WOSSSC BOD Executive Minutes for meeting 6-26-14

WHITEOAK SHORES SEWER SERVICE CORPORATION

EXECUTIVE MINUTES OF MEETING

BOARD OF DIRECTORS

Date: 06/26/2014

Place of Meeting: WOS Park Office

Meeting Time: 7:00 PM

In Attendance: Nick Garner, Vice-President, Wanda Hammons, Secretary/Treasurer, Ed Homan, Jerry Kennedy, Benny Jackson and Thomas Belcher

Absent: Lois Compton

Vice President Nick Garner opened Executive meeting to discuss loan with Community Resource Group (CRG). Nick turned the meeting over to Wanda Hammons, Secretary/Treasurer.

Wanda spoke to Holly Baker with CRG and was given the following information on a loan for $275,000.00 plus roll over balance on current loan with CRG.

* Loan amount - $275,000.00 + 79,000.00 = $354,000.00
* Term 15 years ( the maximum years)
* Interest Rate 5.9% 10 years 4.9%
* Monthly payment $2,982.16
* 1% loan originations fee at closing $3,540.00
* 10% required by CRG in Reserve account $298.61

Wanda explained she worked up an amortization schedule based on the current 124 members paying thru LFW and 16 owners paying thru WOS less 4 undependable owners leaves 136 members/owners paying the loan payment or special assessment. Dividing the projected loan payment of $2,986.16 by the 136 members/owners would equal around $22.00 per member/owner.

If the Board voted to increase the tariff to$25.00 for the special assessment, approximately $400.00 could be paid extra on the loan payment.

The balance in the loan payment account is $4,700.00 and Wanda explained if WOS paid the special assessment they are collecting from the owners of approximately $5,229.00 the Board could make a down payment.

A discussion by the Board on why WOSOA is not paying WOSSSC for the money they are collecting for the special assessment and convenience fee. Nick, WOSOA Vice President, said he didn’t think it was right for WOSOA to pay for members they are going to foreclose on. Wanda explained, she and Lois would be talking to John Tarlton, the WOSOA management company to try to get this resolved so WOSSSC could get the money owed.

Tom Belcher said he didn’t think it was right that WOSOA, since Tammy Loftis resigned as the office manager, is not paying WOSSSC for money they were collecting from their owners. Also, Tom said just because those in the office didn’t know how to do the books was no fault of WOSSSC and they should have paid the money they collected. Nick stated the WOSOA Board didn’t feel like they should have to pay on those members going into foreclosure and Tammy Loftis stated that as the office manager for WOSOA the Board didn’t allow her to pay the balance on the invoice sent, just those that paid their monthly special assessment and convenience fee. Nick said he agreed WOSOA should have paid what was owed to WOSSSC; he made the statement that is what the WOSOA Board felt.

Board discussed if the bank wanted money down and Wanda said Holly Baker with CRG said that was up to the Board.

Questions were asked about the amount required by CRG to be put into a reserve account. Wanda explained this is required so the reserve account could build up in the event funds are not available to make the loan payment. When the loan is paid in full the reserve account can be used as needed by WOSSSC.

Tom Belcher asked what bank accounts the Board can take from to make a down payment. Wanda explained if WOSSSC gets the approamately loan payment owed from WOSOA, we could use that plus some from the general checking account. May can put $10,000.00 down.

Nick asked can we vote on this and put it before WhiteOak Shores members. Wanda stated not at this point because President Lois Compton wants to have everything in place before the WhiteOak Shores member/owners were notified. She didn’t want rumors going around the park. She wanted them to hear the facts from the WOSSSC Board of Directors.

Tom had a question, once the Board made their decision in the executive session then when the Board goes back into regular session to vote then it would be in the minutes.

Nick said did we need to vote on enlarging the treatment plant and the loan. Wanda stated the board need to vote on which project the plant need improved, just the EQ Basin at $53,800.00 or the full packet with everything at $258,900.00 and the loan. Jerry made the statement that some of the Board may not be here in 5 to 10 years and we need to think about not having to be in this situation in another 2 to 3 years. Wanda stated she felt the complete package needs to be installed due to not know what the future brings. Ed agreed.

Tom asked Nick how he felt. Nick said he didn’t know he had mixed motion and looking at the future probably the complete plant needed to be put in. Jerry said and it wouldn’t get any cheaper.

Tom said what if we turned down putting the complete package in and it is only going to cost approximately $4.00 more a month for each member/owner and a few years having to put it in and it costing each member/owner $40.00 a month. All agreed.

Nick asked for any other discussion. None

Nick called for all those wanting the EQ Basin only to raise their hands. No Board members raised their hands. Nick called for all those opposed; Tom Belcher, Wanda Hammons, Jerry Kennedy, Benny Jackson and Ed Homan.

Nick called for all those wanting to install the complete plant to raise their hands. All Board members raised their hands; Tom Belcher, Wanda Hammons, Jerry Kennedy, Benny Jackson and Ed Homan.

Next steps, talk to Cleve about the waiver from Mr. Hill and who needs to do this and to proceed with obtaining the loan.

A motion was made by Tom Belcher and seconded by Jerry Kennedy to proceed with getting the loan as discussed in this meeting of $275,000.00 plus balance on current loan to proceed with installing an addition to the treatment plant.

All approved; Tom Belcher, Ed Homan, Jerry Kennedy, Benny Jackson and Wanda Hammons.

All apposed No one spoke up.

Nick asked how long will it take to get the loan and how long before Tex Tech will proceed.

Tom Belcher stated when we get the loan Tex Tech will proceed with the contract with complete details of building of the plant.

Wanda will call Lois to contact Cleve with Tex Tech and Wanda will let the Board know.

Nick announced the Board is going out of Executive session.

Nick Garner adjourn the executive meeting.

All Board members present approved.

Respectfully submitted,

Wanda Hammons, Secretary