

PAUPACKAN LAKE ASSOCIATION
Board of Directors Meeting
March 14, 2009

Meeting called to order at 9:11 a.m.

Board members present: Rolland Grote, Dan Litwak, Al Grabon, Michael Telepchak, Michael Busciacco, and Attorney Anthony Magnotta.

Minutes from the February 14 meeting were read and approved.

FINANCIAL REPORT: In John Pierro's absence, Rolland discussed the latest reports. Office Manager Donna O'Grady stated that 20% of the membership is now on a payment plan. Attorney Magnotta pointed out that we've already spent 30% of the yearly budget for water maintenance in the first two months.

COMMUNICATIONS: Magnotta will again write to Rodriguez's attorney to request him to speak to the board regarding restoring his property. Magnotta is sending a letter to Paupack Twp. and suggested that we send a proposal regarding the road boundary, speed bump, rumble-strips, etc. Security Officer John Armato is working up a proposal regarding this issue.

Member Kusma, as promised, sent in \$1,500 and the deed to his lot.

WATER: Al Grabon reported that he contacted FX Browne to forward our annual CCR Report to the DEP. Al will do a required water draw-down report on monthly well-house usage, and send it to DEP. Dan Litwak stated that he spoke with several engineering companies including Bryan Fisk from RKR Hess, to evaluate the monetary value of our water system; but they could only tell us what we have--which we already know, and then we would require an accountant experienced in equipment depreciation, etc. Rolland spoke to CMX Engineering, Roswell McMullan, Swinson, Frankie Seargent, and they all wound up suggesting engineer David L. Busch from Keystone Alliance Consulting. Rolland had Milnes Engineering send out all relevant reports to Mr. Busch for his evaluation. Busch concluded that: "the value of the system is essentially a negative number. This is due primarily because of the estimated cost of the capital improvements needed throughout the system." Rolland told Al that he wanted one more opinion, and Al is awaiting a reply from Artesian Company in Delaware. Al also reported that he and Paul Brindle will have a meeting and on-site inspection with Dale Whitner from the DEP on March 27.

The letter of intent from Aqua was discussed. The board agreed to request a meeting with them. At that time, we will ask \$180,000 for purchasing the system; that Aqua pay any transfer tax; that we can incorporate some form of customer shut-off; the Wayne Bank lien issue; and release of indemnification. Magnotta stated that after we come to an agreement of contract, a meeting for the association's membership with Aqua in attendance will be held. Then a ballot must be mailed to the membership. If approved by the membership, Aqua will then submit their acquisition request to the Public Utility Commission. There will be a public hearing on the tariff, and then we will await PUC approval. The closing would occur very shortly after that. All of this could take approximately 15 months. Magnotta will call Pine Beach Association to inquire on the price that Aqua paid for their system. Al Grabon further reported that we had 16 leaks during the first 6 weeks of this year.

ROADS: Michael Busciacco stated that he will have an initial roads

proposal at the April meeting for any urgent work to be considered.

LAKE: Dan and Rolland discussed the 2009 monitoring proposal from Aquatic Environment Associates. They would monitor, report, and provide a Lake Survey of Water Quality. The cost is \$2,090 for the year. It was approved.

SECURITY: The board agreed to charge a flat \$35 fee to any home requiring the installation of 911 emergency address numbers. John Armato and Louis will do the work.

WEBSITE: Michael Telepchak stated that the new website will be up by month's end.

Motion made, seconded, and approved to adjourn at 11:31

Respectfully submitted,
Dan Litwak