

## Summary Notes from the 1/25/2015 Twilight Board of Directors Meeting;

### **Superintendent Update**

1. We have completed our multi year water upgrade program, save for some minor plumbing that will be done in the spring. Our Engineer is completing the paper work with the DOH that will allow TWP to significantly lower the amount of choline we add to our water. During this project, the Park purchased and installed a new 4,500-gallon mixing tank, added physical filtration and added another water line on the third level. We should not have to make any major expenditure for water for an extended period of time. Please see below for a brief overview of our water system.
2. As noted in our last note, we are renovating the pool house women's bathroom. Some of the work will be done in house and a portion will be contracted out. The work will be completed prior to the 2015 pool opening. We will be replacing fixtures, hardware, molding, wainscoting and adding a ceiling vent. The floor will not be replaced but non-skid mats will be added. Bob Hersey and Jimmy Douglas will be consultants for the project.
3. Roadway paving from the top of Pebble Hill road to the Lemann cottage will commence mid to late May. It's a several day project and the upper level gate will be open to provided access in and out of the Park.
4. The lower reservoir repair work has been completed. In the spring we will add a removable safety railing on the top of the spillway
5. The loggers have finished their work for 2014. They will be back in May to remove the last 10 trees as well as to add water bars and complete road repairs. The work done by this contractor was better than what was done last cut. The team was faster, neater and created less road damage.
6. The child pool filtration separation from the adult pool has been put on hold for this season. The DOH determined that if we altered the pool we would also have to add a second drain to the kid pool to meet current safety standards. Unfortunately, doing so would add about \$8k in cost to the project. Our contractor believes that the DOH is mistaken and he is helping us challenge their direction. At this point, even if the DOH reverses its decision, there isn't enough time to complete this project for the 2015 season.

### **Insurance Review**

The Park's Insurance expense, apart from Workers Comp and the Camp is about \$54k per annum, or close to 12% of our total operating expenses. The Board conducted a detailed review of our policies with the assistance of in-Park experts. We continue to use the services of an Insurance Broker, DeWitt Stern, to find the best policies to meet our needs. In general we believe we are appropriately insured with some minor adjustments to be made as a result of the review. While we take comfort in having a Fire Reserve Fund, we do want to make sure we are adequately protected and balance protection against the cost of insurance. Below are some of our insurance highlights:

1. Physical plant, buildings, structures, cost \$14k. This includes the Club House, Camp building, Pool house, Day Camp Center, Tennis house and Super's cottage. We will likely increase the Club House insurance to \$2mm from the existing level of \$1.5mm. Based on work we have done, we believe the Club House would cost in excess of \$2mm to replace. The additional insurance cost will be about \$2.7k per annum. We are also going to increase our out of pocket exposure on each structure to \$10k from \$2.5k. That will save us about \$500 per annum.
2. Liability insurance protects the Park in case there are lawsuits resulting from events that may happen within the Park, cost \$15k. We have coverage for our roads, swimming pools, sports field, our within our buildings. Coverage ranges from \$1mm - \$2mm per event.
3. Umbrella policy protects us for claims that exceed the coverage provided by our Liability Insurance, cost \$8k for \$5mm of protection.
4. Auto Insurance for Park owned vehicles \$5k.
5. Super's health coverage \$8k
6. Directors and Officer Insurance (D&O) \$3k. We are currently covered up to \$2mm. We are reviewing this coverage level and may elect to increase it to \$5mm. The increase in insurance would cost approximately \$2k.

The Board would like to take this opportunity to remind Cottagers that all Contractors performing work within Twilight Park are required to have appropriate Workers Comp and liability policies. Failure to do so could open the Park to additional risk.

### **Water System**

Twilight has two primary sources of water, our upper reservoir and two Wells. We draw about 80% of our water from the reservoir. Our peak usage is about 30 – 40 gallons per minute, occurring on busy weekends in the summer.

Prior to 2013, Twilight had no physical filtration and instead relied solely on chemical filtration, chlorine. Surface water physical filtration is near universal in New York State but Twilight was able to meet health standards without the physical barrier. Several years ago we had a couple of elevated water tests and we decided it would be prudent to have physical filtration. We added a two-stage physical filter that eliminates 99% of containments.

Twilight treats all of its water, reservoir and Well with chlorine. The chlorine is added just before the water moves into a mixing tank (mixes the chlorine with the water). Prior to now, we had a small, physically deteriorating tank that was not very efficient and not able to optimize the chlorine effectiveness. As a result, we had to add a higher level of chlorine. Our new 4,500-mixing tank will be online this spring. The mixing tank and filtration will allow us to reduce the amount of chlorine in our system.

As noted, we get 80% of our water from the reservoir. The water moves from the reservoir through the physical filtration where 99% of contaminants are removed. Chlorine is added and the water moves into the mixing tank to complete purification. From there, the water is distributed via water lines to Cottagers.

The other 20% of our water is drawn from two Wells. Our largest Well is on the golf course and is capable of pumping 17 gallons per minute. The water is pumped up to our large 100,000-gallon water holding tank. We have a small secondary well on the third level that is capable of pumping 2- 3 gallons per minute. When in use, that water is also pumped to the large holding tank. Twilight has a third Well on Thank You Ma'am road but it has high sulfur content and is only used in a pinch. We run the Well water through the physical filter, but we are not required to do so. When we use Well water, the water runs from the large holding tank to the chlorine addition point and then into the mixing tank. Once purified, it is distributed to Cottagers. Only Well water is stored in the large holding tank.

The Park switches to Well water during periods of turbidity (cloudy with visible particles) that occur during hard rain, and overly dry periods. Chlorine effectiveness is diminished in these periods. We also use the Wells whenever the reservoir drops below a critical level.

### **Finance**

We accelerated road upgrade in 2014 increasing spending by \$30k as part of a multi year program to place our road maintenance program on a more regular schedule. We believe that after completing 3 years of accelerated road repair we will be able to maintain our roads in high standard as part of a more normalized 5 year rotating maintenance program.

In 2014 the Park had an operating deficit of about \$5k. We benefited from logging revenues of \$37k and that revenue was a big part of our plan to upgrade aspects of the Park, including road maintenance. Atypically, we had no home sales to generate fee income in 2014. Disappointingly, we have two Cottagers that are extremely delinquent with assessments. These two Cottagers, in aggregate, have deprived the Park of about \$10k in revenues in 2014 of which \$8k would have been operating income and the remainder capital assessment. If these Cottagers had been current, the Park would have generated a small surplus in 2014. We are consulting with our Park lawyers to compel the Cottagers to pay up.

In 2015, we will continue the road upgrade program and will also be upgrading the Ladies bathroom at the pool. We forecast a deficit of \$15k for the year, although home sales could absorb some or the entire deficit. We are not keen to run deficits but we believe they are justified in the short term. We finished 2014 with \$207k in operating cash. If delinquent accounts pay up, the funds would grow to over \$215k. The forecasted 2015 deficit would leave operating cash at \$200k at year-end. The Park will benefit from another round of logging revenues in 2016.

### **Security**

The Board has been studying Park security since mid last summer. We have spoken to Cottagers to understand their concerns. In general, Twilight is a very safe place. However, there are a few things we can do to make it even more so.

1. We are in the process of searching for an adult hire to staff the Gate House. We believe we would be well served with a mature presence that is better trained than some of our prior Gate House employees. To facilitate effectiveness, we are going to ask that all Twilight autos have a small visible Twilight sticker. Cars without the sticker will be asked to stop at the Gate House.
2. We will post more signs along the perimeter of the Golf Course to remind would be trespassers that this is private property. We are also going to plant more aggressively along that border of the golf course to create a more formidable natural barrier.
3. We are still looking at the cost and effectiveness of security cameras at the front and back gates.

### **Forestry**

The Board has authorized Bob Sheridan to contract with Healthy Trees, LLC to systemically treat 75 larger Hemlock trees located in several scenic vistas in Twilight Park. The trees are located along Ledge End road, Spray Falls, the front gate and the swimming pool. The insecticide will be injected into the bark or the roots of the trees. This process is safer than spraying and its efficacy is for a longer duration. The treatment lasts for 2 – 3 years and we hope that it will be sufficient to save these trees. The cost is \$7k.

### **Camp**

The Camp is now a separate legal entity recognized as a Not For Profit Corporation, fully owned by Twilight Cottagers. The Camp will have its own Board of Directors as elected by the Twilight Park Board.

### **Web Site**

The Board has formed a committee consisting of Joe Butt, Ariana Tadler and Wade Speir to work closely with the Galattis updating and improving the Twilight Park website. We may seek outside consulting services to assist in this project.

While the Committee is doing its work, we need to recognize the time demands we are placing on the Galattis. The Web site projects take considerable time. Up until now, John and Nora have been considerably accommodating donating their time to Cottager projects. However, the time demands are getting too intensive. We need to better protect their time. For the near term, please go through the Board or the Web Site Committee with any incremental Web Site project requests.

**Delinquent Accounts**

We continue to work to reduce the amount of delinquent accounts. We have made progress with more stringent penalties for late payment. For the most part, delinquencies are short term in nature and attributable to Cottager logistics challenges. However, there are two Cottagers who haven't paid assessments in over or close to a year. We are in the process of stepping up our collection efforts in these cases including suspension of all Park privileges. We are working with our lawyer on next steps.

**Haines Falls Auto (HFA)**

HFA is subject to the 9 month Town wide building moratorium that was implemented in October. As such, its expansion project is on hold. When that moratorium is lifted, HFA will be required to have a SEQR review completed. The review will include environmental evaluation as well as a review of traffic patterns at the 23a intersection. In the interim, Twilight Park is having the Rural Water Association do a full review of our water system and potential risks. That review will be completed by the end of February. After receipt of that review, we will make a determination if further water testing is necessary.

**Mountain Top Wireless service and a Cell Tower**

Under separate cover we will distribute a more detailed discussion of Mountain Top wireless developments. We expect that the Verizon tower will be completed by summer. The site has been moved to the Town House and is now expected to provide cell service down to The Molly Smith parking lot on 23a and the Kaaterskills hiking area. The Town has also installed repeater cells in North and South Lake Park to provide first responder coverage of the hiking area.