

MINUTES OF THE ANNUAL MEMBER MEETING
OTTER POND HOMEOWNERS ASSOCIATION, INC.
January 4, 2023-Annual Meeting for 2022

Board Members Present: Kristie Sanchez, Christina Files, Mindy Clagett
Meeting Called to Order by Kristie Sanchez, at 6:04 PM

Roll Call: Sign in sheet and proxies totaled 72 homes represented. Quorum achieved.

Proof of Notice: Mindy offered proof of notice with postmarked envelope dated December 2, 2022.

Minutes: Minutes from the 2021 Annual Member Meeting were approved.

Recognitions and Thanks: Kristie Sanchez

2022 Year in Review: Kristie Sanchez

Silt Pond dredged.

Tennis Courts resurfaced.

New water pump installed for sprinklers.

2 new compressors for the pond.

Many social events.

Committee Chair Reports:

ARB-Janene: 14 ARB applications

The ARB form updated to omit neighbor signatures when property maintenance is replacing "like with like".

POND-Valerie: Trout and Carp added to pond to eat algae and midges, and for catch and release fishing.

Wish to purchase two more compressors.

This coming year we won't add fish since the water level of our pond will be lowered for dam repair.

There have been many dead geese this year. The Division of Wildlife are aware and testing the birds for disease. Results to be shared with homeowners by email. The DOW advised us to let the pond freeze over this winter.

Remember, please do not feed the geese, and do not throw rocks into the pond.

BOATHOUSE-Ryan: Storage is full. May want to consider building another paddle board rack this year.

NEIGHBORHOOD WATCH-Alma: No issues!

OPEN SPACE-Lois: All went well this year. Regular follow ups with landscaper resulted in good maintenance. Pursuing new bids for this year to be sure we are getting the best service for the best price.

SOCIAL-Kathy: We did not have an official social committee or chair this year, but something special was organized for our community to come together, nearly every month! Thanks to all who volunteered to host these events.

Financial Review: Christina Files

2023 Board Approved Budget

Increased dues to allow for inflated costs.

Homeowners present unanimously approved the 2023 budget.

Dam Rebuild Update: Kristie Sanchez

A handout detailing the timeline of our dam failure and response to date was given to all present.

Our Low Hazard classification has been denied. The dam will be built to Jurisdictional, Significant Hazard standard.

Dam Cost Estimate:	\$500,000
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Silt and Marina work estimate:	<u>\$80,000</u>
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Total Project estimate:	\$580,000
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Some contingencies that may alter costs include: sewer, electrical, domestic water.

Our current dam will be geo-technically evaluated, including a seepage and dispersion evaluation. This will determine elasticity and plasticity. Following that, our engineer will submit plans.

We HOPE to expedite the plans this winter so that work may begin in late May/early June.

Most of the pond will be emptied, excepting a deep pool on the north end to hold fish and aerators. A bypass will be constructed to keep irrigation water flowing to downstream water users.

Best case scenario would have the dam completed in 8-10 weeks, with the hope to begin refilling the pond by the end of July.

Per state requirements, the new dam will contain 2 spillways. A service tower, and a head gate at the toe for emergency water flow control. The state will examine the dam, with a homeowner present, every 2 years going forward.

Regarding funding:

Two grants are still pending, with encouragement to continue the application. This meeting's quorum will help secure those.

Soon after March 16, we will know if/how much we have been awarded.

The budget will be amended accordingly. Special assessments will be determined at that time.

We will continue to keep everyone informed as we know more.

Finance options with a 5 year loan may be available.

Open Discussion:

(Paraphrased questions and responses from the open discussion.)

Why the significant hazard classification?

-Businesses and homes below our dam would be impacted in case of breach. Those liabilities weren't present when the pond was built, but now need to be considered by the state. The creek flow was also taken into account.

What is our liability now? Later?

-We have increased our umbrella insurance since the realization of how our water may impact assets down hill. By lowering the water level, we have greatly diminished the immediate risk. Following the new construction, our liability will also be diminished.

Do we need to refill the utmost water level, or would a lower level reduce the hazard classification?

-We did ask that specifically, but the classification would still be the same, even with less water. As that is the case, the cost would not be different for the build if we changed the water level. A lower level would negatively impact homeowners on the pond, without ultimately benefiting in any way.

What is the worst case cost estimate for special assessment to individual properties?

-approximately \$6,300/property.

For those who can't afford the assessment, what to do?

-The HOA will apply for the loan. Each homeowner may seek private loans and arrangements to pay back the HOA.

Does the builder have any liability?

-No. Attorneys have been helping us answer this, and other questions. There is no one liable for this cost but the homeowners of Otter Pond.

If someone sells their property before the 5 year loan is paid, does the property have a lien?

-No. The homeowner at the time of the special assessment owes that amount. Remaining assessment debt could be considered in escrow or as part of the sale price, but the new owner would not take on a remaining debt.

Will reserves for future dam maintenance be considered?

-Yes. This new dam should last 50 years; but future budgets will consider maintenance costs. Early on in our community, reserve budgets had a lot of push back. It's easy to wish now that we had saved more, but no one foresaw this, and were reluctant to pay more than the itemized cost budget.

There may be a limit to how much money we can hold in reserves as a non-profit organization.

Who is paying for the road and sidewalk replacement?

The City of Montrose. They have also graciously committed to giving \$100,000 toward our project. They are in no way responsible for any of our costs, but have worked with us, our engineer, and the state to support us.

While the dam is being rebuilt, what should geothermal and irrigation impacts be?

-Those dependent on the water will need to find temporary alternatives. *(Hoses with manual sprinklers; closed shades during the day and open windows at night to cool the house; window unit air-conditioning; etc.)*

While the pond is drained, will we remove dirt and deepen the pond?

-The soil dredged from the marina may be studied and used for construction of the new dam.

Can we invest our reserve funds to gain interest?

-Yes, some of our money is already invested and will mature in June.

What does the interest on a 5 year loan look like?

-Quote for a non-collateral loan was 6.5%. Some may prefer to pay the full assessment to avoid paying interest.

2023 Board Members:

Kristie: All three members are interested in continuing to serve; we also invite any nominations for new members.

Kathy H nominates Kristie Sanchez (as President), Christina Files (as Member at Large) and Mindy Clagett (as Secretary), as board members for 2023. Seconded; voted & approved.

Tim H to continue to help with finances.

Meeting adjourned at 7:17 PM

-Minutes submitted by Mindy Clagett, HOA Secretary