

HOA PRESIDENTS' INFORMATION SHEET – AUGUST 2019

PRESIDENT'S UPDATE:

In our July HOA Presidents' Information Sheet we included an urgent reminder of the July due date for second round LLC funding of \$100 per household. We received a massive and very welcome response from you. Thank you! Within two weeks 90% of round two funding was received. As of now, all but one Grand Harbor HOA have fully contributed, including most of The Falls homeowners who have to send in individual checks.

In addition, 8 of the 10 Oak Harbor HOAs have made second round contributions, including the two member HOAs but also 6 non-member HOAs who made voluntary contributions. Among the contributing non-member HOAs was St. Margaret's who contributed for the first time. Thank you, Oak Harbor.

We had previously announced the need for third round funding before the end of 2019, but as is mentioned in the Treasurer's Report and more fully explained in the Engineering Report (both below) for cash flow timing reasons we will require the third round funding much sooner. We have already received the third \$100 from 18 Grand Harbor HOAs and from Oak Harbor LLC member Mayfair House. We ask the rest of the HOAs to please send in their third round contributions by the end of September. In advance, we thank you very much.

The committee activity described below is heavily weighted toward the inspections and preliminary reporting from our Engineering firm, Kimley-Horn. While it will probably be another two months before they have finished their inspections and submitted their analysis and final report to us, you will get a preliminary feel for their initial findings in the Engineering Committee Report.

TREASURER'S REPORT:

Almost all of the second round funding has been received. Only one Grand Harbor HOA and some of the Falls homeowners remain outstanding. All but two of the Oak Harbor HOAs have either made second round member or voluntary contributions.

We now have sufficient funds to cover our expected engineering inspections and legal fees for the next couple of months. As explained below in the Engineering Report, we will soon need the third round funding in its entirety. Our original cash flow projections did not cover the cost to clean out all the pond interconnections. This is an expense we were expecting the Developer to cover but he believes it is a GHCA expense and there is no discretionary money left in the

2019 GHCA budget. We will not know what this additional cash need will be until the firm we hired finishes their survey of all ponds, but we expect it to be substantial.

CURRENT CASH POSITION:

Member Contributions:	\$225,700
Voluntary Contributions:	<u>26,500</u>
Total Contributions:	\$252,200

Legal Expenses:	\$50,556
Legal Retainer:	25,000
Engineering Expenses:	25,494
Insurance Expenses:	2,726
Administration:	<u>255</u>
Total Expenses:	\$104,031

Cash Balance:	\$148,169
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LEGAL COMMITTEE:

We continue to review the result of engineering inspections and await results of diligence requests to the Developer. In addition, we are working with counsel to determine how to respond to the draft of the first portion of the inspectors' report.

ENGINEERING AND ASSET EVALUATION COMMITTEE:

Kimley-Horn has submitted a draft of their inspection findings to date. This draft reports on about 75% of the assets GHCA is responsible for. The committee has reviewed the draft and we have many questions to follow up on.

In summary, there are many deficiencies noted with the sidewalks, a number of places where the roads and gutters need repair, and many elements of the landscaping that either need replacing or are not healthy.

The estuary has a flushing channel that needs to be dredged and non-native plants on the boundaries that need to be removed, and the ponds do not have sufficient littoral plants in relation to permit requirements. Please note, though, we do not know which storm water management and estuary deficiencies will be required to be remediated by regulatory agencies, and that will need to be determined before we can know what the remediation costs might be.

The inspection of Harbor Pointe Bridge #1 showed some minor issues to repair but no structural deficiencies as reported previously with Bridge #2.

Many inspections of assets under GHCA management remain to be reported on and all of the costs of remediation and estimates of remaining life are yet to be done.

The pond interconnections are still a major concern. Shenandoah Construction, our contractor to scope the pipes (and clean them if needed for the scoping) could not estimate total costs because there is insufficient information about pipe locations and sizes. We agreed first to send in a team of divers to map and assess the size and state of all pond connections. That assessment was completed and we are waiting for the report before we finalize the cleaning cost and begin the actual work of scoping these pipes. We will communicate the total cost for the cleaning and scoping once we have a firm contract in place with Shenandoah. We expect it to be substantial since the interconnecting pipes have not been cleaned, to our knowledge, since they were installed 30 years ago. We have notified the Developer that we have reserved the right to make a claim that this cost is his to cover.

Lastly, Joe Colasuonno has kept us informed about the actions he has taken to get Harbor Pointe Bridge #2 back into full service. He has hired an engineering company and a testing and inspection company that specialize in the design and construction of bridges. The engineering company has provided an evaluation of the existing bridge and has given their opinion that the western half of the bridge is safe to use for vehicles under 10 tons, and that heavier emergency vehicles can pass over safely if needed.

The inspection company was hired and has completed their site work for a thorough evaluation of both Bridge #1 and the compromised Bridge #2. That inspection includes all elements of both bridges plus the portions under water and the condition of the soil around the various structures. The engineering company will be using the data from the inspections to make the necessary repairs to Bridge #2.

OPERATIONS AND FINANCE COMMITTEES:

No new activity to report this month.

FINAL NOTE:

We conclude by again thanking the HOA Presidents for their swift turn around of second round funding and we ask for your understanding of why we have to bring forward third round contributions to September.

As we move past the mid-summer point we hope all Grand Harbor and Oak Harbor homeowners are relaxing wherever they might be and we thank you for your continued support.

Jeff Caso
President, on behalf of the Board