

**SUMMARY MINUTES OF THE OCTOBER 23, 2002**  
**BIG CANOE POA BOARD OF DIRECTORS MEETING**

Following an Executive Session, the meeting was brought to order in an open session at the Canoe Lodge by Jim Deach, President at 9:30 a.m. In attendance were Linda Greer, Bob Tippet, Bill Byrne, Mickey Gallagher, Anita Michele, Secretary, Troy Ledbetter, General Manager, Debbie Pickett, Recording Secretary and property owners present to hear the presentation from the Lake Allatoona Preservation Authority.

Mr. Deach introduced Margaret Tanner and Paul Rose from the Lake Allatoona Preservation Authority. Ms. Tanner and Mr. Rose were at the meeting to provide a presentation regarding the Lake Allatoona/Etowah Source Water Assessment. Mr. Rose stated that the authority was established on April 22, 1999. LAPA's mission is to restore, preserve, and protect water quality and uses beneficial for present and future generations. The Authority is a repository for the latest information, technology, and conditions of the watershed. It also identifies and addresses all issues that impact Lake Allatoona. Areas, which affect the Lake Allatoona/Etowah Watershed, include Bent Tree, Big Canoe, City of Jasper, U.S. Army Camp Frank D. Merrill, Etowah Water and Sewer Authority, and the City of Cartersville. The Source Water Assessment Program is the assessment of potential contaminant sources within the watershed of a drinking water intake. SWAP is required by federal law; required by state law for all drinking water supplies; funded by the State of Georgia; and led by the Lake Allatoona Preservation Authority. Counties in the Lake Allatoona Watershed include: Bartow, Cherokee, Cobb, Dawson, Forsyth, Lumpkin, Paulding, Pickens and Fulton. Mr. Rose identified the milestones of the Authority. He relayed that the inner management zone is seven miles from the intake, and the outer management zone is thirteen miles beyond the inner management zone. Outlined in the study were the following statistics concerning Big Canoe:

Primary Water Source Type	Surface Water
Population Served	4,250
Permitted Capacity	1,000,000 gallons daily
Counties	Pickens/Dawson
Water Source	Lake Petit
Number of Taps	1,803

The Source Water Assessment Plan refers only to the potential for contamination. The significant identified sources of potential risk are the bridge at Lake Petit and the Marina (both are considered high risk but low probability). Residences with septic tank systems also add to the potential risk. Examples of contamination were explained i.e. a septic pumping truck turning over in Lake Petit or gasoline and oil spills at the marina. It was pointed out that we only use electric motors on Lake Petit and that septic pumping trucks could simply be rerouted so as not

to cross the dam; the Authority acknowledged numerous flaws in the Federal guidelines formula which they have pointed out to the Federal agency.

Ms. Tanner noted that the analysis is intended to provide an assessment of the potential for contamination to use as a planning tool for watershed protection. Ms. Tanner stated that Big Canoe has "nothing to worry about" and that the community has "very good water quality, some of the best in the state". The presentation concluded and Mr. Deach thanked Ms. Tanner and Mr. Rose for the report. Following the open session, 12 property owners were in attendance at the regular session.

The minutes of the September 18, 2002 meeting were reviewed and one change was noted. A motion to approve the September 18, 2002 minutes was made, seconded and passed.

## **FINANCIAL REVIEW**

The Financial Narrative produced prior to the meeting for the Board's review was attached to the minutes. Mr. Ledbetter stated that the POA operated \$22,300 better than budget for the month of September and \$506,000 better than budget year to date.

The Community Services departments all performed better than budget. Golf and Food and Beverage both did significantly worse than budget. The weather in September ended the long drought with several weekends and weekdays of rain. This directly affected golf and to a lesser extent Food and Beverage.

Golf Operations was \$20,100 worse than budget for the month and \$18,900 better than budget year to date. Total rounds played in September were 2,706; this was a loss of 646 compared to budget. This was due to rain. October has also been a very wet month, and this has decreased play. All year golf rounds of play have been closely correlated to the weather with the first eight months of great weather yielding record rounds of play. Golf merchandise gross revenues were down about 25% for the month and down about 9% year to date. Overall, merchandise was \$1,400 worse for the month but \$4,700 better year to date. This entire savings was due to decreased hourly labor.

Golf Maintenance was \$1,200 worse than budget for the month and \$11,900 worse year to date. The savings in labor were offset by sand, irrigation and consultant's costs.

Fitness Center was \$4,300 better for the month and \$8,400 worse than budget year to date. The Fitness Center continues to generate additional annual card sales. Rental fees and massage revenue continue to do better than budgeted.

Tennis was \$1,300 worse than budget for the month and \$3,200 better than budget year to date. This is the flip side of some of the timing issues related to capital repair and replacement payments. There was also an expenditure of \$500 for small equipment in September.

Swim was \$3,900 better than budget for the month and \$41,800 better than budget for the month. Daily sales were \$1,400 better than budget for Labor Day weekend. There were savings in payroll, operating supplies and utilities.

Lakes and Marina was \$16,700 worse than budget for the month and \$28,600 better than budget year to date.

Food and Beverage was \$16,700 worse than budget for the month and \$45,900 worse than budget year to date. Revenues at \$68,800 were about \$23,100 worse than budget. Cost of goods sold (COGS) were about 44%. Mr. Tippett asked what was the goal for COGS. Mr. Ledbetter stated that we would like to see cost of goods sold below 40%; Ms. Michele noted that the national average and our budget are 41%. This made the gross profit \$17,600 worse than budget. Labor costs were about \$4,000 lower than last year and \$3,000 better than budget. As revenues drop, we continue to see some improvement in labor costs. However, the result was \$1.38 of revenues for every dollar of payroll this September versus \$1.71 for every dollar of payroll last September. The combination of increased competition and the decline in dollars spent dining out has had a significant impact on the restaurant. Mr. Deach reported that per the Foodservice Committee, the 20% drop in revenue that Lake Sconti is experiencing is similar to the reductions hitting other operators in our area.

Architectural and Environmental Control Department was \$2,500 better than budget for the month and \$64,000 better than budget year to date. Submittals were slightly better than budget by \$3,200. There are currently 104 houses under construction. The revenue increases were somewhat offset by increases in printing costs related to the contractor card program.

Grounds Maintenance was \$22,100 better than budget for the month and \$203,000 better than budget year to date. Facilities Maintenance was \$1,300 better than budget for the month and \$17,200 better year to date. Outside revenues were up \$1,300 over budget and \$2,100 over prior year.

Security was \$10,500 better than budget for the month and \$38,000 better than budget year to date. Timing issues in printing (order was received in October rather than September) and labor (sick and vacation related overtime).

General and Administrative was \$16,700 better than budget for the month and \$126,400 better year to date. Recovery of bad debt were better than budget by \$13,000 and prior year by \$14,000. This was largely on the strength of a negotiated settlement on a single lot. We were also better than budget on interest income, as the original budget called for the Wildcat payment to be made by September.

## **GENERAL MANAGER'S REPORT**

The General Manager's Report produced prior to the meeting for the Board's review was attached to the minutes.

During the month of September, Dawson County EMS responded to eleven calls with five patients being transported and there were six refusals.

Mr. Ledbetter relayed that he has met with engineers from Cranston, Robertson & Whitehurst regarding Disharoon Cove Dam. They should have an engineering report ready for the Board's review in three to four weeks.

Mr. Ledbetter reported that Richard Newton, legal counsel for the POA in regard to AEMC easements, has had no response from AEMC's attorney with respect to this issue.

Mr. Ledbetter advised the Board that Mary Wilson, newly named POA Chief Financial Officer, will begin work on October 28, 2002.

Mr. Ledbetter informed the Board that removal of the dirt and silt from the marina has been completed. The process of returning the boats to the marina is now in progress.

Discussion regarding the budget for 2003 continues. Mr. Ledbetter stated that he and Mr. Young have met with Ms. Michele and Mr. Deach and the budgets should be complete within the next week.

Mr. Ledbetter requested Board Members to review AECC violations around the lake with him. A meeting was set for Monday, October 28 at 3:00 p.m. to look at these violations around Lake Petit.

The POA paving program is almost completed for 2002. Plans remain to pave and widen some areas on Cherokee Trail. This should be completed by mid-November.

Mr. Ledbetter reported that he had received many calls regarding the relocation of the school bus stop. He stated that it is scheduled to be relocated back to the parking area at Wildcat Recreation Center by November 4th.

The Board discussed the Meadows and recommendations, which were made by Jon Calabria of Earth Works who has been consulting with the POA and the Meadows Committee. Recommendations are to spray the Meadows with a herbicide to eradicate the fescue. Next spring, indigenous grasses and forbs (wildflowers) will be reestablished. Mr. Calabria is working on a plan for the Board's review. The consensus of the Board was to move forward with the recommendations to eradicate the fescue. The Meadows will be sprayed with a herbicide next week. Mr. Byrne requested that Mack Cain also review the recommendations.

Mr. Ledbetter advised the Board that we have experienced some problems with the greens on both Choctaw and Cherokee. A fertilizer burn occurred on the putting greens of Choctaw and Cherokee. Mr. Pat O'Brien, Director of the Southeast Region of the USGA Green Section, conducted a review with Mr. Robert Womac, Golf Course Superintendent, on October 11, 2002. Mr. O'Brien believes that the burn was limited to the grass blades and that the roots were not damaged.

Mr. Ledbetter informed the Board that he and Mr. Byrne have met and discussed the noise issue, which was addressed at the last board meeting. Mr. Ledbetter stated that they plan to further research this issue with an acoustical expert before coming back to the board. Mr. Tippet volunteered to assist Mr. Ledbetter in identifying this consultant.

The POA hosted the Wolfscratch Homecoming Music Festival on October 12. Sam Rothermel relayed to Mr. Ledbetter that it was a great success and that he received many positive comments regarding the event and the quality of the entertainment.

## **OLD BUSINESS**

Ms. Greer provided resumes for a team of arbitrators proposed for 2003. Following review of the resumes, a motion was made, seconded and passed accepting the three names presented as the POA's panel of arbitrators for 2003.

The Board again discussed the proposed water study, which would include an independent evaluation of the potential for Lakes Petit, Disharoon and Sconti to meet the consumptive water needs of current and future residents of Big Canoe. Mr. Deach stated that Ms. Greer has spent many hours working on this study. Ms. Greer stated that there have been a lot of people involved in this water study and thanked Phil Andersen, Burt Prater, Rod Lee and Bob Wright for their time and efforts in this study. Ms. Greer stated that two consulting firms were contacted and interviewed to provide such a study. Both proposals were discussed and a recommendation was made to accept GeoSyntec's proposal at \$15,934, which was \$12,654 less than the other comparable proposal. A motion was then made, seconded and passed to retain GeoSyntec to study the adequacy of surface water availability to support the needs of the community, taking into account the continuing and projected construction of homes within Big Canoe. The Board agreed for GeoSyntec to go ahead and begin the background data and other work that may be needed. The consultation of the developer's engineering company would begin six to eight weeks from the initial agreement of September 18 due to the workload of the developer and loss of Mr. McDaniel.

Further, Ms. Greer read a Resolution from the HOA and executed by HOA President, Burt Prater, in support of the POA Board regarding the water study.

WHEREAS; the Big Canoe HOA has serious concern regarding the adequacy of our available surface and groundwater to meet the increasing demand of anticipated development.

WHEREAS; such concern extends to the effect of increasing demand on the water levels in our lakes.

WHEREAS; THE Big Canoe HOA contends that the water level in our lakes is a critical element in the esthetic and real estate value of our community.

WHEREAS; based on information from reliable sources it is our belief that an in-depth, independent study of our water supply has yet to be accomplished.

BE IT THEREFORE RESOLVED; The Big Canoe HOA Board of Directors unanimously supports the Big Canoe POA in conducting an in-depth, independent study of our potable water supply, the anticipated demand on that supply of additional dwelling units and the consequent effect of such demand on the water levels of our lakes.

Ms. Greer stated that Burt Prater, President of the HOA, has been extremely helpful in this effort.

Mr. Byrne provided an update on the signage program. He stated that he has met with Mr. Donavon and reported that he has some examples of his work. It was agreed that Mr. Ledbetter and Ms. Michele would review the examples. Mr. Donovon does have the sign for the Sconti entrance ready, but has delayed installation until some other signs have been completed.

The Board further discussed the AEMC easement. AEMC has until November 11 to respond to POA Counsel, Richard Newton's letter. If we have not received a response by that date, the POA will seek a declaratory judgment against AEMC.

Again, it was reported that there were no further updates from the State of Georgia regarding the Lake Petit Dam.

Mr. Deach stated that a group of property owners, which include Lee Arthurs, Warren Culpepper, Tom Rehg, Burt Prater and Jerry Sommers, would be working on the community census. Mr. Deach again relayed that this would help Big Canoe get a better feel for basic demographics.

Ms. Greer updated the Board on the formation of the Buckskull Neighborhood Association. She reported that a letter was sent to all Buckskull owners informing them that the POA intends to begin charging a monthly assessment in accordance with Article III of the Class "B" Covenants. Ms. Greer stated that she is meeting with a group of owners on Friday morning in this regard. Jack Hill and Charles Parker have volunteered to head up an association.

Mr. Deach reported that election in neighborhoods for the 2003 Community Council would be soon. Half of the current members will remain on the council and half will come off. The steering committee has met to discuss the upcoming election of members. The next meeting of the Community Council is scheduled for November 11.

The next meeting of the Board will be held November 20, 2002.

A meeting will be held on Saturday, October 26 at 10:00 a.m. at the Chapel to "Meet the Candidates".

A motion was made and seconded to adjourn the meeting. The motion passed and the meeting was adjourned at 11:10 a.m.

This report is an incomplete and unofficial summary of information provided to the Board and the Board's activities at this meeting, which is produced prior to approval of the official minutes for purpose of timely property owner communication