year.

The Board authorized Shawn Rowlands of Rowland Environmental Consulting to create the septic plan, and his charge will be approximately \$15,000. This translates to a special assessment of \$300 per 2% share.

Amy Acher asked what the septic plan is. Burke said the plan will determine exactly what exists now, where all the septic lines, tanks, and drainfields are, who is connected to those systems, how old and what the capacity and condition is of each system. Based on this information, he will create a plan, with the consultation of the membership, that will determine how each unit will tie into a new or different system when their own systems fail. We will get bids on new infrastructure (i.e. creating a new drainfield in the boatyard).

Blake said that he worked with Shawn re: his own drainfield, and that replacing that drainfield, which the Johnsons and Mannings share, will cost \$30,000, or about \$15,000/household. Theirs may be more complicated than systems hooking up to a new drainfield in the boatyard, but this should give us a general idea of how much a new septic system in the boatyard is likely to cost each homeowner who ties into it.

Mike Sand is concerned that the H.O. Association is stepping into the role of developer, that the Corporation has not fulfilled its role as developer, and we are dealing with the repercussions of that. The developer needs to make it right. Once we assess, we have lost our legal lever over the developer. It is the developer's moral, if not legal obligation. Mike also disagrees with Colleen Dowdall's legal opinion, and says this is a slippery slope for the Association.

Bill Borchers commented that the County has changed the rules, and that is one reason we're in this position.

There was general discussion about Alice's role as developer and whether she or the Association can still be considered the developer. It is not clear, and it is a legal question.

Lorin Peterson asked what happens if we don't do anything? The County has the power and authority to "shut us down".

Larry Walters said we are all responsible for our own systems, not other people's systems. Burke replied that as a Water/Sewer District we can have sub-systems.

Aleta Mead asked if under the building moratorium people can sell their property. Probably property can be sold, but seller must divulge information about the current state of the H.O. Association regarding the building moratorium imposed by the County.

Marlies asked if the septic plan will include hook-ups for undeveloped lots. Yes.

How do we become a Water/Sewer District? Ten percent of the registered voters of the proposed district have to sign a petition saying we want to become a Water/Sewer District. Then ballots are sent out to everyone in the proposed district. At least 40% of the residents have to respond to the ballot. If 51% of the respondents vote in favor of the district, then the initiative passes.

Jim Payson made a motion for the Board of Directors to initiate the paperwork for becoming a water district. This does not obligate us to anything, but gets the process going as we continue our fact finding about Water/Sewer Districts. Bev Stam seconded the motion.

Mike Sand is concerned about getting the government involved in our business. He said Water/Sewer Districts are really designed for large communities – e.g. the City of Chicago. The Water/Sewer District is basically a taxing mechanism. He asked to amend the motion to request that the Board send a letter to Alice asking that Borchers, Inc. reimburse the Timbrshor Homeowners Association for the money to pay for the septic plan. Jim pointed out that if we get a retro-active grant, we will be paid back.

Caryl pointed out that we have not really conducted a cost/benefit analysis, and we need to do this before we vote to become a Water/Sewer District. Even so, the motion on the table is just to get the paperwork started so that we will be in place to move forward if we conclude this is the right thing for us to do., and also to send Alice a letter requesting reimbursement.

Vote: 14 in favor, 6 in opposition. The motion passed.

Burke said an expert on creating Water/Sewer Districts will be on site on August 1st to talk to us about setting one up, its advantages and disadvantages. Everyone is welcome to attend that meeting, and we will email you a reminder.

Grounds Committee Report: Blake summarized the work done by the Grounds Committee. A lot of tree work has been done - a lot of thinning and trimming of mistletoe. We received a grant from the County that paid for about 75% of the cost of thinning. Jim is working with Sam to make sure the grounds are clean, and we've sprayed for weeds. Once the survey is completed, we can start thinking about where additional roads might go.

Also, Blake has been looking at night sky compliant outdoor lights, getting prices. He hopes to install them in his parking lot and use as a possible standard for the rest of the Association property.

Fred Long informed the group that some of the steps leading up to Maggie Tillinghast's house are rotten, and that the area should be roped off immediately.

Jim Payson said that we have a burn permit until June 30th, and then he will close up the burn pit until the fall.

Dock Committee Report: Bill said there is about \$24,000 in the dock fund. There have been several proposals for how to add additional slips - one proposal puts more slips by the boat dock, one proposal places more slips on the eastern edge of the property, and one plan reconfigures the existing marina (is this construction or repair?). The latter probably will only net us one or two more slips, and will be expensive. The first plan is least expensive, but many members have expressed they don't want the swim area compromised. The option for placing slips on the eastern edge of the property is more expensive per slip (about \$52,000 for 6 slips which works about to about \$13,700 per slip including a \$5,000 lift) than the option of placing more slips between the floating docks and the swim dock (\$14,400 for three slips, plus the lift, so the cost per slip would be a bit less than \$10,000). Bill feels we could have a larger swim area by covering over the day slips, and that we could install two new slips by the floating dock - and the dock fund could pay for that. Putting in two slips can solve a lot of problems.

There are two ways to pay for the slips: individual members can subscribe, or if we do smaller projects, dock funds can pay for this work. Also, we just need more cooperation among members. People should be able to sublet from one another. Even though some people have two slips, we can't just take those slips away if members are in good standing.

Kathleen Walters said we need to evaluate what we need. Floating docks for the sailboats were supposed to relieve some of the pressure on the marina.

Marlies spoke for Nichole in saying the swim area needs to be preserved. Beth Korinek also said they are opposed to placing more boat slips by the swim area. Marlies said we have the boat launch area - can't we just launch boats when they are used, rather than keeping them in the water? Fred said no, there is no one to launch and haul the boats on a daily basis. Fred also said that when he subscribed to a slip in the early 80's, it cost about \$1800. Adjusting for inflation, the current cost of about \$7000 per slip is probably about the same today.

Tom Cox said if anyone has an empty slip, to please let boat dock committee know, and the slip can be sub-let.

Burke said there are a myriad of issues we have to deal with regarding the boat slips, and we will set up a web and blog site so members can stay informed and provide input.

Election of Treasurer: Tom Roy was elected for another 3 year term as Treasurer.

Further Business/Additional Agenda Items: Kathleen Walters is concerned, having been in the real estate business for a long time, that the Board can do anything they want to – there is nothing to stop Board members from moving forward and spending money – there is no check on their power to do so. She would like to see a spending cap.

Burke said this is a by-law issue, that it would require a change in the by-laws.

Kathleen said that any expense not budgeted as a line item should be limited to \$1500.

Tom Cox reminded the membership that there will be legal fees associated with creating user agreements for the Water/Sewer District, also for looking over the new by-laws.

Adjourn: 3:30

Timbrshor Homeowners Association Budget 2007-2008

Item	Budgeted (07/08)	Expended (07/08)	Balance (07/08)
Administration	750.00	(3,474.35)	(2,724.35)
<i>Survey(A. Borchers)</i>	15,000.00	(15,525.00)	(525.00)
Area lighting	250.00	(178.79)	71.21
Fire prevention	2,500.00	(3,171.00)	(671.00)
<i>Grant(Lake County)</i>	5,250.00	(5,250.00)	-
Garbage	1,700.00	(1,496.44)	203.56
Insurance	3,000.00	(2,247.00)	753.00
Maintenance	10,000.00	(6,446.51)	3,553.49
Roads	1,750.00	(225.00)	1,525.00
Security	1,925.00	(1,925.00)	-
Taxes	50.00	(15.00)	35.00
Reserve	2,500.00	-	2,500.00
			-
Grand Total	44,675.00	(39,954.09)	4,720.91
Checking acct bal	34,226.21		
Less laundry acct	432.06		
Less dock acct	24,188.92		
Net checking	9,605.23		

Additional income is shown in *italics*.

Timbrshor Homeowners Association 2008-2009 Proposed Budget

Item	Budgeted 08/09	Expended	Balance
Administration	750.00		750.00
Area lighting	250.00		250.00
Fire prevention	2,500.00		2,500.00
Garbage	1,700.00		1,700.00
Insurance	3,000.00		3,000.00
Maintenance	7,500.00		7,500.00
Roads	1,750.00		1,750.00
Security	1,925.00		1,925.00
Taxes	50.00		50.00
Reserve	2,500.00		2,500.00
Replace stairs	6,000.00		6,000.00
Grand Total Exp	27,925.00		27,925.00
Income-Dues	24,500.00		
Check acct bal 6/08	34,226.21		
Less laundry acct	432.06		
Less dock acct	24,188.92		
Net checking 6/08	9,605.23		

The difference between Grand Total Exp and Income will be made up from Net Checking (reserve)