

## Beachwalk HOA Board Meeting Minutes – September 2014

A regular meeting of the Beachwalk Homeowners Association ("HOA") Board of Directors was called to order at 3:00 p.m., September 10, 2014, by HOA President Pat Brennan. Board member Tom Moffitt also was present. 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.

In attendance were Beachwalk's Treasurer (Joe Truelove) and property manager (Cindy Snead). Also in attendance were two homeowners (Kate Gentile and Jackie Wiebe). As noted later in these minutes, Kate Gentile made a report on behalf of the Social Committee, and Jackie Wiebe appeared on behalf of the Architectural Review Committee.

### Approval of the August 2014 Minutes

Pat Brennan made a motion to approve minutes of the August 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. HOA Treasurer, Joe Truelove, answered questions relating to the draft of the proposed HOA budget documents for 2015 that will be presented at the annual meeting in October. The numbers in the drafts are preliminary starting points in the budget process. The Board reiterated that its approach to the budget 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. 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.

The Board had some specific questions about several items in the draft Capital Improvements Reserve Budget and the draft Maintenance Budget. The Capital Improvements Reserve Budget provided for a picnic pavilion (\$25,000 over 5 years, \$5,000 per year, adding \$15.00 per quarter per homeowner); a horseshoe court behind the tennis court (\$3,000 over 3 years, \$1,000 per year, adding \$3 per quarter per homeowner); and marking the tennis court for pickle ball (\$1,500 for one year, adding \$5 per quarter per homeowner).

The Board questioned the inclusion of these items in the 2015 proposed budget and directed that no money be allocated in the proposed budget for these items. However, consideration of future expenditures for these purposes will be added by the Board to the agenda for the October annual meeting and could be included in

the 2015 budget if the homeowners vote to add one or more of them. This is in accord with the Board's decision last month to ask the Maintenance Committee to review proposals and make recommendations concerning adding a key lock to the tennis courts; possibly converting the tennis courts to a different use if use data shows that too few people are using it to justify maintaining the tennis courts in the future. (See the July 2014 Minutes, Maintenance Committee Report, Item (4), p. 2.)

As to the proposed Maintenance Budget, the Board questioned three items: (1) replacement of bar stools (\$1,000), (2) replacement of the television set (\$2,000), and (3) replacement of two card tables and chairs (\$250). Kate Gentile, representing the Social Committee, explained the Committee's request for these items. The Board acknowledged that Beachwalk has some aging infrastructure replacement needs, including these items. However, the Board does not believe now is the appropriate time to spend money on these items when Beachwalk is about to embark on a costly project to repair its stormwater management system. In addition, there is an unresolved question about buying a new television and connecting it to Charter at the clubhouse. As detailed in the May 2014 Minutes, Charter has switched to all digital signals that require a cable box to receive Charter's signals. Before the switch, Beachwalk was receiving Charter's signals for free, but now Charter will be charging Beachwalk for the service (approximately \$70 per month). There also was a discussion in May about how many homeowners actually use the TV in the clubhouse and whether such service should be continued if cable service no longer will be free. As the May 2014 Minutes show, the Board decided to table the matter until the homeowners' annual meeting in October and referred the matter to the Landscape Committee to investigate the matter and report its findings in October. (See the May 2014 Minutes, Charter Cable Issue, p. 2.)

The Board directed that no money be allocated in the proposed 2015 budget for these three items. However, consideration of future expenditures for one or more of these purposes will be added by the Board to the agenda for the October annual meeting and can be included in the 2015 budget if the homeowners vote to add one or more of them. Further, the Board asked that the draft proposed budget allocate \$1,000 to the Social Committee (up from \$500) with the intention that some of the money for these items requested by the Social Committee potentially could be used to purchase items the Social Committee concludes are vital to its operation.

#### Landscape Committee

Cindy reported that Bill Waggaman of Landscapes Unlimited (LU) will be leaving that company to take a position with another company. She said Bill expressed his appreciation for working with Pat Brennan to resolve problems relating to LU's

landscaping services in Beachwalk. Cindy reported that communications have improved with LU and that LU's project manager, Josh Westfall, has worked hard to address Beachwalk's concerns.

Other changes also are taking place. Rick Morton has resigned from the Landscape Committee but will continue to serve as the web master for Beachwalk's website. The Board expressed its appreciation for Rick's dedicated service to the Landscape Committee. Rick has worked tirelessly on landscape issues for nine years, and we all owe him a debt of gratitude for having done so.

#### Maintenance Committee

Cindy reported that there have been some problems with the pump for the dolphin statue that is outside in front of the swimming pool. Darryl McGee (McGee Pools) told Cindy that the pump had been malfunctioning because the bearings were bad. The pump should have been under warranty except that the seals also were bad thereby voiding the warranty. However, the pump is now operating, and the water is spouting from the dolphins' noses for the moment. There was a discussion about whether it makes sense for Beachwalk to continue to spend money in the future for pump repairs and electricity just to keep water spouting from the dolphins' noses. The Board decided to add this as an item for discussion with the homeowners at the annual meeting in October.

#### Architectural Review Committee

Jackie Wiebe appeared as a representative of the Architectural Review Committee. She said there were no pending matters relating to the architectural review. Cindy reported that the buyer of a vacant lot has stated his intention to build a house on it. He has been informed that his building plans need to be reviewed by the Architectural Review Committee before he starts construction. Cindy also reported that a realtor had inquired about whether there was any prohibition on a homeowner building a swimming pool on his private lot. This issue was discussed but left unresolved.

#### Stormwater Committee

Jim Craig, Chairman of the Stormwater Committee, made a written and oral report about the upcoming stormwater management system repair project. A copy of the Committee report is attached as an exhibit to the minutes. Jim said there are no new technical matters to report, but there have been several problems that had arisen since the last Board meeting relating to the stormwater system.

First, there was a problem removing the grate at the intake point of the outflow dam on the south pond. This is important because a blockage at the dam or outflow ditch could back up water and flood properties in Beachwalk. Jim said that the water appeared to be draining too slowly. Jim, Mike Gentile and Joe Truelove investigated and concluded that they needed to remove the grate to determine whether there was an obstruction in the 4 inch pipe that had to be removed. To do that they had to cut away the bolt heads and replace them. They completed the work and found the pipe to be open and the drain to be operating properly.

Second, Jim observed a geyser of water coming from a pipe on the bank of the south pond closest to Settlers Lane. Upon examination, Jim, Mike and Joe determined that the water was coming from a pipe the Town of Kure Beach had buried under Beachwalk property that carries stormwater runoff from the city street to the nearby grassy bank on the south pond. There was a discussion about the need to coordinate with the Town when Beachwalk makes its stormwater system repairs. The Board recognized the need to make sure that the repairs Beachwalk will be making are integrated and coordinated with the stormwater pipes the Town has installed that affect Beachwalk's system. The Board asked the Stormwater Committee to start the coordination process by contacting the Town's utility director, Sonny Beeker.

Third, recent heavy rains caused water to pond on the Town Hall property that extended to one of the corners of the clubhouse. Such ponding has the potential to undermine the foundation of the clubhouse. The Stormwater Committee also will contact the Town about remedying this problem.

There also was a discussion about the written contract Beachwalk intends to enter with Larry Sneeden for repair of the stormwater system. Tom asked Jim to obtain sample copies from Sneeden that were used when Sneeden made similar repairs in other subdivisions. For a contract this large and important to Beachwalk, the HOA needs a sound contract to assure that we get what we are paying for and to minimize friction and problems in the execution of the repair project. Beachwalk also needs to coordinate with the HOA attorney to make sure that all the "i's are dotted and the "t's are crossed before any contract is signed. Jim said that Sneeden is eager to get started on the project, but Jim told him that there is no authority for him to do so until the homeowners have approved the budget at the October annual meeting.

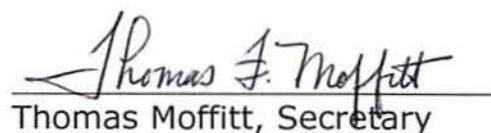
Finally, Jim said that the Stormwater Committee believes that it would be beneficial to have a second informational meeting concerning the planned stormwater system repairs to assure that all homeowners have the opportunity to be fully informed before the annual meeting on October 25, 2014. Such a second meeting would be a good follow-up to the August 9, 2014 meeting. At that meeting the Stormwater Committee made a presentation to homeowners to

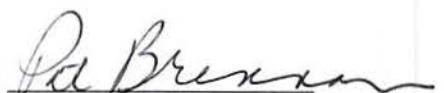
inform them about planned repairs to the stormwater management system; why the repairs are necessary; and how much the repair project will cost.

The follow-up meeting will be held at the clubhouse at 10:00 a.m. on Saturday, October 4, 2014 – two weeks before the annual meeting. Cindy will send all homeowners a notice of the meeting as soon as is practicable.

Adjournment and Scheduling of Next Meeting Having concluded its business, the meeting was adjourned at 4:45 p.m. The date and time for the October Board meeting was not set due to potential scheduling conflicts of some Board members. Cindy will send homeowners a notice as soon as a date and time have been selected.

This is the 25<sup>th</sup> day of October, 2014.

  
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Thomas Moffitt, Secretary

Approved: 

### **Attachments**

#### Stormwater Committee Report -- September 10, 2014

#### Work Plan for Stormwater System

There is nothing new to report regarding the design or cost of the proposed renovation work. Because the informational talk on August 9 was well-received, we are prepared to do more talks prior to the annual HOA meeting in October. We feel that contentious debate about the work plan will be lessened if all Beachwalk property owners become more informed about the operation of the stormwater system and the requirement to bring the system into compliance with State regulations.

#### Problems during recent heavy rainstorms

A short but intense rainstorm in late August revealed several problems caused by the Town's use of our stormwater system to drain its property and the roads in Beachwalk subdivision.

The most potentially damaging problem is a temporary pond that forms on the north side of the Town's office building and spreads under the fence to the

Beachwalk clubhouse. This causes standing water around the southwest corner of the clubhouse foundation and could result in settling and damage to the clubhouse and new sidewalk leading to the back door. We recommend that Beachwalk HOA contact the Town's maintenance department to discuss options to fix this ponding problem.

Several other drainage problems were noticed along Settlers Lane, where runoff from parking lots and the street caused ponding in the street and on private property. The Town has installed storm drains, at the request of property owners — not the HOA, to mitigate the drainage problems. Runoff is directed to our stormwater system and our proposed renovation work may affect these drains. Similar road drainage problems could occur elsewhere in the subdivision. The HOA should contact the Town to discuss our work plan so that no problems are created for either party.

Jim Craig  
Joe Truelove  
Ted Gragg  
Mike Gentile