



www.lostvalleylake.com

2334 Hwy. ZZ
Owensville, MO 65066-2234
(573) 764-2640 • FAX (573) 764-2640

Board of Directors Meeting

January 21, 2017

Board Members Present:

President Pat Leach, Vice President Sallie Halverson, Secretary Doug Allen, Bud Morice, Al Evans, Tom Fanon

Board Members Absent:

Brenda Tuck

Resort Manager:

Carrie Tainter

The board President opened the meeting at 10:00 at the Gathering Place with several owners present at the meeting.

The President opened the meeting advising the owners of the issues with the wastewater plant and the pools issues that the board received on January 18, 2017 Byron Shaw from MECO Engineering. He continued with the following information received from Byron Shaw:

Byron Shaw explained to the Board of Directors the research that he had done on Lost Valley Lake waste water plant issues.

Byron started out the conversation talking about the history of the resort's wastewater plant. He advised the original plant was built by Mid America Resorts in 1982 to meet the requires for a design flow of 30,000 gallons of waste per day, In 1993 Mid America Resorts upgraded the waste water plant to meet a designed flow of 60,000 gallons per day. A flow meter was installed to get a true flow reading on September 1, 2015 to get the true flows of the plant.

The wastewater flows varied from a low of 3,400 gallons per day to a high of 220,000 gallons per day. Flows during the month of July 2016 averaged more than 130,000 gallons per day for the entire month.

Byron advised that permits to operate the wastewater plants in the State of Missouri generally run for 5 years before a new one is issued. The last permit that was issued is good until November 2018 at which time the current wastewater plant will be required to meet the new EPA and DNR standards.

Byron went through several options with the cost of each one. Below is the cost estimates:

- Alternative 1 \$3,538,946.00 A no discharge system
- Alternative 2 \$1,677,398.00 Moving Bed Biofilm Reactor (MBBR) system
- Alternative 3 \$1,923,380.00 Aero-MOD Treatment Process system
- Alternative 4 \$1,744,135.00 Smith and Loveless Fixed Activated Sludge Treatment (FAST) system
- Alternative 5 \$1,766,087.00 Sequencing Batch Reactor (SBR) system

Byron went through each option and explained the pros and cons of each system. Byron also advised that the current wastewater plant has been out of compliance several times since 2007. Randy submitted to the board a list of the days the wastewater plant was over through the year 2016.

After Byron's presentation several board members, resort developer and visitors asked Byron several questions about each design. The design that was recommended by the engineer was Alternative 2 (\$1,677,398.00). This system would handle the requirements for the resort in the busy time and could be reduced down in the winter months without doing damage to the system. This system would also be expandable for any future growth and requirement changes.

The Resort Developer advised that Mid America Resorts is committed to this project and will do whatever Mid America Resorts can do to help in getting these projects completed.

The President advised the attending owners if the wastewater plant corrections are not done in the near future the State Of Missouri DNR could force the resort to close. The issue that caused the biggest problem was when EPA and DNR changed the requirements on wastewater plants.

A board member did advise the owners that the project the board is looking at will be expandable for future issues that may come up. We will be using the existing plant to help reduce the cost.

The President also advise the owners that the outdoor pool leaking has been an issue with leaking over the past few years which was going to be addressed in the 2017 budget. So with the wastewater plant and the pool needing upgrades this would be the time to take care of both issues. The Resort Manager has been getting estimates and designs on the pool over the last few months.

A board member advised the pool is leaking 1,000 gallons to 10,000 gallons a day it is costing the owners in chemicals and electric with the resort wells running to refill the pool. (The pool is over 30 years old and has been repaired several times by outside companies).

The President asked the owners that were present if they had any questions:

One of the owners asked if the new system will be designed for increased capacity of wastewater and will it be expandable for additional flow or growth. The President advised the first part of the study was what will it take to get the resort wastewater plant back into State of Missouri compliance and the second part of the study was what it will take to for an expandable system for the future.

The Resort Manager advised that the new treatment plant system will be able to be closed down in the winter without doing damage to the plant and reopen the plant to handle the busy season needs.

A board member advised the average flow for the whole year was a 119, 000 gallons per day but the new plant will handle 150,000 gallons per day. The preexisting plant will be used as a hold tank.

The President advised the owners that we will look into facilities that upgraded their systems and maybe be able to save money with refurbished tanks or equipment.

One owner asked if there was going to be enough water to operate the new system.

One owner ask if the resort had looked into the low flow shower heads and other low flow fixtures and the Resort Manager advised they have been going to the low flow fixtures as the old fixtures need to be replaced.

A question was asked if the engineer had checked for any outside filtration that maybe going into the wastewater system. A board member advised that was part of the study as well.

An owner stated he had gone to the restaurant on the resort and pickup a bottom of wine and the price on the bottle was \$4.99. When he went to pay for the wine it was \$8.49. The Resort Manager advised it was probable human error and that she would talk to the restaurant manager.

The President also point out to the owners if a proxy vote is decided on there are 5,766 voting members and there will need to be a 2/3 vote to approve an assessment. If a vote is not returned it is considered a no vote.

An owner asked if these were active members and the answer was yes.

An owner asked if there were any plans on finishing the lodge.

The Resort Manager advised the lower level is completed and is used all season long. The second level has not been completed. The new Lake Expo has more space than the old lodge had.

The President advised the owners were ask two years ago the priorities the owners would like to see. The first priority was roads, second was finishing the lodge, and third was upgrading the bath houses and overwhelmingly the roads were the number one priority. So the money that was available was used on the roads.

An owner stated what could be put in the lodge that is not already in Lake Expo. The money that could be used to finish the lodge should be going to more needed items than to finish the lodge.

An associate asked what is being done about owners and associates not picking up after their dogs. The Resort Manager advised they put the information on the mirror hangers, it's on the activity sheets, and in the news letter.

An owner recommended installing a section of PVC pipe that owners can place plastic bags with a sign that the dog owners have available to pickup after their dogs.

Resort Manager updated the present owners on the following items:

- Activities are trying to get contracts for bands at different events. They are having problems finding bands that are still in business. Six of the bands that were used in the past have gone out of business.
- Housekeeping is doing deep cleaning and keeping up with the daily usage.
- There is a new Chief of Security, his name is Bill Windham. He has an EMT and firefighting background. He has been at the resort for 6-8 months.
- The stables are busy clearing the trails and cleaning.
- Reservations is cleaning and reorganizing.
- Maintenance is in the process of completely remodeling two trailers. They have completely gutted the trailers and are trying to make them more user friendly. They are also putting new flooring in 6 condo units. They have replaced 10 water hydrants, 5 pedestals, several ovens and microwaves. They are looking for a new/ used RV pull truck.
- Maintenance is also working on preparing the roads for more chip and seal.

The Resort Manager asked if there were any more questions or concerns. She did advise there is a new sheriff in Gasconade County. She did have a meeting with him and invited him to come to the meetings as well.

One owner did ask if activities were working on more activities for the senior owners to do. The Resort Manager advised she would look into it with activities director.

The owners had a discussion on the following issues that need to be addressed:

- Children riding on the tailgate of trucks on the resort
- Campers being left unattended for more than 48 hours on sites
- Individuals throwing balls into the building supports of the gym at Lake Expo
- Parking on the grass.

A question was asked about the Eclipse on August 21, 2017. The Resort Manager advised all owners can make their reservations before April which is before they put it out to the public. The public will have to pay at the gate to try and generate more money. Lost Valley is at the center of the Eclipse. **The public can stay Sunday night only and leave Monday after the Eclipse.**

The President asked if there were any more questions.

An owner asked when the dues or maintenance fees were going to be set. The President advised that the board is trying to coordinate that decision with the cost of the treatment plant and the pool. The delay was waiting on the final numbers from the engineer on the treatment plant which the board did not receive until January 18, 2017. The project has to be started so the treatment plant will be done before November 18, 2018. The pool will also need to be ready before 2018 season starts. The owner asked if there was going to be a onetime fee? If we have a onetime fee then that is called an assessment, which means you have to go out for a vote. If that paperwork goes out this week it has to be back in by March 1st with a 2/3 voter approval. The board would not have the results back in time to set the yearly maintenance fees. The timing on this wastewater plant information has been horrible.

If anyone has any suggestions please let the Resort Manager know.

There was a long discussion on the maintenance fees and assessments with the owners that were present on the options of how this situation should be handled.

With no further comments the board of directors went into a closed session 10:45.

The Board President opened the closed board meeting at 10:59 to address an owner and his associate with issues that occurred on the resort. After a discussion with the parties involved the owner and associate were ask to leave. After a discussion among the board of directors and the Resort Manager a decision was made on the incident. The Resort Manager was directed to send out letters with the board's decision to the owner and the associate involved.

The President asked for a motion to approve the September 24, 2016 minutes Sallie H. made a motion and the motion was seconded. All members approved the minutes.

The President asked for a motion to approve the special meeting minutes for January 18, 2017. Sallie H. made a motion and the motion had a second. All members approved the minutes.

The board moved onto the issue with the wastewater plant and the pool.

A board member talked about the owners that were present during the open meeting and it sounded like they would be receptive to a one time maintenance fee increase for the project instead of going out and spending \$3,000.00 to \$5,000.00 dollars for a proxy vote. If the vote would fail then another mailing with addition maintenance fees to cover the required project would cost another \$3,000.00 to \$5,000.00 dollars along with a time delay.

The consensus of the board was to do a onetime maintenance fee increase to cover the cost of the projects because of the cost and time frame.

A discussion was held on the different payment plans and how they were going to be handled.

The President asked for a motion of how to collect the money either through assessments or maintenance fees. Bud M. made a motion to collect the money through maintenance fees the motion was seconded. All members approved the motion.

The next discussion was held on how much money was needed for the projects to be added to the maintenance fees. The total estimated amount needed for the two projects would be \$2,227,398.00. It was decided that \$400.00 would need to be added to the last year maintenance fees amounts to cover the cost of the projects. Sallie H. made a motion and the motion was seconded. All members approved the motion.

The money collected for the project will be going into a special account to be used for these projects. If any funds are left over the funds will be used for capital improvements only.

The President asked for a motion to keep the present maintenance fees the same as last year along with the added \$400.00 for the project. Doug A made a motion, the motion was seconded. All members approved the motion.

A board member asked the Resort Manager to go over the 2017-2018 budget that was presented.

- \$20,000.00 to improve the roads
- \$15,000.00 to replace two roofs
- \$50,000.00 to widen the main entrance into the resort. A board member did ask if there was going to be a divider installed at the entrance and the Resort Manger advised no. They were going to widen the road from Highway ZZ down to the Guard House and do away with some of the trees and update the signage.
- \$10,000.00 to redo the Gathering Place deck
- \$10,000.00 for landscaping around the condos
- \$50,000.00 for condo furniture
- \$10,000.00 to reside a couple villas
- \$16,000.00 to remodel more RV's
- \$10,000.00 to take the old pool cover frame with metal and design a equipment shed

A board member asked about putting playground equipment up at Fort Wilderness. The Resort Manager advised it would cost close to \$75,000.00 for the project. The funds were not available at this time. One board member had suggested in the past to do 50/50 drawings for this project and equipment for security.

A board member also asked if there was going to dress up the maintenance building. The Resort Manger said they would like to but always come up short on funds.

The President asked for a motion to approve the Lost Valley Resort 2017-2018 budget. Doug A. made the motion, the motion was seconded. All members approved the motion.

The Resort Manager asked if it was alright for an owner to ride a battery operate bicycle. The board approved the use of a battery operated bicycle.

A board member asked the Resort Manager if they had installed new hand dryers in Fort Wilderness restrooms. She advised yes they will be installing them.

Bud M. made a motion to adjourn the meeting, the motion was second, all members approved the motion. The meeting was adjourned at 11:53.

All board members were contacted on January 23, 2017 with the following information:

On January 23, 2017 a board member had discussed the dues increase with the resort Attorney and received the following guidance which the board member will be moving forward with. The Attorney advised NOT to increase the dues by a flat \$400.00 per Ownership because this is not a proportional increase. For an example, based on a flat \$400 increase an Executive Owners dues will go \$598 to \$998 about a 70% increase while a Wilderness Ownership would go from \$389 to \$789 over a 100% increase- this is not proportional. Additionally the board has set a precedence over the last 30 years by raising the each ownership by the same percent (3%, 10% etc).

Therefore per the resort Attorney the board member stated they will be raising each ownership dues for 2017 by the same percentage of 76.25%. The board voted to raise the dues by \$400 and doing the increase by the stated percentage will serve the same purpose.

Minutes Approved: May, 20,2017

Minutes Submitted By: *Doug Allen*