

GHCA BOARD MONTHLY NEWSLETTER- SEPTEMBER 2022

PRESIDENT'S REPORT:

I always type up the various committee reports that I receive for this monthly newsletter before starting to write my President's Report and the Final Note. I cannot tell you how weird it feels right now to have already typed the Management Report from Alan Romano and Lance Hall, which features an in-depth explanation of drought-related advice, and to know that we have already had over 5 inches of rain from Hurricane Ian, and it has not even made landfall yet on the west coast of Florida.

So during a break in the rain and wind I stopped typing and drove all around Grand Harbor and Oak Harbor to check on the levels of the ponds. All of them were either full or overflowing, and we had lots of new ponds where ponds are not supposed to be. For the immediate future our need to conserve water has had a major helping hand from Mother Nature, and by this time tomorrow (Thursday) we may be wondering how to get rid of all the excess water. Such is life in the tropics. Nevertheless, please pay attention to the drought advice and guidelines for watering in the Management Report. This sudden injection of lots of rainwater only solves our need to conserve water very temporarily.

By now all homeowners in the community should have received two emails from GHCA announcing that a large package of documents was being mailed to you and should soon arrive requiring your attention. As you hopefully know by now, Florida statutes require every homeowners association to take actions to preserve their Declaration of Covenants before the 30th anniversary of the first property sale to a resident. In our case that first sale occurred in April 1988 meaning that the Developer had to preserve the GHCA Declaration prior to April 2018. That did not happen, so we have to take action now to revitalize our Declaration.

Except for homeowners whose homes were first purchased new after the April 2018 date, homeowners and lot owners have been sent the revitalization documents and are requested to sign, date, have witnessed and return the Written Consent forms they receive NO EARLIER than October 6, 2022. There is a statute-imposed waiting period that in our case demands that these documents not be completed and returned until that date. We thank everyone in advance for following the directions and starting to send the completed forms to A R Choice NO EARLIER than October 6th.

The GHCA Annual Meeting will be held on October 25th, at 3pm in the Grand Harbor Clubhouse Main Dining Room, and for the first time since Covid started, it will be open for attendance by residents. During the meeting results will be announced for the upcoming election for three expiring Board of Directors positions. The terms of Roger Andrus, Jeff Caso and Lance Hall are expiring and all three of us decided to seek another 2 year term. As is covered in the Nominating Committee Report, the committee solicited more candidates but there were none. As a result, you may be stuck with us for a while longer. We hope you will be interested in attending the Annual Meeting on October 25th. We look forward to informing everyone about the current state of GHCA and to being able to respond to your questions in a live audience environment.

Lastly, we recently sent out an email to residents advising that the Securitas guards would be taking down the entrance gate bars and leaving their posts today (Wednesday) and this has

prompted some questions as to why. It is actually standard practice, and was also standard during the Developer's tenure here, that when winds during a storm reach 40 mph, the guards are required by their contract to take down the gate bars, to lock the guard houses and to leave their posts. Some residents have questioned this, with justification, and we wanted to explain.

First of all, the entry and exit gate bars need to be removed before high wind knocks them down and breaks them or before an electricity outage causes them to freeze up. The guards are required to secure the guard houses and leave both for their safety and to allow them to join their families during a high wind storm. This is also a time when our residents are usually staying at home, but it is true that we are exposed to unwanted entry until the guards return and the bars are put back in place. This has been the case for many years and during several previous high wind storms, but residents were not informed about it. We wanted you all to know.

FINANCE/TREASURER'S REPORT:

August results show a favorable revenue variance of \$12K compared to budget. However, almost \$8K of that is late fees imposed on members behind in their assessments. These fees are included in revenues, but may not be actually collected for some time in the future.

On the expense side, general legal fees show an unfavorable variance to budget of \$31K. Almost all of this variance is due to the legal costs involved in preparing for the Declaration Revival process that we are currently dealing with. Landscape maintenance costs are unfavorable to the budget primarily due to high repair costs for our irrigation system. As we get closer to a court date, our litigation expenses are increasing with our preparation for trial. Through August, litigation expenses have been \$191K. We have spent almost \$1 million on the bridge replacement this year. The balance on our loan is \$1.14 million to date. We have also spent \$50K on two other special projects: repairs to the Reclaimed Water Pond wall and remediating part of one of our many storm water management ponds.

For the year to date, the net result is \$107K favorable to budget. Our balance sheet shows over \$1 million in cash. As mentioned previously, our assessments receivable continue to increase primarily because the Developer has not paid 2022 assessments for the undeveloped Reserve lots.

Finally, we are collecting data and making judgments for our 2023 Budget to be presented at the October GHCA Annual Meeting. This budget will result in the per member assessment rate for 2023. An increase in assessments will be necessary to cover inflation in our costs for such items as security, insurance and other expenses in general. We will also have to begin to repay our special projects loan (primarily for the new bridge) beginning in October next year. We are working diligently to provide the services necessary to keep the community safe, secure and attractive at a reasonable cost to our members, but right now inflation is unfortunately almost everywhere.

A R CHOICE MANAGEMENT REPORT:

Harbor Bridge #2:

Florida Power & Light and Comcast have taken their utilities off the temporary bridge and placed them in conduits in the new bridge. By the time you read this, AT&T will hopefully have done the same. AAA Irrigation will immediately follow. Next, the Bridge Contractor will complete the curbing and lay the asphalt to finish their contract. The final steps will be the installation of guardrails and landscape replacement.

We again ask that all casual foot, bicycle and vehicle traffic not go beyond the #1 Bridge. This is still a construction zone. There are people working on the site and there is heavy machinery in use. It is dangerous. Please do not walk or ride your bike through this area until all work on the bridge is fully completed. That day should be coming fairly soon.

Reclaimed Water Pond Bulkhead:

The Engineer is preparing specifications for the bid process. Once completed, they will be sent to qualified contractors for bidding.

Pond #27 (Near the River Course #14 Green):

The north end of the pond has been dredged to unblock the North storm drain. The contractor has placed Geo-tubes at the pond edge on the north end and has filled them with silt dredged from the bottom of the pond. Sod will be laid shortly to cover the Geo-tubes. Shenandoah Contractors will be cleaning out the storm drains from the North down to the pond, as well as the pipe leading from the pond to the overflow into the Estuary. This project will be wrapping up soon.

Drought:

The community has seen some good rain events in the past week and the ponds are filling, but Indian River County is still in a moderate drought condition. On top of the lack of rain in the summer, we got caught with interrupted supply when the Grand Harbor Golf and Beach Club replaced their pumping and irrigation systems causing many residential areas not to get either irrigation or rain. The latter problem is now behind us, but the former is not.

There are two important things that all residents need to know. First, almost all the water for irrigation in the community comes from our ponds and we do not have sufficient water in the dry season and/or when we do not get our normal summer rains. Secondly, we have a limited amount of well water that we can, by permit, use for irrigation when it is dry, so our best way to find new water is actually to conserve what we have by not wasting it and by not over-watering. All residents and HOAs, the GHCA Board, the Grand Harbor Golf and Beach Club, the Oak Harbor Club and the Marina operator must all actively change our consumption habits to make it through this drought and future dry seasons.

The state requires us to report irrigation usage for our major pumping stations, for the Harbor Course, the River Course, for Oak Harbor, and for the Falls. There are five other community pumps and many individual house pumps for which we have no data. The Harbor Course

pumps use reclaimed water from the county. These other pumps use pond water and consume on average, from 2012 to so far in 2022 **22,500,000 gallons of water per month!**

We began restricting watering times for all residential and non-golf course areas late last month by 25%. Indian River County and the St Johns River Water Management District have ordinances that dictate where, when and how much we can water our landscaping. The principal rules during the Daylight Savings Time period are as follows:

- * All non-golf course irrigation is restricted to two days per week.
- * Odd-numbered street addresses can only water on Wednesdays and Saturdays.
- * Even-numbered street addresses can only water on Thursdays and Sundays.
- * Non-residential areas can only water on Tuesdays and Fridays.
- * No watering is permitted from 10am to 4pm.
- * There is a 3/4 inch maximum of water permitted per zone per day.
- * No zone can run for more than one hour.
- * All timers need to have a rain gauge that is functional and active.
- * All zones need to be set to the minimum water needed for the landscaping.

For this last requirement, please note that grass in our area needs less than 3/4 inch per week of water. Native shrubs need very little water. Annuals need much more water than grass. The facts are that we have no idea if the 22,500,000 gallons we use per month meets the county and state rules, or if the recent 25% "timer reduction" is providing no more than is needed for the landscaping or for the 3/4 inch requirements.

The Water Committee (GHCA, Oak Harbor Club, and Grand Harbor Golf and Beach Club) met again on September 8th to review progress from the the watering restrictions announced late in August. We have a very large and complicated irrigation system in our community. The sources of all irrigation water are our ponds, except for Victoria Island that uses reclaimed water from the Harbor Course system. All the sprinklers are controlled by timers and each timer can control many zones. There are 12 pumps serving various neighborhoods and individual pumps at each house in River Club. There are also over 200 timers and probably over 1,000 different zones. We do not have a complete inventory of timers and zones, so it is currently not possible to know if all timers meet the above regulations.

AAA Irrigation has adjusted all the timers under their management. Oak Harbor Property Management has adjusted all their timers and reduced all zones by 25%. There are individual home timers in River Club, River Village and St Andrews. All those homeowners should make sure their timers are set to run only two days a week and that the time per zone is adjusted to only the amount needed for the landscaping in that zone.

The Water Committee has agreed that **on average our landscaping requires no more than 1.25 inches of water per week (5/8 inch two times per week) for growing grass. That is 39 gallons for a 100 square foot area each watering day.** We are also working on what

needs to be done to our irrigation systems to know that we are neither over-watering nor starving our landscape. That will take time and investment. In the meantime, here is what we need all our individual homeowners, HOAs and POAs to do.

First, for all 130 homes with their own timers, please make sure that your irrigation timers are properly set to comply with the state and county rules: water only twice per week and only on the proper days. Set grass zones to deliver about 5/8 inch of water for each cycle. Ask your landscaper or irrigation company for help, or place a few small containers around in a zone and measure what is actually delivered after a cycle for each zone. Increase or decrease time accordingly. Set shrub beds to once per week for half that rate. Annuals and exotic plants might need more...you will have to experiment.

Second, and this is for everybody, make sure all irrigation heads are functioning and are properly adjusted. Leaking heads waste water. Roadways, patios, driveways, parking areas and ponds do not need to be watered! Make sure each head only waters landscaping.

Availability of water for irrigation is still a current problem, although the next month or so might be better if the rains persist. Availability of water in the dry season, and during any continued (or recurring) drought, needs a more permanent solution. We will discuss more details of our current system in the future. Right now, we need all individual homeowners to get their timers in compliance. We also need all users to make sure that their irrigation heads are functioning, that there are no leaks, and that all are adjusted to water vegetation only. Thank you.

LEGAL REPORT :

Discovery attempts continue and our counsel has started taking depositions. Defendants continue to fail to live up to agreed schedules. As a result, our counsel advises that the filing of a motion to compel production of documents is imminent. While the lawsuit Grand Harbor Golf and Beach Club has brought against the Developer is separate from our suit, it may be interesting to you to know that the Club's counsel filed a motion to compel discovery in that case. That motion was granted. The two cases are in the same court and before the same judge.

NOMINATING COMMITTEE REPORT:

The Nominating Committee solicited all HOA Presidents for candidates interested in serving on the GHCA Board. However, with the three incumbents running for re-election, there were no candidates proposed. There were several comments that the incumbents were doing a good job and should continue to serve. Consequently, the committee has prepared ballots with only 3 candidates: Roger Andrus, Jeff Caso and Lance Hall.

MARINA COMMITTEE REPORT:

Our counsel recently sent a letter to the Marina's counsel with a summary of our position on key points regarding the Marina's proposed expansion/renovation project. Our position on the key points was formulated based upon Marina Committee discussions and input from many residents. This was a first step following our latest video conference with Marina management and represented a beginning point in a long process leading to a potential future agreement. The anticipated next step is a response from Marina's counsel.

SECURITY COMMITTEE REPORT:

The GHCA Security Committee received a total of 5 proposals from highly qualified security firms, inclusive of a proposal from our current provider, Securitas. The committee, working with our consultant, MCH security Consulting, evaluated all the proposals and narrowed the field to 3 prospective candidates. The committee then conducted detailed interviews with each of the selected firms. Based upon the interviews and on investigations conducted by the committee, they have made the recommendation to the GHCA Board to move forward with a new security provider to replace the current provider, Securitas.

Contract negotiations are underway, and it is planned to have the new security provider in place by late Fall. The new security team has been selected with a focus on improved guard services, a higher level of professionalism, and an emphasis on improving the relationship between the service provider and the community. Working together with the new security provider, we expect also to implement improved access control systems and to modernize our guest and vendor entry protocols. A formal notice in regard to the new security provider will be sent to all GHCA residents in the coming month.

FINAL NOTE:

I have already mentioned that Roger, Lance and I decided to seek another term on the GHCA Board of Directors. Speaking only for myself, I will tell you that this was not an easy decision, and that it was driven by the importance of following the litigation with the Developer either through to a negotiated settlement or to a judgment in court. We have been with this process since the beginning four years ago at the start of the Transition Board and then continuing for two more years with the GHCA Board. I really would like to retire (again) but not until the litigation is finished.

Jeff Caso
GHCA President, on behalf of the Board