

CAROLINA TRACE ASSOCIATION

<http://www.ctaincnc.com>

MINUTES of October 6th, 2020, CTA BOARD OF DIRECTORS MEETING

David Smoak, CTA President, called the meeting to order at 7:03 p.m.

ATTENDANCE:

DIRECTORS or ALTERNATES

Eagles Nest	Kathy Jelen	Highland Woods	Chuck Popke	South Landing	Dan Eastham
Golf East	Mike McDonald	Lakewood	Charles Wick	Southwind	Forest Breyer
Golf North	Mary Wild	Laurel Thicket	David Carmony	Stonegate	Absent
Golf West	Marilee Ostman	Mallard Cove	Absent	Village at Trace	Sharwynne Blatterman
Harbor Creek	Mike Dussault	North Shore	Bill Glance	Woodfield	Absent
Hidden Lake	Steve Bolstridge	Sedgemoor	Jim Miller	Wdmr/Trentwood	Bob Dykeman

OFFICERS

President and Chair of the Executive Committee	David Smoak
Vice President and Chair of the Security and Safety Committee	Cal Saltzman
Treasurer and Chair of the Finance Committee Assistant Treasurer	Oscar Roberto Ed Nelson
Secretary	Kate Woods

Guests

Ernie Violon	
Vince Roy	
Ellen Berg	

QUORUM CALL - A quorum was reached with 15 directors present and agreeing to this video conference being a legitimate meeting of the CTA Board.

APPROVAL OF MINUTES - A motion was made to approve the minutes of the September 2020 meeting. This was approved by unanimous consent.

GROUP REPORTS - CTCC Liaison - No Report.

Utilities Report - Please see attachment #1. Vince Roy, the Utilities Rep., responded to the discussion at the August meeting where 16 Directors voted to gather more information on how to take more action in challenging the CWSNC rate increases. Vince researched that request and briefed on the NCUC governing regulation, Chapter 62, and defined the administration

regarding Commissioners and their staff. He discussed their organization, appointments, and the fact that the Governor appoints them. He strongly cited the Public Staff, which is a separate agency from the NCUC added to Chap 62 in 1977, that effectively represents NC citizens in water and sewer matters before the NCUC. The PS has 80 employees who are mostly accountants, engineers, and attorneys. They audit and investigate utility requests for rate increases and other services. Vince stated that he has attended numerous NCUC Commissioner hearings (different from Public Hearings) where the Public Staff has vigorously argued against CWSNC requests for rate increases. Vince pointed out that Chap 62 requires that all water/sewer complaints MUST be sent to the Public Staff.

The Public Staff has a web site at "Public Staff.NC.Gov." Since the Public Staff is a NC State Government agency, employment can be gained thru the "OSHR.NC.GOV" web site.

Vince also reminded the Directors of the new UNIFORM RATE Structure where CT is one of a 12 community consortium and it would be advisable to coordinate with them to obtain their concurrence prior to filing a complaint.

CT Fire Dept - No report.

PRESIDENT'S REMARKS - Please see attachment #2.

FINANCIAL REPORT - September Financial Summary is attachment #3. In September, \$2,500 was made on e-sticker sales, bringing the balance in the Legal Fund to \$6,800. There are three POA's that have not paid their quarterly dues yet. A different bank has been found to move our funds to, CIT bank. It is fully insured. A motion made to approve the transfer of funds to the new institution. Please see Attachment #4. This was approved by unanimous consent.

Conflict of Interest Policy: The policy is still being worked on and will be presented to Directors next month.

SECRETARY- No report.

COMMITTEE REPORTS

Security & Safety - Security Log is Attachment #5.

Security: The October CERT Report is Attachment #6. The discussion with CTCC management over ways to reduce traffic issues at the front gate by allocating more guards during high traffic times has been tabled for now. In response to an inquiry at last month's meeting, reports were run from the gates and it was determined that the Front Gate was used roughly 32,000 times in August and the North Gate was used roughly 10,000 times in August.

Traceway Roads & Maintenance (TRAM) - Please see attachment #7.

Trace Lake and Dam (TLAD)- Progress is being made on marking properties to get access for maintenance on the dam. A survey was done, and results should be forthcoming.

OLD BUSINESS -

2021 Budget- A motion was made to approve the 2021 Budget as proposed. The motion passed. Please see attachment #8 for the results of the vote.

2020 Census- All 2020 census information has been collected. Please inform the Treasurer when lots become current so he can update this information.

NEW BUSINESS -

NEXT CTA Meeting - Next meeting is scheduled for November 2, 2020.

ADJOURNMENT - The meeting was adjourned by the President at 8:15 pm.

Respectfully submitted by,

Kate Woods, Secretary, Carolina Trace Association

Attachments:

Attachment #1: CWSNC Document

Attachment #2: President's Remarks

Attachment #3: September 2020 Treasurer Report

Attachment #4: Proposed Motion to Approve Transfer of Funds

Attachment #5: Security Log September 2020

Attachment #6: CERT Report

Attachment #7: TRAM Report

Attachment #8: 2021 Budget Vote Results

Information regarding CWSNC rate issues

Possible Utility Rate Consultant

An online search for Utility Rate Consultants in central North Carolina resulted in only one name *Nova Energy Consultants* located in Cary, NC. The company founder is Kevin W. O'Donnell. The list of clients that engaged Mr. O'Donnell's services seems to indicate that he represents customers rather than companies/corporations. In fact, the Public Staff of NCUC appears as the client in 10 regulatory cases on the list between 1985 and 1995.

Contact information for Nova Energy Consultants

Address: 1350 NW Maynard Road, Cary, NC 27513

(address is also listed as 1350-101 SE Maynard Road, Cary, NC 27511)

Phone: 919-461-0270

Email: kodonnell@novaconsultants.com

About CWSNC (information gathered and quoted from online sources)

CWSNC is headquartered in Charlotte, NC. The company currently serves approximately 34,915 water customers and 21,403 sewer customers in North Carolina and operates approximately 93 water systems and 38 sewer systems in the State.

The Company's service territory spans 38 counties in North Carolina from Corolla in Currituck County to Bear Paw in Cherokee County.

In 2020, CWSNC applied for an adjustment in water and sewer rates and charges for all of its service areas in North Carolina.

About Corix Group of Companies (information gathered and quoted from online sources)

At the March 2020 CTA meeting Vince Roy informed the CTA Executive Board and CTA Directors that CWSNC had been purchased by Corix and is now among The Corix Group of Companies.

Corix Group of Companies is a utilities company with its Corporate Head Office in Vancouver, BC, Canada. It is a privately held corporation principally owned by the British Columbia Investment Management Corporation (bcIMC). The company serves small to medium-sized communities across North America.

There is also a corporate office in Chicago, IL, for Corix Group of Companies US which serves primarily residential customer across 17 states, and is one of the largest privately owned water and wastewater utilities in the United States.

Research Resource

UNC School of Government has a website for their Environmental Finance Center:

<https://efc.sog.unc.edu/project/north-carolina-water-and-wastewater-rates-and-rate-structures> which will allow someone to document and calculate rates throughout the state.

Most of them are municipal rates, but CWS is listed there as well, and is not always the highest rate. It can help identify regional averages vs our unified rate plan.

CWSNC grouped communities

In order to simplify the process of applying for rate changes, CWSNC grouped various communities together. The group that includes Carolina Trace also includes communities along the coast, central Piedmont, and the mountains. The rationale for the grouping is not explained and the communities within the grouping has changed as is indicated in the list below.

Contact information is scarce or possibly non-existent for some of the communities. Vince Roy has agreed to assist in trying to find contact information that is missing from the list of communities currently in the grouping with Carolina Trace.

Communities with Carolina Trace In the Uniform Rate Consortium of 13 Communities

1-Carolina Forest Association, Inc. (A gated residential community in the Uwharries on the shores of Lake Tillery)

Community Association Manager: Lyle Walter

Phone: 704-535-1122 x271

Gate House address: 2205 River Road, Troy, NC 27371

Phone: 910-572-3892

Email: CFAGatehouse@gmail.com

2-High Vista Community HOA (A gated community in Mills River, NC. Formal name High Vista Estates Subdivision)

IPM, the property management company for High Vista

Phone: 866-978-3839

General Correspondence: IPM, P.O. Box 580, Arden, NC 28704

Physical and Shipping Address: IPM, 2602 Hendersonville Rd., Arden, NC 28704

3-Whispering Pines (Village near Pinehurst, NC)

Village Administration

Village Manager: Rich Lambdin

Phone: 910-949-3141 x 11

4/5-White Oak/Lee Forest (Appears to be in Johnston County near Town of Smithfield)
NO CONTACT INFORMATION FOUND

6/7-Winston Plantation/Winston Pointe

NO CONTACT INFORMATION FOR **WINSTON PLANTATION** (appears to be located in/near Clayton, NC)

WINSTON POINTE Homeowners Association, Inc. (is located in/near Clayton, NC, and appears to be professionally managed by Elite Management Professionals, Inc. which *may* also manage Winston Plantation)

Phone: 919-233-7660 or 919-233-7661

Address: 4112 Blue Ridge Road, Suite 100, Raleigh, NC 27612

8/9-Woodrun/Yorktown (Woodrun is a gated HOA located on Lake Tillery. It is surrounded by the Uwharrie National Forest and is near Morrow Mountain State Park.

Woodrun Association, Inc.

Phone: 910-439-5214

Address: 5024 Woodrun on Tillery, Mt. Gilead, NC, 27306

Email: woodrun@embarqmail.com

NO CONTACT INFORMATION FOR YORKTOWN

Sapphire Valley (in Sapphire Valley, NC, was on old list but is not on new list of consortium communities)

Connestee Falls (in Brevard, NC, was on old list but is not on new list of consortium communities)

10-Riverbend Estates ---is that the same as Riverbend? -- (in Vista, NC, on Lake Lure is new to the list of consortium communities)

Riverbend at Lake Lure POA

Phone: 828-625-1289 or 828-779-1289

Address: 110 Bills Creek Road, Lake Lure, NC 28746

Email: riverbend4u@aol.com

11-River Pointe POA (in Boone, NC)

Address: 756 West King Street, Boone, NC 28607

Phone: NONE FOUND

Treasure Cove (Near Wilmington, NC(?) was on old list but is not on new list of consortium communities)

Clearwater System (have no idea what this is, was on old list but is not on new list of consortium communities)

Forest Hill (near Cullowhee, NC, in Jackson County was on old list but is not on new list of consortium communities)

Fairfield Mountain (near Lake Lure was on old list but is not on new list of consortium communities)

12-Zemosa Acres (in Concord, NC, is new to the list of consortium communities)

Address: Zemosa Acres HOA, P.O. Box 5304 Concord, NC 28027

President: Joseph D. Antinucci, Jr.

Phone: 704-517-6529

Email: jdantinucci@outlook.com

CTA President's Remarks October 6, 2020

1. I habitually try to thank all the volunteers and neighbors that devote so much of their time and labor to our community. I am not sure if it's the stress of 2020, or the election cycle or just that people need to be periodically reminded. There are people among us that devote 20-40+ hours a week for free to manage and improve this community in your POAs, CTA and even in Lee county overall. I salute you and respect you. If I have disagreements or concerns with how any of you perform your volunteer duties, I will always try to voice my issues in a respectful manner, unless I am trying to make a bad joke of course, hah! By and large, the vast majority of feedback from you is positive and encouraging and is always appreciated, it's my personal policy that those other types of remarks are from people under too much stress with other issues and should be ignored.

2. Stress is always tied to change, and with the anticipated 2021 CTA budget authorizing the South Gate to be automated and opened, this community will continue to experience more change and stress. I believe strongly in this project and I know the Trace residents close to the North Gate have had an increase in property value in both improved and unimproved lots and much better transportation experiences into town and destinations north. There are issue to still work out with the increased traffic to the North gate and the impact on the neighbors, but I believe the "experiment" the Board approved in the 2019 budget has proven a success.

3. I know there are a number of residents/owners that don't want or like any of these changes, and if you plan on staying in your home until the end of your days, why should you care about property values, all it means is higher property taxes, right? I have been involved and thought about this community for about eight of the ten years that my family has lived here and I am convinced that the best solution to many of our infrastructure problems is growth. We have a number of large infrastructure issues that are not getting better with age, like the water/sewage pipes, the Trace Dam, our roads, bridges, drains, etc. We have all of this infrastructure to support our community of 2400 lots, but only 2/3 of those lots have homes on them right now. In almost all of our POAs, the unimproved lots pay much less annual assessments than the improved, which usually means the homeowners here are going to pay the largest portion of these infrastructure costs. There are a good amount of homes being built right now in this "hot" regional housing market anyways, I want us to plan on another 500 homes being built here. Once again, having more homes and a larger population creates more problems, but also a larger source of revenue to maintain or improve our community assets also.

4. Growth and change are coming to this area whether you like it or not, barring a catastrophic economic event of course. We have four manufacturing businesses either expanding (Pfizer) or relocating to this county and there is growing interest from Wake county commuters into making Lee county one of their bedroom communities for daily commute or even work-from-home scenarios in this new COVID reality. For those complaining about Hwy 87 traffic, I want you to learn about the NC Core highway plans which calls for even more commercial traffic on that highway, possibly even an Interstate highway designation (which is why having Cox Mill Rd gates as an alternative so important!). There are also thousands of additional homes being built here in Lee county, one of those developments is right across the highway from us in that South Park area. Finally, if you have not heard yet, on this November ballot is a \$25 million bond to support a new multi-sport complex that would be built just a few miles north of us! It is my attitude and belief that instead of fighting growth and just trying to keep things "the way they've always been here", we need to embrace and channel these growth initiatives happening around us anyways so they benefit us the most while still trying to preserve the most valuable aspects of our Trace lifestyle.

5. Finally, I will give you all a brief teaser that based on an earlier financial authorization by the CTA Board and cooperation with CTCC, I have finally found a local artist willing to work pro bono on some outdoor art pieces that will eventually be placed around our community for your enjoyment. More information will follow, but to encourage some of this local growth and interest that I am seeking, and to recognize our large population of local artists living here, I have been searching for some outdoor art projects to both advertise Carolina Trace as a little artist colony as well as providing visual pieces of interest in our already beautiful community.

Thank You All,
David Smoak
CTA President

Carolina Trace Association, Inc.
September 2020 Financial Summary

	Sep 30, 20	Aug 31, 20	\$ Change	
ASSETS				
Current Assets				
Checking/Savings				
Business Checking ****9106	236,941.84	204,266.54	32,675.30	
Business Checking MMkt ***	93,649.46	93,645.63	3.83	
CTA POA Legal ****7347	6,785.60	5,905.60	880.00	80 MG E-Stickers
CTA POS ***1504	4,000.00	4,000.00	0.00	
Clearing Account	0.00	0.00	0.00	
CTA CD 5 ****4058 10/6/20	50,990.25	50,990.25	0.00	
CTA CD 6 ****4065 10/6/20	200,555.70	200,555.70	0.00	
CTA CD 7 ****8688 1/27/21	25,262.52	25,262.52	0.00	
CTA CD 8 ****8751 1/27/21	50,446.28	50,446.28	0.00	
Total Checking/Savings	668,631.65	635,072.52	33,559.13	
Accounts Receivable	0.00	0.00	0.00	
Other Current Assets	0.00	0.00	0.00	
Total Current Assets	668,631.65	635,072.52	33,559.13	
TOTAL ASSETS	668,631.65	635,072.52	33,559.13	
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities	1,286.94	1,268.64	18.30	
Total Liabilities	1,286.94	1,268.64	18.30	
Equity				
30100 · Reserve Fund				
30120 · Traceway Upgrades	55,000.00	55,000.00	0.00	
30110 · General Reserve	380,410.31	380,410.31	0.00	
Total 30100 · Reserve Fund	435,410.31	435,410.31	0.00	
Total Equity	435,410.31	435,410.31	0.00	
TOTAL LIABILITIES & EQUITY	436,697.25	436,678.95	18.30	

Payments: The major payments this month were SPA for \$24,964. Security expenses included \$2400 to upgrade the computer and database for Gatehouse, \$2,200 for mirror passes and \$1,200 for the Gatehouse sewer line repair

Reserve/Capital Funds: Total Reserves amount to \$435,410.31

Notes: CTA CD5 and CD6 have an interest rate of 0.4% and mature on 10/06/20. CTA CD7 and CD8 have an interest rate of 0.4% and mature on 01/27/21.

Assessments: 15 POAs have fully paid their 2020 Assessments. Payments were due 10/1/20.

Oscar Roberto, CTA Treasurer

Ed Nelson, CTA Assistant Treasurer

Proposed Motion to CTA Board of Directors 10/6/2020

The Board authorizes the Treasurer for a one time transfer up to \$260,000 by check or wire transfer from First Horizon Bank account to CIT Bank in order to obtain new Certificates of Deposit at said bank.

SECURITY LOG FOR THE MONTH OF SEPTEMBER 2020

CATEGORY	WEEK 1-5	WEEK 6-12	WEEK 13-19	WEEK 20-26	WEEK 27-30	TOTAL
ACCIDENT	0	1	0	0	0	1
EMS	1	2	4	1	5	13
PATROL RESPONSE	5	8	7	5	4	29
PATROL HOURS	336	336	336	336	336	1,680
SHERIFF PATROL	7	9	11	7	5	39
SCHEDULE PERMITS	1,191	1,436	1,390	1,272	863	6,152
ACTUAL PERMITS	1,086	1,289	1,223	1,075	750	5,423
UNSCHEDULE GUEST	0	0	0	0	0	0
FIRE ALARM	0	0	0	0	0	0
UNLOCKED DOORS	0	0	0	0	0	0
VANDALISM	0	0	0	0	0	0
CITIATIONS	0	0	0	0	0	0
CTGP	2	7	5	7	3	24
GOLFERS	156	514	270	402	160	1,502
CTCC	166	173	32	154	12	537

CERT Report for Safety & Security Committee for 6 October 2020

1. We have an ongoing communications exercise from our September CERT training that will wrap up this month. We will combine our review of the exercise with our October training. October 15th is International Shakeout Day to highlight earthquake safety, and we will participate in The Great Shakeout Drill, where we discuss earthquake preparations and response. Our Drill will be on 20 October.
2. The CERT Hams will participate in a Simulated Emergency Test with the Moore County Amateur Radio Emergency Service on October 31. It will be similar to the drill we conducted last year, except we will each be participating from home or on the road individually.

October Tram Report

Completed In September

- 1) Gate House painted
- 2) Gate House flower boxes cleaned and re planted for fall / winter
- 3) Gate House back vinyl fence and sidewalks power washed.
- 4) South exit weeds and kudzu sprayed.
- 5) Met with landscaping committee (Georgina Kiggins, Peggy Hudson, Carol Schock) to review the front area with Barry Walls and determine fall / winter plantings.
- 6) Road repair bid from Mark Mitchell accepted. \$ 18,700. Work to be done in November

Upcoming in October

- 1) Add a privacy fence to the back of the gate house to hide trash and air conditioner units.
- 2) Clear weed along Rt 87
- 3) Meet with the South Gate committee to determine layout and needs.
- 4) Oct - Jan Leaf blowing off Traceway and ditches along Traceway.
- 5) Fill in low area in medium North of Lakeview to improve drainage.
- 6) Insulate sewer line running from gate house next to South bridge

* Georgina Kiggins is looking for volunteers to help with the watering of the planters at the gate house.

* Tram is looking for volunteers to help monitor sections of Traceway and occasional small projects.

CTA Two Tier Voting, Per Sep. 2019 Census - Updated 20-04-08								
<p>Two Tier Voting: Approval shall require: (1) a majority vote by Directors or Alternate Directors in attendance who shall vote their respective POA as an undivided voting block. The sum of the lots represented by the Directors or Alternated Directors in attendance shall equal 100%. Approval requires two-thirds (2/3) of that sum. However, such two-thirds (2/3) total cannot be less than 51% of the total lots represented by all POAs in good standing.</p>								
2021 Budget								
POA	Total Lots	Assessable Lots	Net Voting Lots	Present	POAs voting lots	Voting YES	YES Votes Lots	NO Votes Lots
Eagles Nest	67	62	62	1	62	1	62	0
Golf East	82	81	81	1	81	1	81	0
Golf North	139	139	139	1	139	1	139	0
Golf West	46	46	46	1	46	1	46	0
Harbor Creek	167	144	144	1	144	1	144	0
Hidden Lake	254	223	223	1	223	1	223	0
Highland Woods	47	43	43	1	43	1	43	0
Lakewood	71	47	47	1	47	1	47	0
Laurel Thicket	251	223	223	1	223	1	223	0
Mallard Cove	201	178	178	0	0	0	0	0
North Shore	317	311	311	1	311	1	311	0
Sedgemoor	168	165	165	1	165	1	165	0
South Landing	142	137	137	1	137	1	137	0
Southwind	170	161	161	1	161	1	161	0
Stonegate	49	46	46	0	0	0	0	0
Village at Trace	36	36	36	1	36	1	36	0
Woodfield	72	68	68	0	0	0	0	0
Woodmere-Trentwood	235	235	235	1	235	1	235	0
Totals	2514	2345	2345	15	2053	15	2053	0
<p>TOTAL "YES" VOTES REQUIRED FOR MOTION TO PASS</p>							YES	NO
<p>51% of total net lots of all POAs = 1196</p>							Votes	Votes
							88%	0%
							Result =	

66.667%	of POA's in attendance =	1369	Result =	100%	0%
Motion PASSED					