

SEWER STEERING COMMITTEE UPDATE

MARCH 28, 2017

BRIEF BACKGROUND

THE SEWER STEERING COMMITTEE WAS CREATED BY THE BOARD OF DIRECTORS TO STUDY, RESEARCH AND RECOMMEND A PLAN OF ACTION FOR OUR SEWER DRAIN ISSUES.

THIS IS A SUB-COMMITTEE OF THE OPERATIONS COMMITTEE WHICH HAS THE RESPONSIBILITY OF “MAINTAINING, REPAIRING AND REPLACING” THE COMMON ELEMENT OF THE COMMUNITY

MEMBERS OF THE COMMITTEE ARE:

- | | | |
|-----------------------|---------------|----------------------------------|
| • LEN SULLIVAN, CHAIR | DAN BERRY | BRIDGET SPENCE (CASEY MGMT.) |
| • ROB JOHNSON | JIM KNOBLICH | LEN OURS (OBSERVER) |
| • MARTHA MCKLVEEN | RON BALDRIDGE | PAUL & MELANIE DREUP (REVIEWERS) |

TOWNHALL FEBRUARY 2016

THE OPERATIONS COMMITTEE HELD A TOWN HALL WITH OWNERS TO EXPLAIN THE CONCERNS ABOUT THE SEWER SYSTEM AND ITS FAILING DRAIN LINES

THE STEERING COMMITTEE WAS IN ITS INITIAL STAGES OF RESEARCH AND STUDY

- UNITS WERE BEGINNING TO EXPERIENCE MORE FREQUENT BLOCKAGES
- MANY CLEAN OUTS STILL NEEDED UPDATING
- OUR LAWYER ADVISED THAT WE CONSIDER AMENDING OUR DOCUMENTS TO CLEARLY GIVE THE ASSOCIATION TOTAL CONTROL OVER THE ENTIRE SEWER DRAIN SYSTEM INCLUDING UNIT PIPES, IF THE ASSOCIATION WAS LOOKING FOR THE ULTIMATE SOLUTION TO OUR COMMUNITY'S PROBLEMS
- CLEARLY, THE COMMITTEE REALIZED THERE WAS MUCH TO LEARN AND CONSIDER

FEBRUARY 2016 TO PRESENT

- SEVERAL VENDORS WERE CONTACTED TO LOOK AT OUR SEWER DRAIN SYSTEM AND TO MAKE RECOMMENDATIONS FOR “MAINTENANCE, REPAIR, OR REPLACEMENT”
- EACH VENDOR PROVIDED MORE INFORMATION AND THE COMMITTEE REALIZED THAT WE HAD MUCH MORE TO LEARN (AT TIMES, OVERWHELMED)
- DURING THIS TIME FRAME, THE ASSOCIATION SPENT THOUSANDS OF DOLLARS ON CLEANING DRAINS, AS WELL AS, REPAIRING AND REPLACEMENT OF BROKEN SEWER LINES
 - DETERIORATING CAST IRON PIPES, TREE ROOTS, ONE COLLAPSED LINE AND MANY BELLIES HAVE CONTINUED TO PLAGUE MANY UNITS THAT HAVE EXPERIENCED MULTIPLE BLOCKAGES
 - MANY TREES AND PLANTS HAVE BEEN REMOVED THAT ARE RESPONSIBLE FOR NUMEROUS PROBLEM DRAINS

PROFESSIONAL ADVICE

NUMEROUS COMMUNITIES AND PROPERTY MANAGERS WHO HAD EXPERIENCE WITH SEWER PROBLEMS WERE CONSULTED FOR ADVICE. REPEATEDLY, THE COMMITTEE WAS TOLD, “HIRE AN ENGINEERING FIRM” TO EVALUATE YOUR SEWER LINES AND RECOMMEND A PLAN OF ACTION.

THE BOARD OF DIRECTORS RETAINED THE SERVICES OF NICK DUNNING OF KARINS ENGINEERING INC. TO HELP US

IN FEBRUARY, ALMOST ALL OF THE SERVICE LINES WERE INSPECTED BY CAMERA AND THE “PROJECT MANUAL” WAS CREATED.

PROJECT MANUAL

90% OF OUR BLOCKAGES ARE FOUND IN THE “GREEN SPACE”
SERVICE LINES

THE INSPECTIONS REVEALED:

- CAST IRON AND CLAY PIPE LINEAR FEET
- THE DEPTH OF THE SERVICE LINES AS THEY TRAVEL TO THE MAIN LINE
- CORROSION AND CRACKS IN CAST IRON PIPE
- “BELLIES” IN THE CLAY PIPE LINES
- EXTENSIVE TREE ROOT INTRUSION IN MANY PIPES
- PLANTS TREES, PATIOS, AND FENCE OBSTACLES THAT WOULD HINDER REPAIR

PROJECT MANUAL RECOMMENDATIONS

SERVICE LINES BE CLEANED, INSPECTED AND LINED WITH CURED IN PLACE PIPE FROM THE UNIT CLEAN-OUT TO THE MAIN LINE

3700 LINEAR FEET OF LINES WOULD BE ADDRESSED AS OUR COMMUNITY COVERS APPROXIMATELY 22 ACRES.

ESTIMATED PROJECT COST AROUND \$440,000

ESTIMATED PROJECT TIME REQUIREMENT: 45 “WORKING DAYS”

MINIMAL DISRUPTION OF UNIT USE (1 WORKING DAY FOR MOST UNITS)

ADDITIONALLY, THE PROJECT WOULD ADD \$38,000 TO RETAIN THE SERVICES OF KARINS ENGINEERING TO OVERSEE THE BIDDING OF CONTRACTS AND TO SUPERVISE THE DAY TO DAY WORK PERFORMED DURING THE PROJECT

COMMITTEE RESPONSE

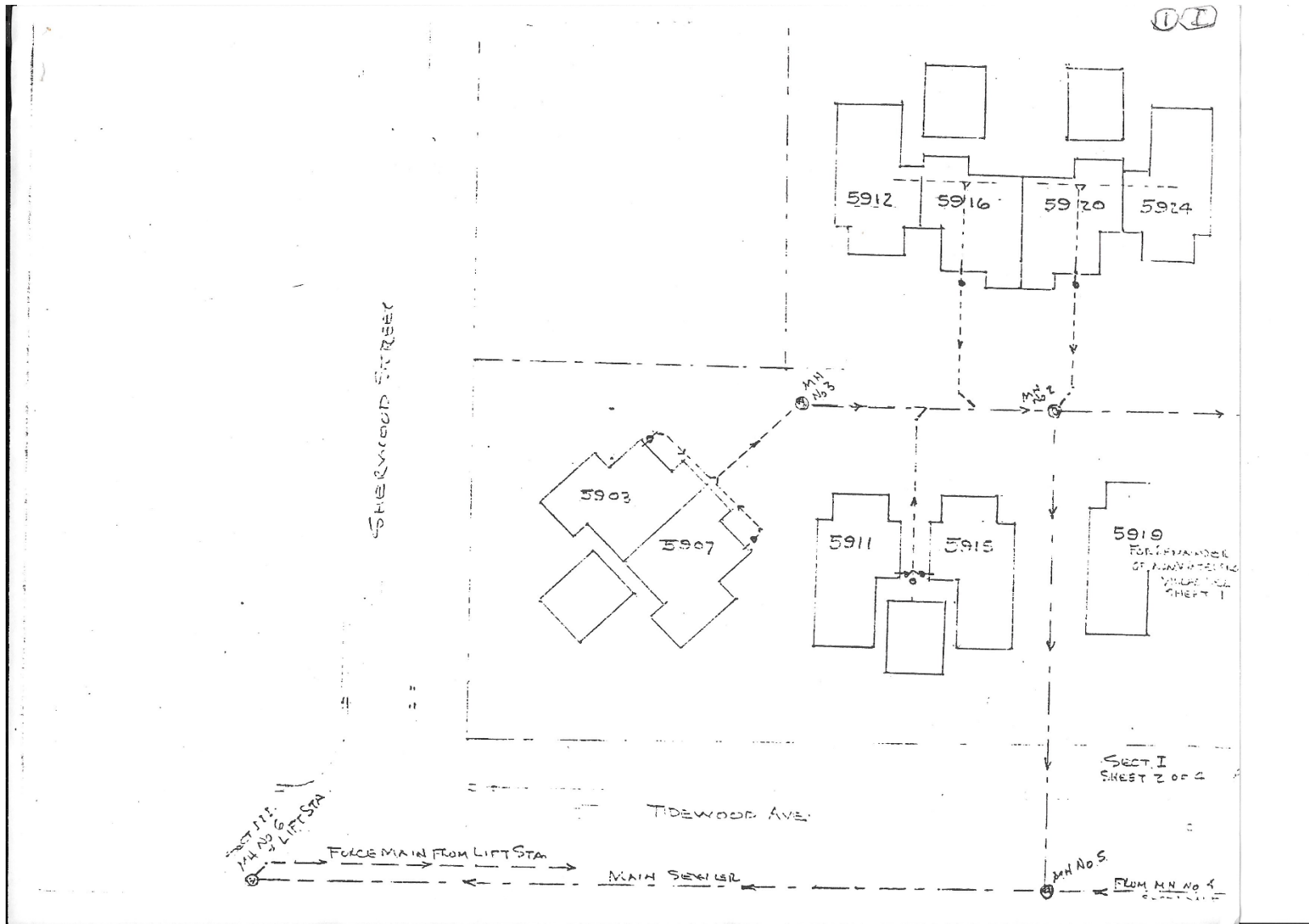
THE COMMITTEE MET (3/23) WITH NICK DUNNING TO MODIFY THE SCOPE OF THE PROJECT (HAVE NOT YET RECEIVED THE MODIFIED PROJECT MANUAL)

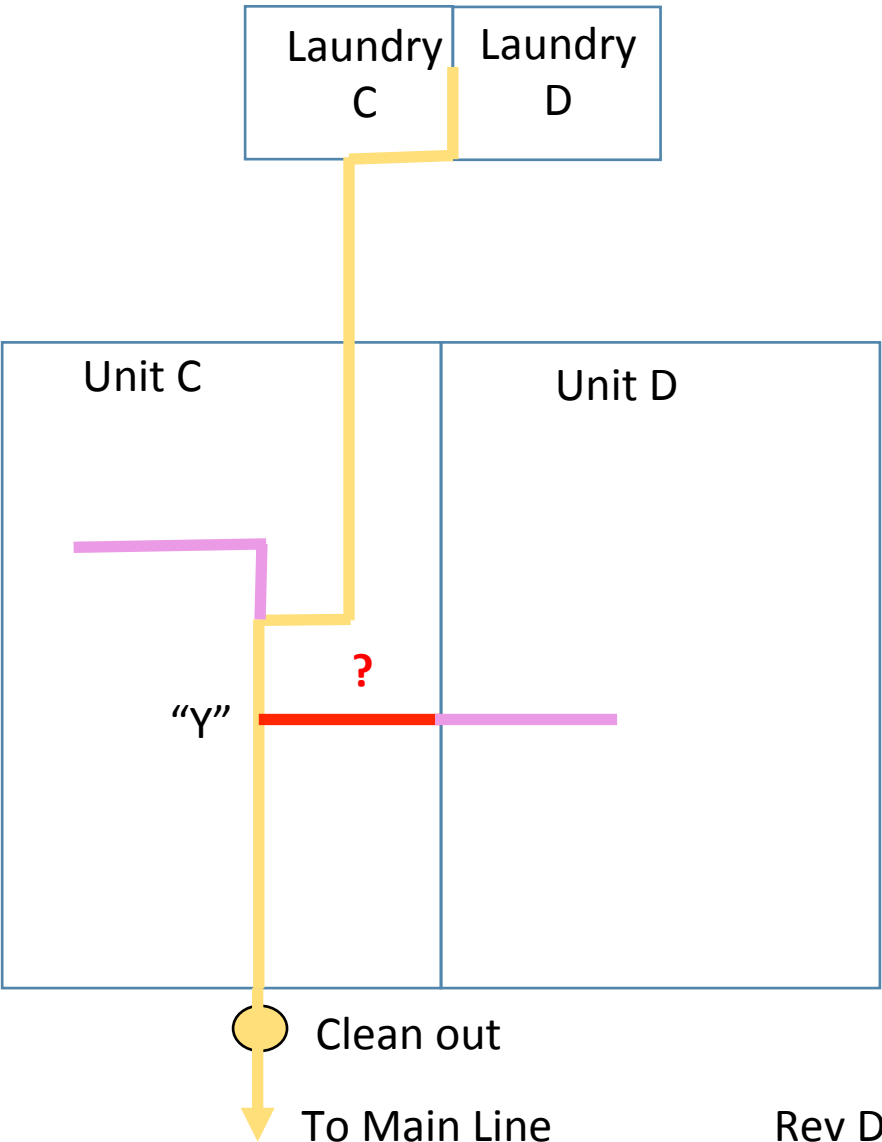
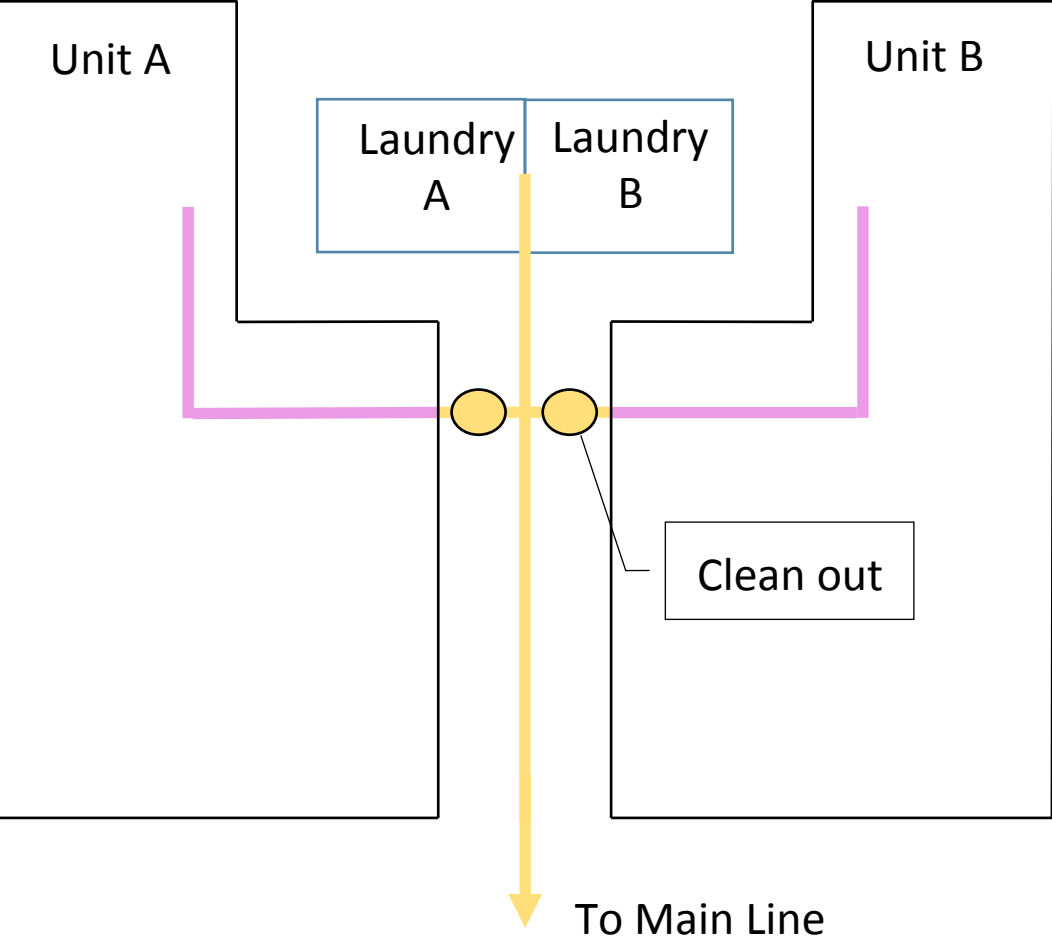
1. ADD ALL LINES THAT ARE ASSOCIATION RESPONSIBILITY TO MAINTAIN, REPAIR, OR REPLACE
2. ADD THE CLUBHOUSE SEWER LINES
3. OPTIONS FOR UNIT OWNERS TO IMPROVE THE SEWER PIPES:
 - THESE OPTIONS WOULD BE AT THE UNIT OWNER'S PERSONSAL EXPENSE
 - CLEAN AND CAMERA THE UNIT WASTE LINES

INSTALL TRADITIONAL (PVC) WASTE LINES OR CURED IN PLACE PIPES WHILE THE VENDOR IS ON SITE AT "BULK PRICING"

(MODIFICATIONS 1 & 2 WILL INCREASE THE PROJECT'S TOTAL COST TO \$600,000 PLUS)

PARTIAL SECT. ONE SEWER LAYOUT





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FINANCING

LEGAL ADVICE HAS BEEN SOUGHT ABOUT THE PROJECT, OUR DOCUMENTS AND FINANCING OPTIONS.

- . AMEND DOCUMENTS TO GIVE THE BOARD OF DIRECTORS “SPECIAL ASSESSMENT” POWERS
- . THE ASSOCIATION MAY ONLY USE A “SPECIAL ASSESSMENT” IN A *GOVERNMENT DECLARED* STATE OF EMERGENCY (SECTION 8.3 OF BY-LAWS)
- . FINANCE OPTIONS FOR “MAINTAINENCE, REPAIR OR REPLACEMENT” ARE:
 - AMEND THE 2017 BUDGET FROM JULY TO DECEMBER TO INCREASE THE CURRENT ASSESSMENT BY AN ADDITIONAL (APPROX) \$1200
 - DELAY THE PROJECT UNTIL 2018’S BUDGET AND ADD AN ADDITIONAL (APPROX) \$600 PLUS PER MONTH
 - INCREASE THE ASSESMENTS IN RESERVES FOR 5-10 YEARS (APPROX. \$65-85) MONTHLY OR MORE) TO PAY FOR THE PROJECT AND INCUR COSTS FOR REPAIRS AND KEEP THE STATU QU (CONTINUING BLOCKAGES AND EXPENSIVE INDIVIDUAL REPAIRS)
 - BOARD OF DIRECTORS ESTABLISHES A \$600,000 LINE OF CREDIT AND MAKES PAYMENTS (WITH INTEREST) FOR: 5 TO 10 YEARS. THE MONTHLY ASSESSMENT WOULD BE CONSIDERABLY LOWER. (ASSESSING POWER WOULD BE COLLATERAL FOR THE LOAN) AUTHORITY GRANTED UNDER STATE STATUTE FOR “NON PROFIT CORPORTATIONS”

NEXT STEPS

COMMITTEE WILL MEET TO REVIEW THE MODIFIED PROJECT MANUAL

RECOMMENDATIONS WILL BE MADE TO THE BOARD OF DIRECTORS AT THE APRIL, 2017 MEETING

FINANCE OPTIONS WILL BE EXPLORED IN DEPTH

OWNERS WILL BE KEPT INFORMED (VIA U.S. MAIL) OF ANY UPDATES ABOUT THE PROJECT

STARTING DATE FOR PROJECT??????????

THE STEERING COMMITTEE HAS VOLUNTEERED HUNDREDS OF HOURS SEEKING A SOLUTION TO OUR WASTE LINE PROBLEMS. "DUE DILIGENCE" HAS BEEN OUR GUIDING PRINCIPLE. WE ARE COMMITTED TO LEARNING WHAT MUST BE DONE FOR THE BETTERMENT OF BCVA BEFORE MAKING A FINAL RECOMMENDATION TO THE BOARD OF DIRECTORS)