

LAKE WALLKILL COMMUNITY, INC.

5 Lakeside Drive, Sussex, NJ 07461

973-875-5620

January, 2020

Dear Member,

On behalf of the Management Committee, Shawn & Violet, I wish you and your family a happy and healthy new year.

Key information about our community:

2020 Budget/Dues: The Management Committee met in open meeting on November 17th to discuss the budget for 2020. The Management Committee voted to implement dues of **\$1,200.00 in 2019** (a \$50 increase after 4 years of no increases). In 2018, The Management Committee voted to implement a Dam assessment to begin setting aside funds for anticipated Dam repairs. The Dam assessment for 2019 will be \$320 for each Member Property. You will also note on your dues bill that each Member Property is receiving a \$220 credit for the excess income from our Collections Program for delinquent accounts, that results in a \$100 assessment to be paid by each member property. **For 2020, the total due for each property is \$1,300.00.**

Dam Repairs: Planning continues to execute the needed repairs to our Dam spillway. In November we received an estimate of the Engineering costs that will include the design of the new spillway (in accordance with current Dam regulations), carrying out the proposal process with contractors and overseeing the technical scope of work for the contractor to complete the project. The estimate for these Engineering Services is \$46,000 and will support the plan to make these repairs during the 2021 Lake Lowering. The total cost of the project is anticipated to reach \$300,000-\$400,000.

The Management Committee has been looking for alternative funding methods that would allow amortizing the cost of the Dam repairs over a longer, 5 year horizon. State of NJ programs are not currently funded and Bank loans require collateral that is difficult to meet in accordance with our By-Laws. I have been approached by Members in the past that were interested in loaning money to the Lake Community. The Management Committee is interested in exploring this opportunity. In this dues mailing there is a flyer with information about this investment opportunity for members. We are not asking for any commitment at this point but rather gauging interest in the approach.

Boat Storage/Identification: Rules and Regulations require members that place their boats on the Public docks to remove those boats by October 31st each year. Boats left beyond October 31st are removed from the Public Docks and stored for up to 12 months. Boats not claimed by the owner within 12 months will be dispositioned by sale or discarding of the boats. This is necessary to allow for appropriate maintenance of the Public Docks.

Potable Water System: The Water System in use at Lake Wallkill for those members that do not have a well experienced a tank rupture at the end of the season. Temporary repairs were completed to finish out the season. The tank rupture required regulatory reporting to the State of NJ and that triggered a full inspection by the State and County Health authorities. The health authorities have made a number of recommendations to improve our water system and bring it up to current standards. That work is estimated to cost \$20,000 and is included in the 2020 budget.

Payment Plans – IMPORTANT INFORMATION:

For members that complete a signed payment plan by April 1st the payment plan fee is \$30. IF a payment plan is initiated after April 1st, the payment plan fee increases to \$60. In addition, late fees apply after April 1st. ALL Payment plans must be in writing and **signed** by the property owner by the April 1st deadline to be effective.

More members are finding **Payment Plans** a convenient and confidential way to manage their dues bill especially in a case of financial hardship. We have a Finance Committee to handle the administrative process confidentially. You may e-mail us at officemanager@lakewallkill.com or members may use the enclosed dues form to indicate they are interested and need to be contacted about a payment plan. If you need a payment plan, **please request it early to avoid any late fees.** For more information on payment plans you may stop by the office or find it on line at: <http://www.lakewallkill.com/pdfs/fcp.pdf>

Dues Collections:

It is each member's responsibility to make sure their dues are paid, or a payment plan signed on time. The following dates are important milestones to be sure your dues are timely and you avoid extra cost/fees:

| | |
|------------------------|---|
| March 1 st | 2020 Dues Due Date |
| March 31 st | End of grace period 2020 Dues Deadline |
| April 1 st | Late fees applied; 1.5% per month on outstanding balance. |
| May 1 st | Suspend Membership AND Initiate referral of all delinquent accounts to Collections* |

***If your balance is unpaid and/or a signed payment plan has not been executed, your account will be referred to collections including collection fees up to 30% of your outstanding balance.**

Planned 2020 Meeting Dates (Subject to confirmation, with details, at least 14 days in advance)

Saturdays March 28th ,May 23rd , June 27th, July 25th & September 5th and the annual Budget meeting on Saturday November 21st .

Based on real estate taxes paid by our community, the amount allocated to each member in good standing is \$59.82 which may be used for income tax purposes.

Sincerely,

Bob Smith

President, Lake Walkill

INVESTMENT OPPORTUNITY

The Management Committee is surveying the Membership to determine Member Interest in loaning money to the Community as a method to fund a portion of the Dam Repairs scheduled for 2021.

How would it work?:

Members that indicate interest in the Investment Opportunity would be asked to identify an amount (preferably in \$5,000 increments). In 2021 when the Lake requires the funds, the Community and the Member would enter into a Loan Agreement that would spell out the terms of the loan. We expect the loans to have a term of 5 years (payback) and in interest rate of 3%.

Don't we have assessments to pay for the Dam repairs?

Yes, we have had assessments the last 2 years and provided credits to member accounts equal to the assessment amount so that there was no incremental out of pocket cost to members. This year we will again have an assessment but it will only be partially funded by a credit from our Collections income. As our drive to get more dues paying members on the rolls there is a smaller pool of collection accounts to draw excess income. The Dam repairs are projected to cost between \$300,000 - \$400,000 and we only expect to save \$300,000 by 2021.

When will the Dam repair cost estimates be finalized?

We are working with our Dam Engineering company to get that work completed in the first half of 2020. We will then have a better idea if we will be able to save enough or if we have to exercise other funding options like this Investment Opportunity.

Why are the investments needed in \$5,000 increments?

We realize there will be cost and effort involved in administering an Investment Program like this. We want to balance the cost and effort for the number of loans we would need to meet our funding needs.

If you are interested in this Investment Opportunity please fill out the information on the back of this flyer and return it to the office with your dues payment or at any other time.

Thank You for you consideration – *The Management Committee*

INVESTMENT OPPORTUNITY INFORMATION SHEET

Name: _____

Lake Address: _____

Home Address: _____

Best Phone Contact: _____

E-Mail : _____

- I am interested in the Investment Opportunity for Lake Walkkill Community Dam Repair funding. I understand the proposed loan would be for a 5 Year Term and include a return of 3%. I would be interested in investing the following amount:

\$ _____ (Prefer increments of \$5,000)

- I am not interested in the Investment Opportunity with the proposed terms. I would be interested if the Investment terms were modified as follows:

Important Note: There is no commitment made or implied by the Member filling out this survey. This information will only be used for gauging Member interest in this Investment Proposal. You will be contacted if the Management Committee decides to proceed with this Investment program. There is no commitment until loan documents are created and presented to interested Members (expected to be in the Fall of 2021)