

Indian Lake Owner's Association Newsletter

March, 2005 Vol. 1 # 5



Board of Directors

President	Richard Goranflo	360-4416
Vice President	Bill Adkins	237-2067
Roads & Parks	James Welch	237-2654
Lakes & Dam	Doug Watne	237-4177
Treasurer	Tom Duggan	360-2645
Swimming Pool	Gene Garcia	237-5464
Architectural Committee	Stella Pease	360-3421
Association Secretary	Ernest Barnes	360-5324

Letters To The Editor And The Board

Please address your comments to the Editor of the Board. Letters must be signed and contain a telephone number.

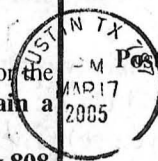
Send correspondence to: ILOA- P.O. Box 808
Smithville, Tx. 78957 Phone: 360-5324

Editors Corner:

APRIL 2nd CLEANUP

On Saturday, April 2nd, The Indian Lake Owners Association will hold its 2nd cleanup of a 2 mile stretch of Hwy 153 that it has adopted. West from the front entrance to Hwy 2104 and East towards Winchester 3/4 mile. We meet at 9 AM. The first time was rough. The second time should be a breeze and not take over 90 minutes. Call James Welch at 237-2654 if you have questions.

Come Help Us



Postmark Area

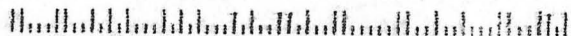


**Karen S. Williams (#3092)
141 Wigwam
Smithville, TX 78957**

Next Board Meeting

April 23, 2005

Pavilion At Swimming Pool



The President's Corner

Dear ILOA member and property owner,

Much has been happening in Indian Lake since the last newsletter went out to our members. We began renovation on the Swimming pool in preparation for having it ready to open for the 2005 summer season. Efforts are underway to remedy the seepage problems with the dam wall at our lake. The seepage is a normal and expected phenomenon due to the way the dam was constructed and modified with a seepage blanket being built in. The seepage needs to be properly collected and carried away by a French drain system. We are in the process of finalizing the plans for this system and to excavate the fill material that will be used to cover the French drain and to reduce the dam's exterior slope grade necessary to eliminate future erosion.

Since the year 2000 we have been experiencing a decrease in the number of lot owners due to consolidation. Presently, ILOA members pay a fixed membership fee of \$60, regardless of the number of lots they may own, unless there are multiple residences on those additional lots. Members have been buying adjacent lots that were owned by other member. The net result is that membership dues collected have dwindled by nearly \$6000 annually in the past 5 years. During the same period we have experienced increased expenses of over \$6000 each year. The main increase has been in Insurance Premiums.

Over the past two years the association CD reserves of more than \$22,000 have been used to cover the increased expenses not covered by dues and to pay for dam repairs to stop the continuous seepage.

At this point the association has two choices. The first choice is to increase the income (dues collected). The second choice is to reduce expenses (permanently close the pool and drop all insurance coverage). The first choice is desirable to maintain the quality of the neighborhood and maintain property values. The second choice would adversely affect property values and the quality of life in the subdivision.

I wish to make a case for changing our membership dues structure. The essence of this new plan would be to change the dues from \$60 annually for every member to \$50 annually for every lot that a member owns in the subdivision. This change would make our ILOA membership dues structure fairer and more like the way taxes are levied by the county, based upon what property is owned. This plan will require a vote from the members present at the annual ILOA meeting in July and by those sending us their proxy. See details of this plan in following pages. We are enclosing a prepaid post card for you to return telling us if you will support this new plan. Please help us by returning the enclosed card. The Board of Directors needs your feedback.

Richard Goranflo, President

Base + Dues Structuring

The current dues structure which imposes \$60.00 per year dues on all owners, regardless of the number of lots owned, is inherently unfair to the 155 property owners who own single lots and pay 47 percent of the dues and dues income no longer meets basic expenses of the Association. Most single lot owners are absentee owners who are currently subsidizing the rest of us who own multiple lots. Case in point. I, the Association Secretary, own 12 lots and still pay only \$60.00 a year in dues as does everyone else. Whereas the Association requires that I pay only \$60.00 a year in dues, the County requires me to pay 12 sets of taxes.

The accelerating trend is the ever increasing consolidation of lots as more property owners acquire additional lots. This practice has drastically reduced the number of owners who pay dues and has resulted in expenses exceeding income for the past four years. Almost all of the Association's financial reserves have been exhausted during this period of time to meet increasing expenses dues to Dam repair, inflation and the rising costs of insurance and swimming pool operation.

The only reason that the budget was balanced this past year when additional Dam repair was required was because the pool was closed to cut expenses and approximately \$12,000.00 in additional money was received from the buyers of consolidated lots paying the back dues on those lots. This practice has about run its course and is not expected to generate significant cash in the future.

A major step is being taken to reduce the operational cost for the swimming pool. In the past, the pool was operated 12 months a year although it was basically used only for four or so months. Those of you who own , or have owned pools, realize that the operational costs for pools is basically the same whether or not it is being used. Cost for electricity, water, chemicals and maintenance continue.

The new plan is to reduce pool operational cost from approximately \$11,000.00 a year to about \$5,600.00 a year by reducing the operational period from 12 months a year to only 4 months during the peak summer season.

Even by cutting pool operation costs to the bone and keeping close tabs on other expenses, the expected budget deficit for 2006 is approximately \$11,000.00 unless a new Dues Structure is implemented.

Base+ Dues Structuring, where property owners pay dues based upon the number of lots owned, would stop the erosion in dues paid because, even if additional consolidation of lots occur, dues would still be paid by the property owners acquiring the additional lot(s).

There have been two other suggestions for restructuring dues.

(Please See Next Page)

One suggestion put forward is to charge residents a higher fee than non-residents. **This approach can't be taken. It is illegal.**

A second approach has been the suggestion that dues be doubled from \$60.00 per property owner to \$120.00 **per property owner**. This would indeed bring in the additional monies required to meet projected expenses. However, it would do nothing to address the inequality inherent in the current dues structure. Nor would it address the problem of less dues coming in due to the consolidation of lots into fewer hands. This approach might even create a revolt and result in the hanging of all Board Members since 1 and 2 lot owners presently pay 75 percent of the dues. Which is the majority of dues paying owners.

Keep in mind that any plan put forward by the Board must receive a minimum of 2/3rds of the vote of the members present at the Annual Meeting in July by voting either in person or by proxy.

Any plan adopted must be fair and equitable to all property owners. A plan that has been discussed and perhaps has merit for built-in equality can be referred to as a **'Base Plus' Dues Structure**. Referred to as: **Base+**

A **Base+ Dues Structuring Plan** simply means assessing all property owners based upon the number of lots that are owned rather than the current system of assessing \$60.00 regardless of how many lots are owned. i.e., A Base+ \$50/\$50 Plan would assess \$50.00 for the first lot owned and \$50.00 for each additional lot owned.

One can immediately see what happens under such a plan. Single lot owner's dues would be reduced from \$60.00 to \$50.00. Owners of 2 lots would see their dues increase to \$100.00. The property owners that would see a significant increase in dues are those property owners who own multiple lots, particularly 4 or more lots. There are 45 property owners in this category. Your Association Secretary and the Editor of this Newsletter is one of those property owners. I own 12 lots. I purchased the extra lots for privacy and to keep anyone from building on top of me because of the way my original 4 lots are situated. Would I look forward to paying \$600.00 a year in dues. Of course not. But I will if it means preserving the integrity of our community, keeping it looking nice and keeping our property values up. In fact, all of the volunteer Board Members own multiple lots. The chart on the next page shows how lot ownership and payment of dues is structured under the current \$60.00 per owner plan.

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Current Dues Structure-Who Owns The Lots And Who Pays?

# Of Lots Owned	# Of Owners	Dues Paid @ \$60.00 Each	# Of Lots Owned	Percentage Of Dues Paid
1	155	\$ 9,300.00	155	47.0 %
2	89	5,340.00	178	27.0%
3	38	2,280.00	114	11.6%
4	20	1,200.00	80	6.1%
5	10	600.00	50	3.0%
6	7	420.00	42	2.1%
7	5	300.00	35	1.5%
9	1	60.00	9	(N/A)
12	1	60.00	12	(N/A)
16	1	\$ 60.00	16	(N/A)
	327 *	\$19,620.00	691	

Ownership Distribution (Who Pays)

327 Owners Pay \$19,620.00 Total Dues On 691 Lots

Single Lot Owners Pay 47% Of The Dues

People owning 1 or 2 lots pay 75% Of The Dues

Residents Pay 44% Of The Dues

Non Residents Pay 56% Of The Dues

Absentee Single Lot Owners (132) Pay 41% Of The Dues

Conclusion:

There is gross inequity incorporated within the current dues structure. Single Lot Owners and Absentee Single Lot Owners are paying a disproportionate share of the dues. A Base+ Dues Structure or paying according to number of lots owned would be a much more equitable system.

* 327 Paying Property Owners. The others are 1) Bad addresses, 2) In Foreclosure or 3) Have not paid dues in the last 10 to 20 years.

Base + Dues Structure

A **Base+ Dues Structuring Plan** basically says that the property owners who own and enjoy several lots will pay additional dues to enjoy that right. Inversely, it says that single and double lot owners will pay dues directly in proportion to the smaller number of lots that they own and not be subsidizing people like me that own a pot full of lots but still pay only \$60.00 a year. The same that a single lot owner currently pays. The amount that each property owner would pay is shown in the chart below.

# Of Lots Owned	# Of Owners	# Of Lots Owned	Base+ Dues \$50.00/\$50.00	Percentage Of Dues Paid
17,750	155	7,750	155	\$50.00 + \$ 0.00 = \$ 50.00 22.5 %
28,900	89	17,800	178	50.00 + 50.00 = 100.00 26.0 %
35,700	38	114	114	50.00 + 100.00 = 150.00 16.5 %
44,000	20	80	80	50.00 + 150.00 = 200.00 11.5 %
52,500	10	50	50	50.00 + 200.00 = 250.00 7.0 %
62,100	7	42	42	50.00 + 250.00 = 300.00 6.0 %
71,750	5	35	35	50.00 + 300.00 = 350.00 5.0 %
9,450	1	9	9	50.00 + 400.00 = 450.00 (N/A)
12,600	1	12	12	50.00 + 550.00 = 600.00 (N/A)
16,800	1	16	16	50.00 + 750.00 = 800.00 (N/A)
↙ 327,600 39,240		691	34,550	

The **Bold Print** indicates the amount of dues that would be paid by individual Property Owners owning from 1 to 16 lots under the **Base+ Dues Structuring** method.

Dues for single lot owners would be reduced from \$60.00 a year to \$50.00 a year. Corresponding property owners would pay the amount indicated.

Single lot owners, who own 22.5% of the lots would now pay 22.5% of the dues. Double lot owners who own 26% of the lots would not pay 26% of the dues. The equality would be the same for each category. With **Base+ Dues Structuring**, a Property Owner pays a proportional share depending upon the number of lots owned. The people owning 12 and 16 lots own 1.7% and 2.3% of the lots respectively and would pay 1.7% and 2.3% of the dues respectively. **Base+ Dues Structuring** is inherently fair based upon the number of lots owned. Each property owner would pay an exact percentage of dues based upon the percentage of lots owned.

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The bottom line regarding an increase in dues is that the ILOA will not be able to maintain the current level of services in calendar year 2006 with the current amount of dues being received. Something has to give. It has been many years since members voted in an increase from \$40.00 to \$60.00. Would it have been better to have increased the dues a few dollars every year or so in order to keep up with inflation? Definitely. But, for whatever reason, that was not done.

Would it be possible to modify the Base+ Dues Structure to a \$50.00/\$40.00 or a \$50.00/\$35.00 where property owners pay \$50.00 for the first lot owned and either \$35.00 or \$40.00 for each additional lot? The answer is no, not if the pool is to be re-opened and current insurance levels and services are to be maintained. The pool and insurance are the largest two dollar amounts in every budget.

If something is to be done then it must be done at the next Annual Meeting in July of this year in order to go into effect on January 1, 2006 to meet 2006 operating expenses. And 2/3rds of the members must agree to do it. **The decision, good or bad, up or down or right or wrong must be and will be made by you, the property owners.** It is the property owners themselves who will decide the future of the Indian Lake Sub-division and what happens to their investment.

Included in this Newsletter is a 'STRAW VOTE' card. It has no official weight in the form of a vote but simply reflects the way you, the Property Owner, feels about this issue. **Your input will provide the Board of Directors with help, assistance and guidance in taking the proper course of action in its recommendations at the July Annual Meeting.**

Please take the time to mark your preference and return the card.

Your Board Of Directors needs input from the property owners it has been elected to serve. Please take a position and return the card.

*Honey is the only food that doesn't spoil.

*There are more collect calls on Father's Day than any other day of the year.

*In Shakespeare's time, mattresses were secured on bed frames by ropes. When you pulled on the ropes the mattress tightened, making the bed firmer to sleep on. Hence the phrase: "Goodnight, sleep tight."

*In English pubs, ale is ordered by pints and quarts, so in old England, when customers got unruly, the bartender would yell at them to mind their own pints and quarts and set tle down. It's where we get the phrase "mind your P's and Q's."

Dues, Special Assessment & Budgets

As of the publication date of this letter, \$18,815.00 of dues money has been received. **Many thanks to the majority of the property owners for responding quickly and paying dues on time.** The Board of Directors now know exactly what funds are available for budgeting purposes. A very few late payers are accumulating a \$5.00 a month penalty for late payment of dues. This is an automatic computer process that began on February 7th. After the 6 day extension allowed. \$5.00 was refunded to those members who included the extra \$5.00 thinking that they were going to be late by paying on the 1st. thru the 6th.

As you now know, the majority of property owners with paid up dues received their membership cards with the last newsletter. It was a real pain to include the membership cards with the newsletters because of the care that had to be taken in insuring that the right card was hand-inserted into the correct newsletter. However it did save on considerable postage cost by doing it that way. One mistake is known. Art Ambrose's 2nd. Membership card was incorrectly sent to someone. (I was not about to tear open 300 + newsletters to look for it. I'll print he and Elzena another one.) If you got it, don't worry about it.

Other property owners will receive their Membership Cards after their payments are received. They will not be sent out on a one-by-one basis but run in a batch after several have been received. So please be patient if there is a delay between the time that your payment is received and the time that you receive your cards. Batch runs are made on printing the cards because it is an intensive, manual labor, and time consuming process.

As of this date, \$16,067.00 of Special Assessment monies have been received. Hopefully, the late payers will pay soon because every penny will be needed. As you know, this money will be spent on repairs to the Dam and renovation of the Swimming Pool with the Dam being the first priority and **work has finally begun.**

Doug Watne, Chairman of the Lakes and Dam, is finalizing the scope of work, expected cost and a start date with the contractor who is going to perform the work this very week. Work will begin as soon as it dries up enough to get the large dirt moving equipment into the area. (It is raining as this is written.)

Work on the pool was begun this week and with some good luck and dry weather, the pool will be ready to open in May for its four month summer operating season. There are four wooden benches inside the pool enclosure that have deteriorated over time. At the February Board Meeting, the Board approved the replacement of these benches.

(Please See Next Page)

The Board also approved placing roofs over the existing Men's & Women's rest-rooms. At present both are open-roofed areas and collect an inordinate amount of blown-in leaves and are really difficult to keep clean. This will be a relative inexpensive project at \$1,203.00 in that both rooms are constructed in such a manner that makes these additions relative easy. The money for this project and the replacing of the pool area benches will not come from the regular operating budget or the Special Assessment money, but from the money collected on ten-year old back dues when lots are consolidated. (This is one of the good benefits that comes from consolidation of lots.)

A Bottle of Wine

For all of us who are married, were married, wish we were married, wish we weren't married... :) Something to smile about the next time you open a bottle of wine.

Sally was driving home from one of her business trips in Northern Arizona when she saw an elderly Navajo woman walking on the side of the road. As the trip was a long and quiet one, she stopped the car and asked the Navajo woman if she would like a ride. With a word or two of thanks, she got in the car. After resuming the journey and a bit of small talk, the Navajo woman noticed a brown bag on the seat next to Sally.

"What's in the bag?" asked the old woman. Sally looked down at the brown bag and said, "It's a bottle of wine. Got it for my husband." The Navajo woman was silent for a moment, and then speaking with the quiet wisdom of an elder said, "Good trade."

Heart Surgery

A mechanic was removing a cylinder head from the motor of a Harley Motorcycle when he spotted a well-known heart surgeon in his shop.

The surgeon was there waiting for the service manager to come take a look. at his bike when the mechanic shouted across the garage, "Hey Doc, can I ask you a question...." The surgeon, a bit surprised, walked over to where the mechanic was working on the motorcycle.

The mechanic straightened up, wiped his hands on a rag and asked, "So Doc, look at this engine. I open its heart, take the valves out, repair any damage, and then put them back in, and when I finish, it works just like new. So, how come I get such a small salary and you get the really big bucks, when you and I are doing basically the same work?"

The surgeon paused, smiled and leaned over, and whispered to the mechanic- "Try doing it with the engine running."

Roads And Parks—James Welch Chairman

I want to thank all those that have taken steps to keep their dogs confined to their yards unless they are on leash. Driving around the S/D I see several dogs on chains and I have had a lot of comments about it. There are still some roaming loose that are aggressive by nature and will have to be confined or the animal control officer will be asked to pick them up. Chickasaw has a couple, so has Buffalo Run, and south and north Big Bow. I encourage everyone to keep calling the animal control officer for Bastrop County at 321-1963. **Do Not Let This Drop.**

The S/D roads look so much better now that a regular pickup is taking place. Another lady stepped forward and offered to pick up Sunset, Indian and the circle. I have had another offer to pick up Chickasaw by a lady that does not even live there. She has held back for some time because of the dogs still running loose there. Please control your dogs or we will have to. Tejas and Deer Run are the only streets left without a volunteer pickup person or persons.

Don't forget the next scheduled pickup of the two miles section of FM 153 our Association has adopted which is scheduled for Saturday, April 2nd. Ernie Barnes has volunteered to head that up. There is still a lot of trash being thrown out and most of it is by people that live or visit here. Please help us stop this needless trashing of our road.

The last thing I will point out is the abuse of our facilities at the recreation area at the pool. We have people coming in and using our facilities and trying out their four wheel drive vehicles on our spillway and making a mess. We are taking steps to block that off, but in the meantime if anyone can give me a description of the vehicles, a license plate number and date and time I will follow up with the Sheriff's Dept. There are also a number of motorcycles and four wheelers running around the S/D now and I have received some complaints there also. The Sheriff's Dept. has been alerted. Thanks again to those who are helping to make Indian Lakes a better and safer place to live.

Some dogs have been a real problem. One resident had 3 bulldogs that were very aggressive and continually confronted a neighbor with small grandchildren on the neighbors front and back porches. This particular neighbor, after repeatedly asking the dogs owners to keep the dogs confined, finally shot and killed two of the three bulldogs on his property as they were confronting him. It is certainly not recommended that neighbors start shooting neighbors dogs. However, it does underscore the seriousness of the problem. **Editor**

SWBELL Telephone Complaints

Several residents, particularly on the North side of the SD are having phone problems and SWBELL is not responding very well. The squeaky wheel usually gets the grease so if you are having problems with SWBELL, please call them and complain. And then call again. Maybe we can get their attention. The toll-free complaint number is: 800-246-8464.

NEW ECO PRODUCTS, LLC
494 HWY 71 West, Suite 140-306, Bastrop, TX 78602

POSSIBILITY OF FREE ELECTRICITY FOR LIFE

We have the opportunity to register individuals to be witnesses at a demonstration of a New Technology that could drastically reduce our country's dependence on fuel sources currently used to produce electricity. This Technology will not pollute and it could produce vast amounts of electricity at a cost comparable to or lower than present power generating methods. When the developers have the quantity of witnesses they require to do these demonstrations, they will notify the witnesses of the details concerning time and place to attend and thus qualify for free electricity.

If the demonstrations occur and if thereafter they are successful in selling the electricity they plan to generate into the Power Grid, they will provide up to 26,000 KWH per year of free electricity to each witness that attended the demonstration for as long as they are able to sell the electricity they generate. The number of registered witnesses is climbing rapidly so people who would like to participate need to request an application from us for a free registration A.S.A.P.

A post card for that purpose has been provided as an insert in this newsletter. Please sign and date the card and mail it to us or write to the above Address to request an application. You may also share this offer with others at this time.

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