

Lake Lorman Minutes
January 16, 2012

Notice of the meeting having been duly given, President Chaplain called the meeting to order at 6:03 pm and all Directors were found present, Chaplain, Cox, Lyons, Olivier, Simmons and Warriner. A quorum was present. In addition, 24 Lot Owners were present. Lucky thanked the lot owners for their interest and being present and explained the new board's desire to keep meetings reasonably brief and to give all who wish, an opportunity to briefly comment or participate at each meeting.

The Minutes of the December meeting were approved as written and as posted on the website.

Report from Utility Board Don Seagrove had been invited to come, report and update us on the Utility Board actions and agenda. Don explained that the utility board supplied water and sewage service all in compliance with State and Federal Regulations. Brief facts announced by Don:

Budget and expenses

\$277,000 per year budget
\$ 16,612 water maintenance expense
\$ 7,665 sewer equipment expense
\$ 49,171.19 sewer maintenance expense

Assets

\$107,693.74 Certificate of Deposit
\$ 4,546.78 Certificate of Deposit
\$ 70,000.00 Fire District funds in "Fire District Only" account
\$ 87,076.28 Money Market account

\$236,290.00 Total cash on hand at Utility Board

Loans

\$966,114 Twenty year loan water tank and pump to be paid off 9/24/2028
\$245,000 Forty year loan
[Part to be paid off April 2019, @ \$1,263 per month]
[Remainder to be paid off 2029 @ \$2,108.00 per month]

Don briefly discussed some consideration of a future possible move of the fire house and of installing an electronic meter reading system. Don also indicated a possibility of Bear Creek dropping Lake Lorman from its service area. Don announced that Lake Cavalier pays \$3,700 per month to the Utility District for disposing and handling of their sewage.

The Board and the Lot Owners present thanked Don and his Board for their hard work and for coming to the meeting to keep us advised of plans that affect us and our property.

Board Assignments Lucky announced that the Board had selected him to serve as President, Cox as Secretary, Lyons as Vice President and Communications Chair, Olivier to serve as Treasurer and Financial Officer, Margie Abel to continue to serve as Bookkeeper and Accountant for the Board as in prior years, Simmons to serve as Streets and Roads Chairman, and Warriner as Lakes and Dams Chairman. On motion made and seconded these all were ratified and approved.

Treasurer's Report Mike presented the proposed budget which is attached by reference, showing \$28,858.64 in available funds with expenses of \$9,237.00, giving a budget net balance of \$19,621.64. is available with the Minute Notebook on request. Please note that these are planned or projected expectations and not actual. The full Budget Report is attached to and made a part of these Minutes by reference, on file with the Minutes 3 ring notebook available on request. We are ahead of last year's dues payments from Lot Owners with 50 full lot assessments and special assessments already paid.

Lakes and Dam Tom reported that the new boat stickers will be for 2 years and there is a potential to use some of last year's stickers. There is no need for new gate keys, and none of the lot owners present had heard of any problems, confirming there is no need for new keys. There are issues as to numbering the stickers either for the boat or the lot but the consensus seemed to be some numbering was needed. The marker pen numbering is subject to wearing away, but these issues will be solved by the Board.

Communications Judy thanked Kevin Long for his faithful work in posting our Minutes on the Lake Lorman website each month. Judy was thanked for doing a wonderful job of keeping the news and information out there for us all.

Streets and Roads Kahne is working to get updated on the status and procedures and working with Mike who was last year's chairman. Potholes on Westline Drive were reported and when the weather and conditions permit these will be addressed. The culvert between the Little Lake and Big Lake is now delivering water into the big lake, indicating that the work done there was properly and well done. The test is to see that water only travels within the culvert from the Little to the Big Lake, and not around it [the culvert] where the contractor sealed it.

DEQ denial of water well Due to the drought and low water levels, last year's Board had requests to investigate ways to get water. Several alternatives were suggested and explored. One of these was to drill a water well into an underground aquifer and install a pump. The DEQ is the agency that controls such matters and an application was made by last year's board. The application was made in order to get facts for the Lot Owners to evaluate and ultimately vote the idea up or down. The DEQ last week however, advised the Board that the requested well was not approved because the aquifer supplies drinking water for the Jackson Metro area, and that they had computed based on the size of Lake Lorman that we would need to pump 50,000,000 gallons of water to raise the level of the lake by one foot. They calculated that a pump would have to be run about 48 consecutive days to attain this one foot level. The DEQ also noted that the aquifer's use has increased making our recreational use a very low priority. Some Lot Owners have calculated the cost of electricity to operate such a pump and it results in more than \$100,000 in cost just for the electric power which would necessitate more assessments for lots.

The DEQ probably has enough logic and reason behind their decision to block a well even if the

Lot Owners voted to appeal the decision. At the same time the current Board realizes that our relationship with DEQ is important and it would serve the Lake Lorman community to accept the DEQ invitation to come to confer with them about this. The Board intends to schedule a meeting to discuss this, knowing that our lake is under DEQ jurisdiction, and it would benefit all of us to have friendly contacts at DEQ who know us, in the event of some future issue. The Board, as has been reported, never had any intent to do anything on this "water well issue" but to explore, gather facts, then report them to the Lot Owners for a vote. Many of us realize that following studies and computation, even if a well had been approved, the cost just of the electricity to run the water pump might be deemed prohibitive even if the Lot Owners voted for it. This Board will continue to seek out every option to get water for the Lakes.

The \$100 Special Trust Fund Assessment Lucky announced that he and Bill had met with Bank First, to work out details to set up this Emergency Trust Fund special separate account. Bill had drafted a trust agreement that the banker found satisfactory and will now submit to his Bank's legal department. We would establish this Trust as a savings account, a CD, or a money market account or something similar, bearing the current interest rate. When this Trust document is finalized anyone interested can see it, as it establishes what an "emergency" is, and that these funds absolutely shall remain separate and apart designated for emergency use only. The trust is binding on this Board and all future Boards of Lake Lorman, exactly what we lot owners voted to approve in December. The definition of "Emergency" as regards the Trust is stated in the Trust as follows:

"Emergency" as used herein means an unforeseen occurrence or combination of circumstances or conditions or events which calls for immediate action without delay to prevent damage to the dams, the lakes or streets and roads of Lake Lorman. No use other than emergency use can be made of any part of this Special Assessment Fund whatsoever.

The Original Valve and Drain Pipe in the Big Dam Last year's Board noted that a large tree had grown over this old rusted pipe and valve and the roots were interfering with the line so that in the event the old tree fell it could break the valve or the old pipe and drain the Big Lake. This was studied with engineering advice from Aqua Engineering. At the time the original 8" diameter drain valve was noted to be very rusty and the engineer cautioned that if it were opened it might not close thus endangering our lake. This was reported at meetings last year and the board last year following engineering advice had a smaller valve installed by Thweat Construction as a safety backup to the old valve in case it failed. The engineers recommended we move ahead to permanently seal the old pipe by filling it with a concrete type mix. There is no way to inspect the pipe itself as it is buried inside the dam. Its location is near the foot of the slope of the Big Lake dam south of the new vertical drain pipe.

If this old pipe failed, all our water would drain out of the Big Lake quickly leaving little if any time to bring in some type crew or contractor to stop it. Keeping our remaining water in the Big Lake is critical to all of us for the value of our property and our enjoyment of the lake, skiing and fishing, and is an important matter to be done as soon as reasonably possible.

The Board unanimously voted to proceed at once with this investigation, gathering of cost data, bids, and beginning the corrective work.

Maintenance and Grass Cutting Contract This existing contract will expire soon, discussions and negotiations will proceed, overseen and headed up by Mike who handled it last year.

Clint Brantley Project to demolish existing house then build new home The Board examined the set of building plans, found them to be in accord with the Covenants, and approved them. Clint agreed to be responsible for streets and roads by securing the trucks hauling out the demolished materials and nails, and when he has a Contract, to bring that to the Board along with the Form required in such cases by the Board as to Covenant compliance. This property is on Coker Road.

Mr. and Mrs. Scott Andress pier reconstruction This project had been submitted to the Board earlier and had been re-drafted and re-designed to fit the Covenants, and came up for approval. The platform at the end of the pier is 2 feet wider measured from the pier centerline. The Board was asked for approval due to the unique issues including the location in the cove, the front lot line and the shoreline, the restriction in the original Piedmont deed to Andress' predecessor in title restricting location of any pier or construction due to the small dam at that location. Copies of the plans submitted are attached by reference and a copy is attached in the Minute Book in hard copy, available on request. Both neighbors on both sides were at the meeting to express their approval and the Board after discussion which was preceded by earlier discussions of the matter voted 5-1 to approve the plan as re-drawn and submitted. There is a concept in the future to build a boathouse but no approval was sought or given for any boathouse now or in the future by this vote of this Board.

There being no further business the meeting adjourned at 7:15 pm.

Bill Cox, Secretary
January 23, 2012