

## Beachwalk HOA Board Meeting Minutes – August 2014

A regular meeting of the Beachwalk Homeowners Association ("HOA") Board of Directors was called to order at 3:05 p.m., August 13, 2014, by HOA President Pat Brennan. Board member Tom Moffitt also was present. In attendance were Beachwalk's Treasurer (Joe Truelove) and property manager (Cindy Snead). Also in attendance were four homeowners (Walt Jankowski, Ron Bell and Kate and Jerry Shorten). Ted Gragg was unable to attend the meeting due to an illness in his family. With the quorum present, the Board proceeded to conduct its business.

### President's Report on Special Meeting

Pat Brennan announced that a special meeting of homeowners was held on August 9, 2014. Ted Gragg was elected unanimously to fill the unexpired term of Dave Duffrin that expires in October. Pat also reported that the special meeting included an informational presentation by the Stormwater Committee to keep homeowners up-to-date about developments relating to planned repair of the stormwater management system (addressed in more detail in the report of the Stormwater Committee later in these minutes).

### Approval of the July 2014 Minutes

Pat Brennan made a motion to approve minutes of the July 2014 meeting prepared by HOA Secretary Tom Moffitt. The motion was adopted.

### Financial Report

The Board received the financial reports made by property manager Cindy Snead and HOA Treasurer, Joe Truelove. Joe presented information and projections for Board consideration in preparation for Beachwalk's budget for next year that will be presented at the annual meeting in October. These were preliminary numbers that will be the starting point in the budget process. The Board's approach will be to postpone as much spending as reasonably possible to enable the money saved to be used for repair of the stormwater management system. Joe will compile updated projections and copies of the projections will be attached to the minutes for homeowners to review. The proposed budget must be submitted to homeowners a month in advance of the annual meeting which will be held this year on October 25, 2014.

### Landscape Committee

Ron Bell appeared on behalf of the Landscaping Committee ("LU"). He raised concerns with the manner in which LU was performing its landscape maintenance obligations. He was unhappy with the way lawns had been "scalped" by careless

mowing, lack of weeding of flower beds and overall lack of sufficient oversight by LU management of its employees in carrying out their duties. Josh Westfall, the LU operations manager was outside and was asked to address during the meeting some of the concerns raised. Josh was very cooperative. He assured the Board that LU will attempt to address all of the concerns homeowners may have about their lawn care and landscape services within the scope of their contract. He said that the rainy weather had presented challenges for weed control. He also explained that some of his crew members were new and inexperienced and hard to train and retain. Josh said LU is striving to correct all of the deficiencies. He also said that he did not object to homeowners pointing out where his crew members missed details in carrying out their tasks in order to enable immediate correction of errors.

Pat and Tom believe that homeowners' should be able to point out minor deficiencies that can be easily addressed immediately so that such minor problems do not fester and flare into bigger problems. However, problems with landscape services that are more significant should be reported to Cindy, and she will follow up with LU's managers.

The Board is aware that some homeowners' expectation may be higher than what the landscaping contract provides. In essence, Beachwalk is paying for basic landscape services on a low-bid contract, and LU is being paid a reasonable amount of money for a reasonable amount of lawn/landscape care – not for perfectly manicured lawn/landscape care services. Ron acknowledged that despite his unhappiness with LU's services that LU has done a better job than other companies Beachwalk has used in the past.

The Board decided to bring the matter of landscape services to the homeowners at the annual meeting in October for discussion.

#### Maintenance Committee

The damaged Bradford Pear tree near the south entrance of Beachwalk has been removed, and the Oleander significantly pruned back. Most of the other matters relating to maintenance were addressed in the budget planning process mentioned earlier in the minutes.

#### Architectural Review Committee

There were no pending matters relating to the Architectural Review Committee. However, Cindy said that a vacant lot had been sold and the buyer intended to build a house on it. She will inform the buyer that building plans need to be reviewed by the Architectural Review Committee.

## Stormwater Committee

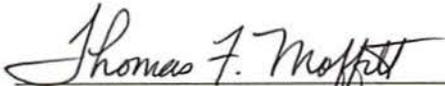
On August 9, 2014, the Stormwater Committee made a presentation to homeowners to inform them about planned repairs to the stormwater management system; why the planned repairs are necessary; and how much the repair project will cost. Committee Chairman, Jim Craig, made the presentation that provided information about the need for the repairs and the engineering proposal to address the repairs. His presentation included numerous slides that illustrated the problems with the stormwater system and how such repairs had been made in other places where our professional engineer, Larry Sneed, had implemented similar plans in similar communities. Joe made the financial presentation which addressed the projected cost of the repair project and how it would be financed. Joe said that the project is projected to cost approximately \$215,000.00 (\$205,000.00 with some additional anticipated cost savings). Most of this money either has been or will have been collected by the time the project is completed in 2015. Joe said that a modest special assessment may be needed, which he estimated to be as small as \$313.00 per homeowner.

Jim submitted a written Committee report, and Joe submitted a financial projection both of which are attached to these minutes. The Board also discussed the possibility of having a meeting on a weekend in late September (or early October) to repeat the Stormwater Committee's informational meeting to assure that all homeowners have the opportunity to be fully informed before the annual meeting on October 25<sup>th</sup>.

The informational meeting was well conducted and provided a great deal of useful information. The Board commends the Committee members for doing such a fine job. In the Board's view, Beachwalk is very fortunate to have such dedicated and knowledgeable homeowners working on this project.

Adjournment and Scheduling of Next Meeting Having concluded its business, the meeting was adjourned at 5:10 pm. The next Board meeting is scheduled for 3:00 pm on Wednesday, September 10, 2014.

This is the 10<sup>th</sup> day of September, 2014.

  
Thomas F. Moffitt, Secretary

Approved: 

## Attachments

### **Report from the Stormwater Committee, August 9, 2014**

Our report this month first provides a short history of key events for the Beachwalk stormwater system. We then propose a work plan to correct deficiencies in the stormwater system so that it will comply with State regulations and function more efficiently in the future.

#### **History**

(1996) State regulations required that the Beachwalk subdivision install a stormwater system. The original permit stated that: "The stormwater system must be constructed in its entirety, vegetated and fully operational for its intended use prior to the construction of any built-upon surface." The development company installed the system 18 years ago.

(May 2004) The stormwater permit (SW8 960518) was transferred from the developer to Beachwalk HOA and with it the responsibility to maintain the system. The permit clearly states that..."The permittee shall at all times provide the operation and maintenance necessary to assure that all components of the permitted stormwater system function at optimum efficiency." The stormwater permit must be renewed every ten years (due May 2014).

(February 2014) Although Beachwalk HOA received an extension for our permit renewal until 2018, engineers representing the State of North Carolina inspected the system in February and identified a number of deficiencies involving erosion at "...almost all of the conveyance channels and around the stormwater ponds." A copy of the State's letter is attached to this report. They stated that "...deficiencies must be resolved" and requested specific actions to do so including a timeframe to complete the work. If Beachwalk HOA ignored this notice we could face enforcement actions including fines of up to \$25,000 per day. Beachwalk HOA received an extension of the deadline until July 1, in part because temporary measures ("wattles") were used to stabilize erosion at the North Pond and some conveyance channels. The cost of this temporary solution was \$4400.

(July 2014) The scope of a tentative work plan was submitted to the State on July 1 by our engineering contractor (Larry Sneed) which included work on both ponds and some of the conveyance channels. Construction operations would begin this Fall and would be completed by May 2015. The State accepted the description of work and timeframe of our plan on July 8.

## **Proposed Work Plan**

In July, the Committee reviewed the engineering details of a work plan with our contractor and discussed design alternatives to bring the system into compliance. After a plan was specified, Mr. Sneed updated his cost estimates for the work. These recent discussions were a continuation of a long effort by the Committee to gather studies and proposals from engineering firms as well as independent research by the Committee members themselves. Throughout the process to develop an acceptable work plan we strived to meet the important objectives listed below:

1. The work would correct the deficiencies identified by the State inspection to avoid possible legal actions. Work would also be done in areas with compliance problems that need to be corrected before permit renewal, if not before.
2. The work would bring the stormwater system into full compliance so we can successfully renew the permit by 2018. We have already received a 4-year grace period and it is unlikely that State will agree to another long delay.
3. The work would satisfy State water quality regulations as well as improve the capability of the system to handle large volumes of runoff water from severe storms. This action would significantly reduce the risk of flooding in the subdivision.
4. Our recommendations would be focused on essential areas of the system and engineering solutions would be the most cost-effective.

Construction operations will be conducted on HOA property (in ponds) and within easements, as much as practicable. Any damage to private property outside of the common areas or easements will be repaired to its previous condition at no cost to owners. Swales (shallow drainage channels that are normally dry) will be centrally located in the easements. The easements will be cleared of obstacles that interfere with construction or could impede water flow down the swale. Affected property owners would be contacted and the work would be done at no cost to property owners. When the earthwork is completed the swales will be covered by sod and maintained by the landscaping company hired by the HOA. No new structure or planting should be placed within the swale if it could potentially impede water flow. Property owners would be responsible for directing their roof downspouts into the swale so that slope erosion or sedimentation does not occur.

New vegetative buffers around the ponds will include a 3-foot wide zone (normally dry) covered by sod that will be maintained during regular landscaping. Grass will be cut slightly longer (6-8 inches) in the buffer zone compared to the adjacent lawn areas to help prevent erosion. A 10-foot wide buffer (normally wet)

around the edge of the ponds will be planted with aquatic vegetation that will be maintained by the HOA. No planting or structures should be placed by property owners within the wet buffer zone. The objective is to establish a healthy and attractive vegetative buffer to eliminate future erosion problems around the pond shorelines.

The following is an overview of the projects included in our proposed work plan. Necessary work throughout the Beachwalk subdivision is grouped into four projects for better logistics and cost efficiency. The cost given below are the best available estimates at the present time but have an uncertainty of plus or minus 5%. Cost overruns for one project could be offset by cost savings in another project. Combining projects would result in lower costs, whereas separating the projects would increase costs. The costs given below are rounded to the nearest thousand dollars.

**North Pond (estimated cost \$87,000);** Shorelines around the pond would be reconstructed to meet the State standards. This would entail a flattening of the slopes above and below the water's edge. Lower angle slopes are less susceptible to erosion and slumping into the pond. A 10-ft wide vegetative buffer would be planted along a shallow shelf to control erosion along the waterline which varies with rainfall. Material to reconstruct the shorelines would be dredged from the central areas of the pond, thus deepening the pond to meet permit specifications. The inflow channel (5<sup>th</sup> Ave to the North Pond) would be filled over a buried drain pipe to create an access way for equipment. The outflow channel (North Pond to Shell Drive) would also be piped and filled leaving a grass-covered swale. This would be a permanent solution to the temporarily wattles placed in these locations to control erosion. Material to fill the open channels would be obtained mostly from dredging the North Pond, but an additional cost of \$7,000 is included to de-water, haul and dispose of excess material (if any).

**South Pond (estimated cost \$50,000);** Similar operations would occur around the South Pond to reconstruct the shorelines while deepening the central area of the pond. The outflow channel from the South Pond would be converted from an open ditch to a buried drain pipe and overlying swale. The buried pipe would carry water flowing out of the system during normal conditions (up to 1 ½ inch rainfall) and could also carry water flowing out of the South Pond spillway box during heavy rainstorms. When out-flow rates exceed the capacity of the buried pipe, water would flow out of a new control box and down the swale to the existing drainage system leading to the Cape Fear River maintained by the Town of Kure Beach. The reconstructed slopes in the swale would satisfy the permit specifications and be less susceptible to erosion and slumping. This design for the outflow channel is far superior to the present, steep-banked, open channel that is out of compliance and may be unreliable in heavy rainstorms. It is important to recognize that the outflow channel provides the only way to direct water out of the Beachwalk subdivision, and a poorly functioning ditch could

result in flooding throughout the subdivision. Material to fill the open ditch will be obtained from dredging the South Pond.

**Inflow channel from Kure Dunes (estimated cost \$33,000);** The open inflow ditch (Kure Dunes to 5<sup>th</sup> Ave) would be converted to a buried drain pipe and swale channel. Fill material could be obtained from dredging the North Pond or hauled-in from off-site locations. The cost includes hauling material from an off-site location (\$2,000).

**Interior drainage channels (estimated cost \$49,000);** The open ditch connecting the North and South Ponds (between Shell and Surf Drives) would be converted to a buried drain pipe and grass-covered swale channel. The buried pipe would carry water between the ponds while the overlying swale would carry runoff from the swales located between the houses facing Shell and Surf Drives. The new design would eliminate many problems associated with the present open ditch (erosion, mosquitoes, dangerous critters, potential blockage, among others) and future maintenance costs would be lower compared to the present open channel. Material to fill the interior ditch could be obtained from pond dredging or hauled-in from off-site locations. The cost estimate includes hauling in material from an off-site location (\$5,000). Clearing and re-grading the drainage swales between houses is not included in this cost and could be handled by maintenance work.

### **Recommended Work Plan**

As discussed earlier, Beachwalk HOA must maintain all components of the stormwater system "at optimal efficiency" and has clearly not done so. It is worth repeating that the responsibility to maintain the stormwater system is not optional—it is mandatory. The State can inspect the system at any time to check for compliance and could impose large fines if we ignore their directives. These fines could be passed down as liens on individual properties.

The committee unanimously recommends that all four projects described above be done as soon as possible because this would correct all of the compliance deficiencies identified by the State in February as well as the problems likely to be identified in inspections leading up to permit renewal. The total cost of all four projects is \$205,000 (+/- 5%) which includes a \$14,000 reduction in cost for material handling. Sediment dredged from the ponds and not needed to reconstruct the pond shorelines would be used to fill the open ditches. This strategy is more cost-effective and would also greatly reduce the truck traffic through the subdivision during the construction period. The improved stormwater system would be better prepared to handle heavy rainfall so the risk of flooding is reduced for all property owners. Large construction projects would not be needed in the foreseeable future, and ongoing maintenance costs would be lower compared to the present stormwater system.

Submitted by:

Jim Craig  
Joe Truelove  
Ted Gragg  
Mike Gentile

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