

Lake of the Pines

ASSOCIATION INC.

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LAKE OF THE PINES BOARD OF DIRECTOR MEETING October 13, 2018

President Dave Pohoda called the meeting to order at 10:00 a.m. There were 67 Association members present. Dave asked everyone to rise and face the flag and say the Pledge of Allegiance.

ROLL CALL

2016-2019

Steve Andrews
Don Borle
April Schmelter
Dennis Woodward

2017-2020

Bob Eckardt
John Mitten
Rick Sieg

2018-2021

Vicki Brauner
Rick McCombe
Dave Pohoda
Geri Shaw

Roll Call was taken and all Board of Directors were present with the exception of Rick McCombe, who was excused.

APPROVAL OF MINUTES –

- 1.) Motion by Steve Andrews, seconded by Geri Shaw, to approve the September 8, 2018 Board Meeting minutes. Vote taken. **MOTION PASSED.**

ANNOUNCEMENTS: None.

OFFICERS REPORTS:

PRESIDENT: Dave Pohoda~

- 1.) Dave reminded everyone that the boats have to be off Pontoon Island this weekend.
- 2.) Dave reminded everyone that the kayaks have to be off Pontoon Island by November 1st.

VICE PRESIDENT: Dennis Woodward~

- 1.) Dennis reminded everyone that the bath house in the Campgrounds will be locked starting November 1st as well as the bathroom on Pontoon Island. The old outhouses will be opened in the campgrounds for use.

SECRETARY AND CORRESPONDENCE: Vicki Brauner~ None.

TREASURER: Geri Shaw ~

- 1.) Motion by Geri Shaw, seconded by Dennis Woodward, to pay the bills for the month of September in the amount of \$13,432.20. Vote taken. **MOTION PASSED.**

- 2.) Geri Shaw announced that starting December 1st the Office will go to winter hours. The Office will be closed on Sundays and Mondays.

COMMITTEE REPORTS:

EXECUTIVE: Dave Pohoda~ No report.

ARCHITECTURAL: Rick McCombe~ Absent.

- 1.) Dave Pohoda reported Rick had one permit for a pole barn.

ECOLOGY: Don Borle~ No report.

MAINTENANCE: Steve Andrews~

- 1.) Steve reported the cabins are in the process of switching over to free gas.
2.) Steve reported the pool has been shut down for the winter.
3.) Motion by Steve Andrews, seconded by Dennis Woodward, to hire Timber Tree Service to remove 18 oak trees in the Campground and 4 oak trees on Pontoon Island that have oak wilt. Timber Tree Service will also grind the stumps down and chip up all the small brush at a cost of \$5,000.000. The money will come out of the Campground Fund and Pontoon Island Fund. Vote taken. **MOTION PASSED.**

NOMINATING/BALLOTING: Rick Sieg~ No report.

PERSONNEL: Bob Eckardt~ No report.

PUBLIC RELATIONS: John Mitten ~ No report.

SPECIAL PROJECTS: April Schmelter ~ No report.

SUB-COMMITTEE REPORTS:

VOLUNTEER SECURITY PATROL: Leo Stevens~

- 1.) Leo Stevens reported it was a good year for Security Patrol. There were only 7 vehicles that notices had to be put on.
2.) The casino trip fund raiser for Security Patrol had to be cancelled due to not enough people signing up to go. The last casino trip only made \$74 and there were \$80 in donations. The cost to have Security Patrol for one season is \$1,200. We will have to find another source of funding. If anyone has any ideas, please let Leo know.

UNFINISHED BUSINESS:

- 1.) West Bay. Dave Pohoda announced there will be Association Time now, but only for the topic of West Bay. Members will only be able to comment one time for a limit of 3 minutes and your minutes cannot be given to anyone else. Dave stated that before comments are made, people have been asking why don't we let everyone vote on the oil and let the members decide. The Board has no choice in the matter but to follow the rules. The covenants state the members can elect the Directors, vote on special assessments, and vote on changes to the covenants. The yearly assessments fall under changes to the covenants. In the By-Laws section 7 paragraph 3~ The powers of the Directors, the Directors elected are elected to conduct the business of the Association.

ASSOCIATION TIME:

- 1.) Richard Ireland, Tamarack Trails, Lots 111 & 112. I will make one comment paragraph 7 section 23 does state that the Association has the ability to sell land that is not designated as common area. My understanding is that the area in question here is common area so I would question if The Board has the authority to vote on it. Richard wanted to know if anyone has looked into if West Bay has any type of insurance in regards to spills. Has The Board thought of having any independent impartial lawyer that deals with oil leases review the lease. It could be \$300 an hour and would take about 2 to 3 hours to do. He wanted to know if we lose the use of the land that we are leasing for hunting or trail riding. How much money is there in the contingency fund. Dave answered The Board is not selling land, but leasing it. According to our lawyer The Board does have the authority to do it. Dave stated that nothing has been signed. The Board has been working through our lawyer who is also working with three other Associations on leases with West Bay. Geri Shaw answered the contingency fund has \$85,811.60 that does include the money that was going to be put into the higher interest account. Dave reported there is not that much money on hand because a loan of \$26,000 from the contingency was made for the bathrooms in the Campgrounds. There was also \$18,000 for the pool that was taken from the contingency fund. Next year the pool needs sandblasted and some new tiles which will come out of the contingency fund. Geri also reported that the covenants states we have to maintain the pool. Dave also stated the biggest thing that we have talked to our lawyer about is we will not sign a contract unless we do have final say where a well goes in. The Board's plan is to keep the wells, if any, close to Ashard.
- 2.) Fred Greene, Pinehurst Estates, Lot 18. Fred stated he has background in mining. He asked about an easement contact. He wanted to know what type of land description for easement do we have. He wanted to know if we would give West Bay carte blanche for our entire property. Dave replied it was limited to other side of Pinehurst and the vacant land that surrounds the Villa. Fred asked about the width of the easement will it be 50 foot, 1000 foot, etc. Dave will put that down as a question to ask and find out the limitations on it also. Fred also wanted to know if it will be vertical or horizontal drilling.
- 3.) Brian Bouwens, Tamarack Trails, Lot 138. Brian wanted to know if the lease for \$27,000 yearly? Dave answered that it was for the 5 year lease not yearly.
- 4.) Doug Humphrey, Birchwood Heights, Lots 16 & 17. Doug wanted to know how many acres are involved. Dave Pohoda answered there is 183 acres here and 90 across the road. Doug was also concerned about West Bay clear cutting more than needed to put in a well. Dave replied that location was one of the things we would put in the contract.
- 5.) Gary Whiteaker, Tamarack Trails, Lot 109. Gary wondered what has The Board done to determine if there is risk to our water. Dave answered DEQ handles all rules and regulations about the water. There has not been a well contaminated since 1982. Gary asked if there will be fracking. Dave answered there will be no fracking and it will be in the contract.
- 6.) Russ Radke, The Villa, Lots 79 & 80. Russ stated there was not 500 feet between his house and Ashard. Dave stated there won't be a well behind Russ's house.
- 7.) Larry Gibson, Pinehurst Estates, Lot 39. Larry stated he lived in Kalamazoo during the oil spill on the Kalamazoo River. Any houses effected by the pipeline spill were purchased for higher than market value. The people were given the choice to sell or stay. The river was made better than it was before the spill.

- 8.) Julie King, Pinehurst Estates, Lots 60 & 61. Julie stated she was a federal gas inspector. She has been one for 19 years. Julie stated the requirements for building a well isn't like it used to be. The state has very strict requirements now. Julie stated we need to know about the storage tanks, how many, etc. She stated DEQ will be out every day while a well is being drilled. Julie offered to meet with The Board after the meeting to give some questions to ask West Bay and some things to make sure are in the contract.
- 9.) Jennifer Wright, Birchwood Heights, Lots 412 & 413. Jennifer was concerned no one addressed the sound problem. Dave answered there are only sounds while the well is being drilled. Jennifer was concerned about the people living around the well if one is drilled. What time will the trucks come in to empty the oil. How close will the trucks run to peoples houses.
- 10.) Cathy McCormick, Birchwood Heights, Lots 28 & 29. Cathy didn't understand why we needed money and why our income isn't enough for all the things needed at Lake of the Pines. Dave answered that in our annual report it lists where all the money goes and copies are available in the Office. Michelle said she will put our profit and losses on line.
- 11.) John Thomas, Tamarack Trails, Lot 257. John wondered what else can we do.
- 12.) Joe Williams, Woodland Heights, Lots 264- 267. Joe has owned property here for 32 years. He commended everyone who sits on The Board. He stated he will disagree with some of The Board but he does appreciate what The Board is doing. Joe believes everyone should let The Board do their work.
- 13.) Dave Harris, Pinehurst Estates, Lots 40-42. Dave wanted to know if the oil wells would affect property values. He also said he heard it would be loud afterwards. Dave Pohoda replied some of the realtors said if you can see the oil well from your house it may affect the value of your house.
- 14.) Leo Stevens, Birchwood Heights, Lots 457 & 458. Leo stated he sat on The Board for 12 years. Leo stated that every Board member is also a Lake of the Pines member. The Board won't make any decisions to ruin LOP. The budget is very hard to try to put together. Men's Club and Women's Club put a lot of money into LOP. The vote today is only to agree to negotiate with West Bay.
- 15.) Connie Crawford, Woodland Heights, Lots 200-202. Connie stated that the oil wells do make noise. When they go camping they are 4 miles away from a modern oil well. She stated you can hear the constant hum when it is running all day and night. Connie stated in a wooded area you do hear noise. Bob Eckardt stated he disagreed with her. He asked Connie if she was at one of West Bay's and she said no. Bob said he stood right next to one and there was a slight hissing sound. When he got 20 feet away he could barely hear it.
- 16.) Richard Ireland Sr, Tamarack Trails, Los 111 & 112. Richard stated he thinks the biggest problems was a lot of misinformation. People thought a contract was signed.
- 17.) Fred Greene, Pinehurst Estates, Lot 18. Fred asked when West Bay said no fracking are they talking about water or hydraulic fracking. Dave answered he thinks hydraulic and he didn't know about water. Fred stated an oil lease lawyer knows the right questions to ask.

Motion by Dennis Woodward, seconded by Steve Andrews, that The Board goes forward in negotiations with West Bay Exploration and if we can reach an agreement that has acceptable terms, that we sign a lease after that. Dave Pohoda added, "For clarification, if we do sign a contract with West Bay the money would go into a separate account and it will be used for association resources. For example the lake.

The only thing we know we will get for sure is \$27,000 that will go into the lake. No money will go back to any members."

Vicki Brauner conducted a roll call vote with the following results:

Geri Shaw ~ YES	Don Borle ~ YES	Steve Andrews ~ YES
Bob Eckardt~YES	April Schmelter ~NO	Vicki Brauner ~YES
Dennis Woodward ~YES	John Mitten ~ YES	Rick Sieg~NO

7~YES 2 ~NO. **MOTION PASSED.**

NEW BUSINESS: None

WOMEN'S CLUB: Geri Shaw-

1.) Geri reported the Boofet is October 27th at 6 p.m.

MEN'S CLUB: Bob Eckardt~

1.) Bob reported Men's Club is looking into a backup generator that would run the Rec Hall, the Office and the pool house for showers. They have one estimate from Generac in Mt. Pleasant for \$9,750. He'll try to get some more estimates.

ASSOCIATION TIME:

1.) Connie Crawford, Woodland Heights, Lots 200-202. Connie wanted to know if everybody in the association pays the same lot fees. Geri Shaw answered that everyone pays \$135 for primary lots, if you buy another primary lot it is \$135, secondary lots are \$35 each.

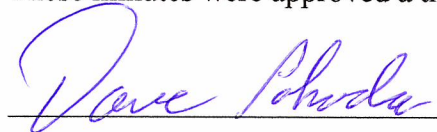
Motion by Bob Eckardt, seconded by Steve Andrews, to adjourn the meeting. **MOTION PASSED.**

Meeting adjourned at 11:12 a.m.

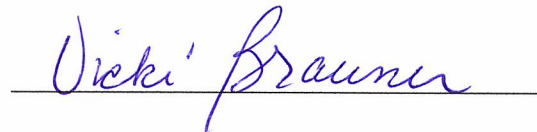
Respectfully recorded and transcribed by,

Vicki L. Brauner, Secretary

These minutes were approved a the November 10, 2018 Board of Directors Meeting.



Dave Pohoda, President
Lake of the Pines Board of Directors



Vicki Brauner, Secretary
Lake of the Pines Board of Directors