

HIGHLAND POINTE RECREATION ASSOCIATION, INC.
Board of Directors and Budget Meeting
Minutes

Monday, August 11, 2014

Board Members in Attendance: Ms. Paula Robin, President; Ms. Sandy Carpenter, Vice-President; Mr. Paul Amoruso, Treasurer; Ms. Melanie Smith, Membership; Vivian Pacifico, ACC; Ms. Angie Bizot, Clubhouse; Mr. Steve Fincher, Grounds; Mr. Matt Tock, Pool and Ms. Beth Roedersheimer, Administrative Assistant.

The meeting was called to order at 6:30 pm.

Guests: Mr. Tom Woosley from GA DNR and Mr. William Higgins from Cobb County Storm Water Management.

Guest Presentation:

BOD member, Paul Amoruso, opened the meeting by giving a presentation to clarify the present situation. In short, *the term "HPRA" (Highland Pointe Recreational Association) is the legal name on the plat(s) of land on which every home in HP is built and of the association created. Regardless of what each household has paid or signed, all homes built in this neighborhood are a part of HPRA.

* Within HPRA there are three types of members:

- Permanent Homeowners' Association members or "Social or Civic"
- Permanent Homeowner and Recreation members or "Full"
- Members who decide to be Voluntary Members

Mr. Amoruso then gave a brief outline of the history and current state of affairs regarding the parcel of HPRA known as the North Lake dam parcel.

Highland Pointe has 2 beautiful lakes within the neighborhood. The lakes are owned by the residents whose properties surround the lakes. The Dam parcel at the South Lake near the pool is part of the Highland Pointe Common Area. As you may be aware, there has been an issue regarding ownership of the North Lake Dam Parcel. When the developer of Highland Pointe, Larry Thompson, deeded over all common property to the HOA, the North Lake Dam parcel was not deeded over. There have been years of speculation and differing opinions as to why after it was discovered this did not happen. A member of the Highland Point Board of Directors filled out the paperwork with the State in 1993 and Highland Pointe was approved as Operator of the North Lake Dam. Mr. Thompson stopped paying the taxes on this property and it was purchased on the courthouse steps by a Highland Pointe resident (Mr. Cunningham) who lived adjacent to the dam parcel. In 2010, Mr. Cunningham filed a Quit Claim Deed to transfer ownership of the Dam parcel to Highland Pointe. The Board refused the Quit Claim. According to Cobb County, the Dam parcel is owned by Mr. Cunningham, who lives out of state and who has not paid taxes on it since 2009, and Highland Pointe Recreation Association, Inc. is the Operator of the Dam. Highland Pointe maintains the dam by mowing and cleaning and receives the DNR inspection reports.

The following are some facts as Mr. Woosley presented them at the meeting.

Mr. Woolsey began by outlining the Georgia Safe Dams Act (SDA), which calls for dams to be categorized by size and potential downstream consequences and inspected

based on their category. The NL dam is a Category 1 dam, which requires that it is to be inspected every two years by the Georgia State DNR for maintenance and safety issues.

The South Lake Dam is not large enough to fall under the Safe Dams regulatory umbrella. It is, however, subject to any consent orders issued by the DNR should repairs be needed. The SDA states that the owner/operator is who the DNR will consult with when inspecting a dam. The DNR makes no distinction between owner and operator: HPRA has been the licensed operator of the NL dam since 5/10/1994. He then opened the floor for questions from the attendees.

Below are a few of the questions asked:

Q. How can HPRA get its name removed from the operator's license?

A. Mr. Woolsey stated that to have HPRA removed as operator another entity capable of maintaining the dam must step forward and apply for an operator permit. He also stated that even so, he would need compelling reasons to consider such a request.

Q. Wasn't that done by another HP board a few years ago?

A. Mr. Woolsey said he has been told about this and seen copies of letters between attorneys for HP and his predecessor, but has never seen any official documentation.

Q. Why can't we just breach the dam and drain the lake?

A. Mr. Woolsey stated that the DNR is not in the business of breaching dams. There are considerable costs in doing this. The DNR would only take that type of action in an instance when there was imminent threat of loss of life and property. The DNR will only act to breach a dam in the case of an impending emergency. Mr. Woolsey also mentions that an owner/operator may decide to breach the dam on their own, independent of any direction from the state. He made all those in attendance aware that any breach of the dam would have a detrimental effect on housing values and be very expensive.

Q. What exactly is the problem with the NL dam?

A. Mr. Woolsey stated that the NL dam is in really good shape. The issue is seepage on the downstream right side. He also said that seepage is common with most dams and may or may not indicate a problem.

Q. What is the DNR requiring to be done?

A. In 2006 the DNR issued a consent order that HPRA retain an engineer of record to monitor and or address the seepage.

Q. What happens if HPRA does not comply with a directive from the DNR?

A. Mr. Woolsey outlined the steps. An Administrative Order requiring the consent order be complied with would be issued. This could be appealed by HPRA. If the appeal is denied and HPRA still doesn't comply, the DNR would ask the Cobb County Superior Court for a court order to have the work done. Fines and/or jail time could be assessed at this time.

Mr. Woosley made it clear that he has many dams in his jurisdiction that are in worse shape than the NL dam. He and his staff are working their way through their list of dams with consent orders. The NL dam is not at the top of the list, which gives HPRA some time to plan and prepare. He did emphasize that the NL dam IS on the list and will be revisited in the future. He gave no time frame.

Q. Who is the owner of the NL dam?

A. MS Robin gave the up-to-date information on the ownership issue. A former resident, Mr. Cunningham, who now lives out of state, currently holds the tax deed to the property. He has not paid taxes on the property since 2011. In January 2014, the BOD received a notice from Cobb County that the parcel was going to be sold at auction for back taxes in March 2014. Ms. Robin sent Cobb County documentation that the parcel was actually a dam. The parcel has now been reclassified as an outlot with taxes of \$6 per year and cannot be sold on the court house steps. Cobb County will waive all back taxes if HPRA accepts the deed to the parcel. Cobb County has no interest in owning the parcel.

Q. What is involved in maintaining the dam?

A. Mr. Woolsey and Mr. Higgins both said that keeping the dam mowed is the best way to maintain the dam's integrity. It is important to keep saplings and trees from growing on it and to keep the toe drains clear.

The floor was turned over to Mr. Higgins of the Cobb County Storm Water Management Agency. He outlined a program in which the County would pay to create extra storage capacity in the lake by lowering its level. Any funds left after paying for the work to lower the lake could then be used to pay for repairs and improvements such as dredging and adding access points and paths. He was very careful to say that all the homeowners around the lake would have to agree to do this. Also, the money would not be paid until the work required to lower the water level was completed. Mr. Higgins showed a drainage map, which demonstrated the area in HP, which drains into the NL. Approximately half the neighborhood drains into the NL.

If you have any further questions, please contact Tom Woolsey at the DNR (404-651-8488) or William Higgins at the Cobb County Storm Management Office (770-419-6434).

Approval of Minutes:

Ms. Bizot made a motion to approve the minutes of the July 14, 2014 Board Meeting. Ms. Smith seconded the motion and it passed unanimously.

Monthly Budget Update:

	<u>Budget FY 14-15</u>	<u>Actual (7/31/14)</u>
HPRA Income	\$ 104,090.00	\$ 107,386.22
HPHOA Income	86,475.00	88,092.40
Other Income	150.00	35.62
Total Income	<u>\$ 190,715.00</u>	<u>\$ 196,404.24</u>
HPRA Expenses	\$ 100,312.50	\$ 42,623.55

HPHOA Expenses	92,872.00	31,777.10
Total Expenses	\$ 193,187.50	\$ 74,400.65
HPRA/HPHOA Net Income	\$ (2,469.50)	\$ 122,003.59

The following shows the breakdown of HOA and HPRA expenses vs. budget for the period ending July 31, 2014.

	HOA		HPRA	
	Budget FY 14-15	Actual 7/31/14	Budget 14-15	Actual 7/31/14
	\$ 92,872.00	\$ 31,777.10	\$ 100,312.50	\$ 42,623.55
Clubhouse	7,215.00	1,162.47	14,180.00	1,122.29
Grounds	12,250.00	8,080.00		
Operations	73,407.00	22,534.63	29,605.00	9,655.19
Pool			44,250.00	26,928.96
Tennis			5,000.00	757.60
Social			7,400.00	4,159.51

The report was accepted as information only.

Discussion of Action Items

The following is a summary of the items discussed and the actions taken.

- Ms. Bizot reported the deck staining is scheduled in September after the pool closes. The color will be banyan brown in a Sherwin Williams oil based stain. Ms. Bizot negotiated a reduced rate of \$2100 plus advertising in the Pipeline. The stain is expected to last 3 years.
- Ms. Bizot stated the electrical panel work in the pump room is complicated with many differing opinions. The various options are to replace the entire panel and flip it into the exercise room with a Cobb County permit and inspection, replace the panel and leave it in its current location without a permit or inspection and the third option is to replace only the breakers in the existing panel.
- Mr. Fincher reported that there is still the issue of people dumping their personal trash in the Highland Pointe dumpster. One resident has been approached about using the dumpster. He is continuing work on repairing the doors to the trash area. Three of the solar lights have been broken on the fishing pier. It was decided to replace the broken lights with plain caps. He stated that the road leading to the clubhouse is starting to sink again and the wet area across from the tennis courts is getting worse. He is going to have someone he knows look at the area and see what their recommendation is.
- Ms. Pacifico has spoken to two homeowners about the condition of their landscaping and parking in their year.
- Mr. Raby said there will be a Labor Day Tennis social on Sunday, August 30th from 1-4 pm. He will provide refreshments. He is working with Judy Taylor on revising the tennis rules and court etiquette. The reserved playing time will be changed to 2 hours. He has ordered four roller holders and new mats. They should be installed next week. Having all four courts under the Reserve My Court system was decided upon. The annual cost will be \$200 and paid from Recreation funds.
- Mr. Tock reported that two pumps have been replaced and he is still working on estimates for the pool re-plastering.
- Ms. Smith reported that the membership drive is successful. There are 133 Permanent Recreation Members with 23 residents signed up as Recreation deferred, meaning their homes will become Permanent Rec when they sell. Overall membership is up this year

with 435 residents paying homeowner dues and 256 residents paying recreation. There are 3 upcoming membership meetings until the Sept. 1 deadline.

- Mr. Amoruso reported the loan from SunTrust closed the end of July and the first payment will be due August 24, 2014. The monthly payment is \$871.92, which includes P&I.
- Ms. Robin suggested that everyone take a few days and digest all the information presented by Mr. Woosley and Mr. Higgins this evening and then compose your thoughts, concerns and questions. The discussion will continue at the September meeting.
- Ms. Robin stated that she and Ms. Carpenter will be out of the country for the September meeting so Mr. Amoruso will facilitate the board meeting.

Having no further business to discuss, the meeting was adjourned at 9:35 pm.

Next Board Meeting:

Monday, September 8, 2014

6:30 p.m. – 8:30 p.m., Clubhouse