

Beachwalk BOD Meeting Minutes-April 19, 2016

Board members present: Bill Bryan, Joe Truelove, Mike Wood, Dan Church

Homeowners present: George Schierle, Kate Shorten, Gail Morris, Don Morrow, Lee & Pat Brennan, Walt Jankowski, Karen Atkins, Peter Hoyer, David Bone, Rick Morton, Paul & Connie Martinez, Jackie Wiebe, Gary Stickley, Jim Craig, and Todd Vought. Cindy Snead with Network Realty was present.

Call to order was executed at 4:05 PM at the Beachwalk Clubhouse.

Bill Bryan (President) asked for approval of March 2016 meeting minutes. A motion was made/seconded to approve and passed unanimously.

Adoption of the February 2016 financial information was motioned/seconded and passed unanimously (separate document).

Committee Reports

Stormwater Committee: Jim Craig presented the April Stormwater report (see attachment # 1). Jim led discussion of current status of SW repair project and milestone dates. New required easements are in place and we await plan approval by the state agency DEMLR. Ellixson has been selected as contractor. A special Stormwater informational meeting is scheduled for April 30, 2016, 10 AM at the clubhouse presented by the stormwater committee.

Architectural Control Committee: Lee Brennan asked for Board approval that the Architectural Control Design Guidelines be a "stand alone" document. It was determined that the new guidelines need not be an amendment to our Declaration of Covenants. The motion passed unanimously. The Board asked Cindy to prepare homeowner packets for distribution as they are requested. A proposed protocol path of ACC approval was tabled until May 2016 Board meeting.

Communications Committee: Gary reported that the web site is up and running. Individual homeowner contact information remains unacceptable on the site. This information remains available through Cindy at Network Realty.

Landscape Committee: No report is presented at this meeting. Bill Bryan and Rick Morton are developing bid documents for selecting our Landscape contractor for coming year.

Maintenance Committee: Joe Trulove reported that maintenance continues on dolphin water fountains. The new kitchen hot water heater will be delayed until stormwater project costs are finalized. A new solar powered light fixture is planned at the pool dolphin fountain at a cost of \$40.

Social Committee: Kate Shorten reported that refreshments are planned for the April 30 meeting at the clubhouse. Discussion followed suggesting announcement of the April 30 meeting to include notification on the new web site and posting at the mailbox note board.

Unfinished Business: Bill motioned that the Board accept the Pond Rules presented at the March meeting for vote today (see attachment # 5). Motioned passed unanimously.

New Business: Bill put forth a contract for selecting Cape Fear Engineering (CFE) as construction manager for the upcoming SW repair project. Cost is \$9,000. Motion to accept passed unanimously. Gary Stickley's resignation letter is accepted. Deeds of Easements from Peter & Margaret Hoyer, and John & Catherin Shorten have been executed and copies are kept by Board secretary. A copy of the letter of intent to Ellixson & Sons Contracting for SW repair was presented for record (see attachment # 2). The Letter of Levy was presented showing cost impact of SW repair to each homeowner (see attachment # 3). The amount indicated is \$1,797 for each of our 85 lot owners, due in two equal payments (\$898.50 each) June 1, 2016 and September 1, 2016. Discussion followed concerning some of the financial entries. 2015 annual financial report has been completed and will be distributed to homeowners (separate document). SW repairs funding path document was presented (see attachment # 4) showing a financial history of SW reserves.

Meeting Adjourned: A motion was made/seconded to adjourn at 5:20 PM and was unanimously approved.

Next Board meeting is scheduled for May 10, 2016 at 4 PM at the clubhouse. Homeowners are encouraged to attend and bring any concerns to the Board before the meeting they wish to address.



(May 10, 2016)

Submitted by: Dan Church, Secretary
Beachwalk HOA Board of Directors



(May 10, 2016)

Approved by: Bill Bryan, President
Beachwalk HOA Board of Directors

Attachments:

1. Stormwater Committee Report (2 pages)
2. Letter of Intent to Ellixson & Sons (1 page)
3. Letter of Levy (1 page)
4. SW repair Funding Path (1 page)
5. New Pond Rules (1 page)

Attachment # 1

Stormwater Committee Report. April 19, 2016

We are pleased to report that the stormwater project is progressing rapidly and construction could begin in June. A list of project milestones in the past three months is given below:

January 15: The engineering drawings for the stormwater project were completed by Cape Fear Engineering (CFE) to include the relocation of the Settlers Lane road drainage pipe. Note that the engineering designs for our part of the project were approved by the Board of Directors in August 2015.

January 18: The engineering drawings were sent to five construction contractors recommended by CFE to solicit bids for the renovation work.

February 1: Three companies submitted bids. One was very high so we focused our attention on the other two companies with lower bids.

February 18: A meeting was held at Beachwalk with the SWC, CFE and NCDEMLR to walk through the project area and discuss our proposed renovation plan. During this onsite visit NCDEMLR gave preliminary approval for the engineering designs as well as a very important concession regarding excavation of the North Pond. NCDEMLR also decided that only a simple Plan Revision review would be required and said that our application would be put "on the top of the pile."

February 20: The engineering drawings were quickly revised by CFE to the new specifications for the North Pond and then sent back to the two construction contractors to modify their previous bids. The saving from the NCDEMLR concession was approximately \$60,000 on the re-submitted bids.

February 24: We received a letter from NCDEMLR stating that our stormwater system is not in compliance with the permit requirements. They requested a Plan of Action by March 29 or we could face enforcement action (fines). This was the second non-compliance letter Beachwalk has received (the first notice was in 2014) and NCDEMLR's patience is wearing thin.

March 11: CFE filed our application for a Plan Revision, including the final engineering drawing, to meet the NCDEMLR deadline. We were told that the expedited review process could take 4-6 weeks (usually it takes 3-4 months).

March 22: The SWC conducted bid evaluation meetings at the CFE office with the two construction contractors. The Committee unanimously selected Ellixson and Sons because (1) they have worked successfully on other CFE projects; (2) they had the best plan for construction operations; (3) they could begin work as soon as the NCDEMLR approves our Plan Revision; and (4) they were the lowest bidder. The SWC then recommended that the Board send a Letter of Intent to lock-in the terms of this proposal.

March 24: A meeting between the SWC and representatives of the Town of Kure Beach discussed coordination of the project. Several favorable agreements were reached. (1) The Town agreed to start their pipeline relocation work soon after the Plan Revision is approved so as not to interfere with our construction work. (2) The Town agreed to install rep-rap at the road spillway chutes (saving us \$10,000

in construction costs). (3) The Town tentatively offered the use of the Sandman lots by our contractor for temporary storage of equipment and materials.

March 31: An easement was granted by the owners of Lots 52 and 53 to allow the Town to install and maintain the new road drainage pipe that will outlet into the South Pond. The HOA owes Maggie and Peter Hoyer and Kate and Jerry Shorten a huge THANK YOU for their important contribution. Otherwise, the Town's pipe relocation project would have faced a major setback and the non-compliant pipe would have to be plugged. This would cause flooding on Settlers Lane during heavy rainstorms.

April 2: Bill generated a draft construction contract and the SWC is reviewing it. We want to be ready to sign a construction contract with Ellixson when our Plan Revision is approved by NCDEMLR (May).

April 4: An onsite meeting with Ellixson was held to check out the Sandman lots as a temporary storage area. Ellixson liked the idea, but we may face opposition from Kure Dunes. This topic will be discussed at the Town Council meeting after our meeting tonight.

By now, all homeowners should be aware that maintaining our stormwater system according to standards of our permit is not optional—it is mandated by State regulations. The cost to keep the system in compliance is not a concern for NCDEMLR. However, NCDEMLR is very aware that they have sent two non-compliance notices without seeing any permanent corrective action. Further delays in correcting the deficiencies will likely result in enforcement action (fines) against Beachwalk. NCDEMLR has made concessions and will expedite their review of our engineering plan. Soon it will be Beachwalk's turn to fulfill our obligation to start the renovation work.

A great deal of effort involving the Stormwater Committee, the HOA Board of Directors, Cape Fear Engineering, the State regulatory agency NCDEMLR, construction contractors and the Town of Kure Beach has finally got us on a course to start construction soon on the stormwater project. However, we must emphasize that the renovation plan in its current form is held together by a fragile set of negotiated arrangements to bring the stormwater system into compliance in the most cost-effective way possible. The final design plans being reviewed by NCDEMLR, and the contractor's firm proposal to do the work, cannot be modified without derailing the project.

Although progress on the stormwater project has been rapid over the past few months, Beachwalk homeowners can rest assured that all aspects of the renovation plan have been thoroughly reviewed by a competent team. Discussions and decisions over the past several years have been published in the minutes of the monthly Board of Directors meetings. SWC members are full-time residents of Beachwalk (easy to find) and have been available for informal discussions between official meetings.

As listed in the recap, many milestones have been reached since January 2016. We are very encouraged by the recent progress because the project has dragged on for many years. However, we realize that a large amount of information has been sent to homeowners in March. To help homeowners better understand the current status of the project and what can be expected during construction operations, we have scheduled an **Information Meeting on Saturday, April 30 at 10:00 am at the Clubhouse**. The Stormwater Committee and Board of Directors will be there to answer your questions. Please plan to attend.

The Stormwater Committee

Attachment # 2

2016-03-30

Subj: Letter of Intent

Mr. Woodrow V. Ellixson, III

Ellixson & Sons, Inc.

1008 Captain Adkins Drive

Southport, NC 28461

Dear Mr. Ellixson:

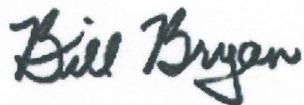
Beachwalk HOA, Inc. is submitting this Letter of Intent to notify you that your company is the preferred vendor for the repairs to the Beachwalk HOA Stormwater System and that a contract will be forthcoming.

Our Intent is based upon:

- (1) the successful approval of our Stormwater Permit currently with NC Department of Energy, Mineral, and Land Resources (NCDEMLR); we anticipate our application to be awarded within 6 to 8 weeks from now;
- (2) the project conforming to Cape Fear Engineering Project Number 275-64, Rev C, Sheets 1-1, C-1, C-2, P2, D-1, and D-2 all dated 1/15/16 and P-1 dated 2/18/16.
- (3) the price of the project not to exceed \$290,160.00;
- (4) the project duration not to exceed four (4) months; and
- (5) monthly invoicing on work completed, Net 30 days.

This Letter of Intent is not an official commitment to a purchase order or contract, only an Intent. We anticipate the project to begin within 4 to 6 weeks after receipt of approval from NCDEMLR.

Best Regards,



Bill Bryan PE

Beachwalk HOA, Inc.

Attachment # 3

April 19, 2016 Letter of Levy

The Stormwater System (SWS) Project is making great progress! Our construction permit has been submitted for approval and we have selected a contractor for construction. As soon as our permit is approved, construction will begin (no later than the day after Labor Day, and possibly sooner). Per the earlier correspondence sent to you, 2016-03-07-Resolution for Emergency Assessment, there are four expenses which we will incur for the construction phase of the SWS. They are:

		Totals
1. Engineering:		
	Coastal Stormwater Services	\$ 10,050
	<u>Cape Fear Engineering</u>	
	Surveying	\$ 1,850
	Staking Easement	\$ 403
	Project Management	\$ 201
	Preliminary Calculations	\$ 5,500
	Preliminary Design Plans	\$ 5,500
	Additional Services	\$ 891
	Final Design Plans	\$ 4,500
	Permit Approval	<u>\$ 2,420</u>
	Subtotal	\$ 21,265
2. Construction:		
	Coastal Stormwater Services (wattles)	\$ 4,400
	Hire Alternatives (ditch digging)	\$ 464
	Ellixson Construction	\$279,210
	Contingency	\$ 40,000
3. Construction Management:		
	Cape Fear Engineering	\$ 9,000
4. State Permits:		\$ 500
	Total >>>>>>>>>	<u>\$ 500</u>
		\$331,130
Amount used from Reserves		(\$178,315)
Balance		\$152,815
Number of Lots		85
Assessment per Lot to be Paid		<u>\$ 1,797</u>
The Assessment per Lot to be Paid will be assessed in two lump sum payments, due June 1 and September 1, 2016. The amount per payment will be \$898.50.		
Best Regards,		
		
Bill Bryan, President		
Beachwalk HOA		

Attachment # 4
Beachwalk HOA Stormwater Repairs Funding Path

Year 2010 - \$158,440 (calculated)

Year 2011 - \$16,320 (\$48 X 85 Homeowners X 4 quarters)

Year 2012 - \$16,320 ditto

Year 2013 - \$16,320 ditto

Year 2014 - \$480

Year 2015 - \$6120 (\$18 X 85 Homeowners X 4 quarters)

Sub Total - \$214,030

Paid to date (\$35,715)..... L. Sneeden 10,050

Assets \$178,315 CFE 21,265

(as of Feb. 2016) Wattles 4,400

Misc. Labor 464

Sub Total \$35,715

Future Expenditures

Contractor \$279,210 (riprap deducted \$10,950)

Contingency \$40,000

Constr. Management \$9,000

CFE remaining \$2,420

State Approval Plans \$500 estimate

Sub Total Expend. \$331,130

Assets (see above) (\$178,315)

Short fall \$152,815 Divided by 85 Homeowners = \$1797 Assessment Total

Attachment # 5

Beachwalk Stormwater System Pond Rules

The two stormwater detention ponds in our Beachwalk community provide aesthetic value through their visual beauty and by enhancing the aquatic atmosphere of our seaside setting. The ponds are also components of a functional stormwater system. This stormwater system is required by the NC Department of Water Quality (NCDWQ). The Beachwalk stormwater system is designed to meet the permit requirements, and their maintenance and operation is specified in detail by the permit. Anything done to impair the system performance may put the permit in danger, and require the Beachwalk HOA to make repairs to restore proper function.

The Beachwalk HOA contracts maintenance for the system, including the two ponds, and some maintenance is provided by volunteers within our community. The ponds are defined as HOA common elements, accessible for maintenance by the HOA and its agents for maintenance purposes through easements across private lots. Access to the ponds by homeowners or tenants is only by way of the lot they own or occupy. There is no access for homeowners or tenants who do not own or occupy lots adjacent to the ponds.

In order to maintain their value, to keep the DEMLR permit current, and to protect homeowners, tenants and visitors, these are the HOA rules regarding the two detention ponds:

- No fishing, netting or trapping pond wildlife (i.e. turtles, snakes, fish, fowl, amphibians, etc) allowed.
- Do not introduce new wildlife into the ponds.
- Do nothing to harm the wildlife in the ponds, or the plant life around the banks and shorelines. The plant life along the shores is an element in the maintenance of water quality and provides protection against erosion.
- Do not spray defoliants near the plant life along the shoreline. The Beachwalk landscaping contractor will cut grass and apply appropriate nutrients and weed reduction up to the edge of the shoreline plants.
- Do not cut or trim the plant life along the shorelines. The plants are maintained by our landscaping contractor.
- Do not put yard waste or other waste material into the ponds.
- Do not introduce chemicals or allow chemicals to flow into the ponds.
- Do not wade or swim in the ponds.
- Do not feed the wildlife in the ponds.

If you see an alligator or other potentially harmful creature in the ponds, notify the Property Manager.

If you see violations of these rules, or have any concerns about the stormwater system and the ponds, please contact our Property Manager.

Beachwalk HOA Board