

PAUPACKAN LAKE ASSOCIATION
GENERAL MEMBERSHIP MEETING
August 23, 2008
Held at the Lakeville Firehouse

Meeting was called to order at 9:15 a.m.

Roll call--Board members present: Pres. Rolland Grote, V.Pres. Larry Bumeder, Treasurer John Pierro, Secretary Dan Litwak, Members-At-Large Clarence Hampton, Water Chairperson Al Grabon. Also in attendance Legal Committee Chairperson Barry Goldstein, Finance Chairperson Leo O'Reilly, and Attorney Anthony Magnotta.

President Rolland Grote welcomed everyone and led the Pledge of Allegiance. He also introduced new board member Michael Telephak and future board member Michael Busciacco.

Secretary Dan Litwak read the minutes from the September 29, 2007 annual meeting. Minutes were approved by the membership without objection.

Rolland Grote then presented a powerpoint presentation explaining initially that we will face a shortfall. He detailed our loan history and expenditures, and that our remaining \$300,000 of credit on the original construction loan of \$1.2 million would have to be eventually allocated to DEP-required water storage tanks and other mandated issues to obtain the water permit. Finance Chairperson Leo O'Reilly stated that he met with Wayne Bank to renegotiate the construction loan, and there may be a proposal coming from them to lower the interest rate of the loan from the current 8%, to 6 1/2%. This could lower the association's monthly payments by about \$1,100 per month. The lake was discussed, and we have an excellent bill of health on the quality of water in the lake, and we're very happy to report no visible cabomba invasive weed growth. There is no guarantee of complete eradication. Member Steve Barsky stated that the lake has turned green. Due to a lack of rain and warm conditions, there has recently been algae growth, giving the lake a green color. This was noted to be affecting all lakes in the area, including the largest-Lake Wallenpaupack. The Conservation District has been spoken to and has acknowledged this. The association will use Aquatic Environmental Control, our lake consultant, for the 2008/2009 management program, which will include lake-water quality testing, weed surveys, and inspections. Rolland then discussed roads, detailing various projects we have just completed including dust-oil and chipping E.Shore Drive, hot-patching cross-overs, and upgrading several unpaved roads. The budget was then presented, and it was explained that the board was not proposing an increase in dues. However, due to an anticipated shortfall, an assessment of \$100 will be requested for membership approval. Rolland then introduced John Armato, who has been hired for security. The new emergency phone number has been changed, and it was explained that all homeowners must have their emergency 911 address clearly posted, for assisting emergency vehicles.

There was a discussion led by Attorney Magnotta regarding the proposed by-law change on

lot ownership, which was intended to simplify the different categories of lot-size and dues owed. Member Tony Mazaitis briefly explained the history and reasons of acquiring adjoining lots and stated that additional expenses would be incurred to combine lots in order to save a certain amount of dues charges. Magnotta explained that these would include attorney fees, surveyor fees, etc. These necessary procedures are dictated by the township and could likely incur higher expenses than would be realized if the lots were adjoined to lower the association dues. Tony Mazaitis then made a motion to vote on the proposed by-law change. It was defeated unanimously.

Water chairperson Al Grabon made a presentation on the status of the water system. Year-to-date, we've had far more leaks than the same period last year. Al read a letter of interest from Aqua PA regarding the possible acquisition of the water system. He also detailed a letter just received from the DEP stating that additional equipment and procedures would have to be installed for the operations permit to be approved. These might total an additional \$100,000 on top of the \$362,000 projected for the water storage tanks. The DEP bases this upon the presumption of a full build-out of the community 20-30 years from now.. Dan Litwak stated that it will be financially impossible for us to maintain this system, and that it would serve in everyone's interest and everyone's property values if we could transfer the water system to an outside company. It would then be their responsibility to take over upgrades, maintenance, and the obtaining of all permits. Member Michael McCarthy thanked the board for resolving the low water-pressure problem in his area.

Business Manager Karen Kilgallen talked about collection rates, stating that 189 unimproved lot owners have balances due; 163 lot owners have paid in full; 41 lots went to tax sale; 9 in judicial sale. We previously had 50 homeowners who had not paid; that is down to 18; 5 of which are in foreclosure. It was suggested from a member that we publish the names of owners who have not paid.

The 2009 Proposed Budget was brought to the floor. Member Bob Semian made a motion for a reallocation from lake treatment and other line items in order to spend \$5,000 for fish-stocking. His motion was seconded. The motion was defeated: 3 in favor, 73 against.

Member Carole Seuling made a motion, and it was seconded, to have a separate vote for the budget, and a separate vote for the \$100 assessment. It was explained that the 2009 budget was based upon the dues plus the assessment revenue. The motion to separate the vote was defeated: 21 in favor, 53 against.

A motion was made and seconded to accept the proposed 2009 Budget including the special assessment of \$100. It was approved: 56 in favor, 21 against. The budget passes.

Karen Kilgallen suggested that to attract buyers of abandoned lots in the community, at the county tax sale next month, that the association waive all past dues and liens for members in good standing, and they commit to paying the dues for these lots for the next three years. This was made into a motion by member Bill Micciulla and seconded by Jan Grote. The motion passed: 51 in favor, 1 against.

The issue of dogs occasionally running loose was discussed. A discussion regarding ATV's ensued. Security person John Armato suggested either the community make a good faith effort in enforcing the licensing, registration, plates, helmets, etc. of these vehicles, or they should be banned completely from the community. A motion was made from the membership, that ATV's be banned from the community. Dan Litwak stated that if ATV's are banned, we could be held liable for not enforcing the ban should something happen. Attorney Magnotta stated that you do not require 24/7 security to keep ATV's off the road. What you need is a good-faith effort, which could include any member of the community telling any ATV rider that these vehicles are no longer permitted within the community, as this community is considered private property. The motion to ban ATV's was made and seconded. It was defeated: 28 in favor, 28 against. It was agreed, due to a tie vote, that the motion be voted on a second time. It was defeated again: 29 in favor, 30 against. The motion to ban ATV's fails.

Carole Seuling made a motion, which was seconded, for the association to hire a property manager. The motion was defeated: 6 in favor, 31 against.

A motion was made, seconded, and approved to adjourn at 12:20 p.m.

Respectfully submitted,
Dan Litwak
Secretary