To: Owners of Baywood Colony Villas Association, Inc.

From: Len Sullivan, Sewer Steering Committee Chair Rob Johnson, Finance Committee Chair

Date: February 26, 2018

Re: Sewer Project

In February 2016 the Sewer Project Steering Committee was created and charged with the task of recommending to the Board of Directors, a long term solution to the deterioration of our sewer drainage system. In 2016 and 2017, the committee studied the technical, financial and legal issues involved in such a large project.

On February 13, 2018, the Board of Directors approved the recommendation from the Sewer Steering Committee that Specialized Pipe Technology (SPT) be contracted to repair and update The Association's deteriorating sewer lines. This action culminated a two year process of assessing the community's ever increasing sewer line breaks and back-ups.

The Cured In Place Pipe (CIPP) method will be used for most of the drainage lines servicing our units. Four large plumbing contractors bid on our project. The committee unanimously agreed that Specialized Pipe Technology best met the specifications for our project.

The project calls for at least 6145 liner feet of lateral and shared waste lines to be repaired by the CIPP method. The lining material comes with a 30 year warranty and 10 year labor warranty. Additionally, owners will be given the option to clean, camera, and upgrade their unit waste lines. This would be an extra cost to a unit owner.

Nick Dunning of Karins Engineering Group will be contracted to oversee the project. His role will be to make sure that the project specifications are met by the contractor and to assure quality control on materials used.

The Board of Directors has arranged for a bank loan of \$600,000 to cover the estimated contracting costs, including a contingency and engineering supervision of the project, totaling an estimated \$600,000. This results in an additional monthly fee of about \$100, payable throughout the five year term of the loan, and may be adjusted in future budgets depending on the final cost of the project.

AN INFORMATIONAL TOWN HALL IS SCHEDULED FOR MARCH 8, 2018 IN THE CLUBHOUSE. THE TOWN HALL PROVIDES OWNERS THE OPPORTUNITY TO ASK QUESTIONS ABOUT BOTH THE ASSOCIATION'S PORTION OF THE PROJECT AND ANY RELATED SEWER PROJECT INDIVIDUAL OWNERS MAY WISH TO UNDERTAKE AT THE SAME TIME. THE TOWN HALL WILL ALSO BE AVAILABLE ON "FACEBOOK LIVE" IF AN OWNER IS UNABLE TO ATTEND.

^{**}VISIT THE ASSOCIATION WEBSITE—baywoodcolonyvillas.com—INFORMATION HAS BEEN ADDED RECENTLY.