

**Seven Lakes West Landowners Association  
Board of Directors Work Session  
Tuesday February 10, 2009  
West Side Park Community Center**

**Call to order:**

The president called the meeting to order at 8:01 a.m.

Directors present: Ed Tuton, Karen Milligan, Ray MacKay, Mary Anne Fewkes, Ron Shepard, and Ed Silberhorn. Directors absent: Kathy Kirst, Mick Herdrich, and Blaine Rowland. A quorum was established.

Also present: Joan Frost, community manager.

**Secretary's report:**

The secretary distributed copies of correspondence and committee reports to the directors.

**President's updates:**

The president recognized candidates for open board positions attending the meeting: John Hoffmann, Jim Johnson, and Adam Wimberly.

The president sent a letter to representative Coble requesting that the NCDOT project go forward.

The president will attend a meeting in Robbins regarding possible use of their water system to supplement the supply to our area. Also represented will be the president of the SLLA, the mayor of Pinehurst, and other interested parties.

The letter from the association requesting information from the postal service regarding its initial decision regarding mail delivery in the community, under the Freedom of Information Act, has not yet been answered.

The Human Resources Committee will continue to exist; despite the fact the association has no employees. Its new mission will be to establish benchmarks for the evaluation of CAS during the transition.

**Treasurers report:**

After questions by the directors, the check detail for the preceding period was approved without objection.

**Director's reports:**

**Infrastructure:**

Director MacKay stated that road crack sealing has been delayed due to inclement weather.

## **Directors reports (continued):**

### **Lake and dam:**

The North Carolina Dept. of Natural Resources has approved the plan for dam remediation submitted by the association. An emergency action plan is required, and the plan has been in existence for some time.

The bidding process will now be initiated. The legal director iterated that the dam engineer has not submitted a request for proposal and contract conditions, to assure that all contractors obtain consistent information preparatory to initiation of the bidding process. He said it is imperative that the board approve the proposed RPF along with contract terms and conditions before it is issued to prospective bidders.

### **Security:**

In response to a director's question regarding the community's "house check" program, community manager Frost indicated that the map of SLWLA has been divided into areas for observation. Written procedures for "house checks" are being initiated to assure adequate coverage when residents complete the appropriate form at the association office. Entry bar code information has been reviewed and updated to assure that egress is confined to authorized residents.

### **Recreation:**

The president praised the recreation director for the recent well received wine tasting event. Karen Milligan thanked the numerous volunteers who made it possible. Upcoming events will include an Easter egg hunt, a craft event pointed toward creation of useful packages for troops stationed overseas, a formal dance, and a music program for children. Details are available on the website, and announcements posted in the mail house.

### **Architectural review:**

The report submitted stands.

### **Legal:**

Discussion of oversight of the contract with CAS was deferred to executive session, and motions arising there from will be acted upon in open session.

Association oversight of septic system inspections will be formalized. The septic management committee will present proposed changes to the board for review this coming spring.

Community archives, under the direction of Bob Fewkes, are being digitally recorded via an electronic scanning process. The board asked CAS to begin scanning all important documents as of May 1<sup>st</sup>, and the community manager agreed to undertake the responsibility going forward. The archives committee will scan all important documents from 2,000 through April 30, 2009.

## **Directors reports (continued)**

### **Legal (continued):**

The Terrill lawsuit has been settled at a cost to the association of \$30,000.

Directors and Officers insurance coverage, required in association bylaws, was not renewed by the previous carrier. Coverage has been obtained from another carrier with the cost quadrupled. The former carrier refused to renew based on issues it had with the way the 2005/2006 board handled its affairs (concerning the Terrill lawsuit and other matters). The board does not necessarily agree with the old carriers assessment, but had to listen and react in order to obtain new coverage. Silberhorn explained this is the reason the board has been so conservative in dealing with CERT and organized athletic activities at WSPCC.

The president commented that that open sessions have been hampered by the possibility of not having directors insurance.

Ed Silberhorn thanked Terry Shaffer and the insurance committee for their efforts on behalf of the community in obtaining the new D & O policy.

### **Old business:**

#### **ARC standards:**

Ray MacKay made, and Karen Milligan seconded a motion to approve updated ARC Standards of Construction 2.2 as submitted by the ARC chairman. The motion passed by a vote of 6-0.

This was the final approval by the board, and the developer has signed the document as well.

#### **SLWLA/SLLA letter of understanding:**

SLLA president Randy Zielsdorf suggested deferral of the agreement because new officers and directors of both associations will be selected shortly. The new letter will be drafted for review by the respective boards in April, 2009.

Zielsdorf noted there were some "shortcomings" in techniques used in a recent survey of SLLA members, which the SLWLA may choose to avoid.

At 8:45 a.m. director Rowland arrived, having been delayed by his rendering assistance after an accident at Lakeway and Longleaf Drives.

#### **Lakeway gardens project review:**

Director MacKay distributed for review three volumes outlining plans for the vegetation of the area along the Lakeway Drive entrance to the community. The planting is proceeding in stages, and some \$42,000 has been expended to date. The budget for the coming fiscal year is \$20,000. Various alternatives were discussed by the directors.

Betty Milligan, of the beautification committee, noted that ongoing maintenance could cost \$35,000 to \$40,000 per annum upon completion of the project.

### **Old business (continued):**

**Swimming pool passes:**

Upon the recommendation of the recreation director Karen Milligan, Ron Shepard moved that all association members be provided a packet of two seven day passes for use by guests at the community swimming pool. Additional passes may be purchased at a cost of \$5.00 per day. Ed Silberhorn seconded, and the motion passed by a vote of 7-0.

**New business:****Nominating committee:**

After discussion, the composition of the committee will be decided at the next work session. Anyone interested in serving on the committee is encouraged to contact any board member so they will be considered.

**Special meeting for election of officers:**

The legal director suggested a one hour meeting be held shortly after the board election, scheduled for March 15, 2009, for the election of officers and reassignments of directorial positions. The organization meeting, scheduled for March 20, 2009, can then be devoted entirely to the orientation of newly elected directors to their positions. It was emphasized that it is the duty of retiring directors is to inform and advise newly elected directors of their duties and responsibilities, as well as the status of ongoing projects.

**Honoring retiring members:**

Ed Silberhorn made, and Blaine Rowland seconded a motion to expend up to \$250 for the purchase and installation of a tree, or other flora to be selected by the beautification committee, as a tribute to the excellent work of retiring board members Fewkes, MacKay, and Rowland. The motion passed 7-0.

**Annexation topics:**

The legal director noted that the possible annexation of certain properties into the association will be discussed in executive session. He noted that in the interest of transparency, all decisions made would be made public in open session after the meeting exits executive session.

**Scheduling meeting rooms at WSPCC:**

Karen Milligan noted that some meetings scheduled on a recurring basis had encountered the "double booking" of rooms. The community manager will place a notice on the website requesting that all organizations using meeting rooms on a permanent schedule reaffirm the arrangements with Joan Frost.

**Recess:**

The meeting recessed from 10:50 to 11:14 a.m.

**Member comments:**

Lois Rocco commented on the “dramatic” increase in swimming pool fees, and requested a breakdown of usage as well as an analysis of the cost factors of the facility. Karen Milligan indicated that such a cost analysis should be provided by the treasurer.

John Oravetz inquired as to the rationale surrounding the “15% to 16%” increase in Johnson Point dockage fees. In the absence of the lake and dam director, the president will refer the inquiry to the treasurer for reply.

Betty Milligan, noting that some \$28,000 in past due membership fees have been collected, asked whether interest was being charged on the balances. The community manager noted that late fees were being charged this year, but not for prior years. Lien procedures have been initiated on properties for which fees have not been collected.

Gus Danielson asked if there are any records regarding postal delivery to the community in the archives, especially around December, 1988 when the mail house was opened. The Association has requested information from the USPS, as noted in the presidents opening comments. Association efforts to digitalize its records are going back to year 2000. Records prior to that time are not readily accessible.

Jamie Eilert noted that in light of financial difficulties facing the USPS, the association should abandon its efforts to obtain curbside mail delivery.

Bud Sales reported that the long range planning committee is developing a comprehensive plan for a redesign of Lakeway Drive. He asked that any plan to approach the owner of property at the foot of the drive regarding tree trimming be deferred until the committee has made its presentation to the board and community.

Betty Milligan noted that the beautification committee has received no communication from long range planning regarding a Lakeway Drive comprehensive plan. The president asked that Long range planning initiate a coordinated effort.

John Hoffman requested clarification of the \$100 amount of dues designated for the community center. It was explained that this is a legal obligation arising from the original financing of the facility.

**Executive session:**

Without objection, the meeting entered executive session at 10:47 a.m.

At 12:03 p.m. the president was called from the meeting, which was then presided by the vice president. A quorum of six directors remained.

At 12:30 p.m. the meeting exited executive session.

**Motions arising from items discussed in executive session:**

The motion below was initiated in order to delineate responsibilities of certain board members under the contract with CAS. The numeric/alphabetic headings are a cross reference to specific sections of the contract.

Section 3.h. (Reimbursement of the community manager for “non-routine” expenses)

In the absence of the president, the treasurer shall be designated to act under this section.

Section 4.j. (Handling of property owner requests and complaints)

The board member responsible for the function within which the request or complaint resides shall be the “designee” as cited in this section. The legal affairs director shall also be contacted as appropriate. The community manager shall follow the procedures in the rules and regulations concerning the handling of complaints before contacting the community advocate regarding violations.

Section 5.r. (Refers to performance of “extra” services by manager)

In the absence of the president, the vice president shall be delegated the authority to approve such requests.

Section 3.f. (Entering into contracts on behalf of the association)

The board delegates to the legal director the responsibility to handle all insurance claims.

Section 4. (Compensation of CAS)

CAS will work with the treasurer, starting September 15<sup>th</sup> of each year, to create CAS’ proposal for submission to the board no later than December 15<sup>th</sup> of the compensation CAS is requesting for the following year. The treasurer will bring CAS’ proposal to the board no later than December 15<sup>th</sup> to be included in the budgetary considerations for the ensuing fiscal year.

Ed Silberhorn moved that the above listed clarifications be accepted. Karen Milligan seconded, and the motion passed 6-0.

Blaine Rowland made, and Ray MacKay seconded a motion to annex the “Parkwood” development into the association, subject to approval of fencing at the site by the ARC chair, inspection and approval of the street by the infrastructure chair, and special treatment of lots numbered 5715, 5716, and 5718 due to their current usage as septic fields. Those lots will not have an easement of enjoyment to our amenities unless and until they have been approved for and been built upon. Finally, the ownership of the road needs to be determined and approved to the reasonable satisfaction of the board. The annexation is also subject to the developer signing an Annexation Agreement acceptable to the SLWLA board.

The motion passed 6-0.

Blaine Rowland moved that the plan changes in the previously approved “Stonegate” development be tentatively approved, subject to submission of a detailed subdivision map exhibiting the minimum 15 foot distance between dwellings previously approved and otherwise meeting the reasonable satisfaction of the board at that time as the current drawing is just conceptual. The Stonegate annexation also requires a new fire Hydrant at the street. The developer will also be asked to consider building a trail on the property behind the development on the land the developer will deed to the association.

**Motions arising from items discussed in executive session (continued):**

The annexation is also subject to the developer agreeing to a Developer Annexation Agreement acceptable to the SLWLA board. Karen Milligan seconded, and the motion carried 6-0.

Ron Shepard made, and Karen Milligan seconded a motion to approve a developer agreement to include the proposed “Clubhouse Commons” in the association by annexation. The motion is conditioned upon the developer accepting the impact fees too be negotiated by ARC director Ron Shepard. The approval is also conditioned upon the developer agreeing to have the vehicles coming onto the property during construction of the infrastructure to only do so via a construction entrance with gate and fence on Lucas Road and with the developer also agreeing to lock the gate at the end of each work day, so no traffic can enter off Lucas Road over night. The annexation is also contingent on the developer signing a Developer Annexation Agreement acceptable to the SLWLA board.

The motion passed by a vote of 6-0.

Blaine Rowland moved that matters involving breaches of our security that are reported to the Sheriff be forwarded by the community manager to the Seven Lakes Times for publication based on information the newspaper gleans from the Sheriff’s report. The editor of the Seven Lakes Times was present, and offered to provide this service to the SLWLA. The editor stated that he would develop a procedure with the community manager and the security director. Ed Tuton seconded the motion.

The motion passed 6-0.

**Adjournment:**

Without objection, the meeting adjourned at 1:01 p.m.

**Submitted by,**

**Ed Tuton, secretary**