



July 8, 2019

Dear Point Edwards Homeowner,

The Board wants all the Owners at Point Edwards to be aware of issues facing our community regarding necessary repairs.

Many, but not all Owners, are aware that over the years water leaks have appeared in several of our garages. Last year bids were solicited to repair these leaks. After reviewing the bids, it was decided that the best approach was to have an engineer inspect the leaks and propose a solution. Pacific Engineering Technologies was hired and after examining the leaks set out the specifications for proposed bids including materials and procedures. The proposed repairs covered a leak at the northwest corner of Bldg. 31, the lid at the second-floor level on the south edge of Bldg. 51, leaks running all along the east edge of Bldgs. 61 and 71 as well as the Bldg 61/71 lid, and the lid at the north edge of Bldg 55. Lids are the ceilings of the garages, especially the portions of the ceiling covered with soil and landscaping.

Bids were solicited and in late June, two bids were received. The bid from Mcleod Construction was \$1,433,882.74. The bid from Tatley-Grund, Inc. was \$1,332,606. The bids covered performing the repairs all at once as well and in seven staged phases.

The Board has not accepted these bids. They far exceed what the Facility and Finance Committees and the Board expected. The reserve fund does not cover this type of expenditure. So, the question is: How should Point Edwards approach the repairs and the funding of the repairs?

Information to the Owners. The Owners need to know what is being done and why. The Board will keep the Owners informed about what is being considered and why, what was considered and rejected, and what is being proposed and why. The Board will make the process and decisions open and transparent.

Why are these repairs being proposed? Over the years, Point Edwards has tackled these intermittent leaks as they occurred. Some efforts were successful. Other efforts stopped a leak for a while but then failed. Catch pans were installed to catch leaking water and route the water into drains. However, this solution does not repair the leak and some of the catch pan drains are close to capacity. A more comprehensive solution is needed. The lids and walls making up our garages have rebar and tensioned cables running through them. Water can affect the rebar and tensioned cables. In some cases, the cracks and water are nearing the insulation on the ceilings and approaching the interior of the building. In one case, a storage locker has been damaged with the Homeowners Association having to pay for the storage of the Owner's belongings offsite. When water gets into the walls of a storage locker, mold, rot and decay occur.

While some of the repairs need to be made soon, there appears to be sufficient time to make these repairs if we move with appropriate but prudent speed.

What is being done Now? The Board has formed a Working Group to examine the bids more closely, see if additional bids can be solicited, review past successes to see if those results can provide a less costly solution and prioritize what repairs should be tackled in what order. Landscaping will be looked at to see if different landscape methods can be developed to keep water off the lids and away from the walls. The Board is looking at making repairs to the leak at the northeast corner of Bldg. 31 this summer if possible. It is the least complex and least costly repair and the leak that is currently damaging a locker unit. There are concerns that the leak could damage other units in the near future. Facilities is also examining all of the other buildings to see if additional problems are developing.

What will be the final cost and how will these repairs be paid for? The Board is looking at reducing the cost of these repairs. But even if a substantial reduction can be found, the over all costs will be very significant. The Working Group is examining these bids very closely and looking at alternatives. When the Board reaches a more definite conclusion on costs, that information will be communicated to the Owners.

The Finance Committee, consistent with its charter, is solely responsible for advising the Board on financial issues. When the Facilities Committee and the Working Group have formulated a plan for the repairs, or have a clear enough picture on how the repairs will be made so that the Finance Committee can see what is involved, the Finance Committee will make its recommendations or present options on interim and over all funding of the repairs. While some interim financing may be needed, the Finance Committee hopes to integrate the major part of its recommendations into its 2020 budget deliberation process which begins in October. Such integration will provide all of us with a more complete financial picture. The Finance Committee has stated that they may consider a variety of financial options that could include a combination of a special assessment, borrowing from a bank or the reserve fund, and/or a larger than normal increase in regular assessments over one or more years. Before any funding plan is adopted, Owners will be informed and have an opportunity to comment.

How will a decision be made? A decision will be made by the normal operation of the Facility, Finance and Landscape committees in relation to the Board. The full Facilities Committee will have an opportunity to review the Working Group's recommendations. The Finance Committee will make any recommendations on interim and over all financing to the Board. Based upon all these recommendations, the Board will make its decision. The Board has discussed but not decided upon having a special general meeting of owners to discuss and answer questions about these repairs. The Board will revisit that issue and a possible date for such a meeting when the information about repairs and costs are more developed.

What can you do now? Be patient while plans for repairs and financing are being made. Attend Facility, Finance, Landscape and Board meetings to stay informed. Offer ideas and concerns to those committees. If you wish to make written comments on your concerns, you can email those comments to me as President of the Board at PRESIDENT@POINTEDWARDSHOA.COM. Those comments will be shared with other Board members and the chairs of the three committees.

The members of the Working Group are:

Jim Harris, Board Member and Facility Chair; Frank Montgomery, Board Member and Treasurer; Quentin Steinberg, Board Vice President; Bob Spaulding, Board Member and Charter Club Repurposing Liaison; Scott Myricks, Facility Manager; Deb Carter, Point Edwards Manager (Prime); and John Tremble, Owner and Member at Large.

Thank you,

Mike Mitchell
PEHOA Board President