

The Island at Hidden Harbour  
Board of Directors Meeting

August 11, 2023 – 8:30 AM  
Meeting Minutes

Board members Mark Hannahs (phone), Tom Murrill, Alan Dietrich, Rich Foard, Charlie Zellers and Carol Ann Bianco along with John Jensen (Mana-Jit) participated in this board meeting via Zoom. Martha Behrend was not able to attend due to a family health emergency. President Mark Hannahs called the meeting to order at 8:30 am.

**--Financial Report:**

The July, 2023 Operating fund report still shows a negative monthly balance of (\$5,471) but with a year to date net balance of \$33,451. The Reserve Fund balance increased to \$578,138 at the end of July due to fewer reserve payments being made in this time period.

--Aruba water leaks: The water leak due to Aruba 306's main (ball valve) water shut off failing, caused water to leak down into 206 /106 below. The originating **Aruba** unit owner has now paid for all the miscellaneous charges incurred for work in his unit to stop the water, replace the bad water valve and Mana-Jit's cost associated with Claim oversight. The Aruba repairs exceeded \$10k, so the association will have to pick up the additional costs which is in excess of \$6k.

--Kauai roof leak: Mark shared our insurance claim for the Kauai water damage roof leaks is still pending. The issue / debate is if the weather event that caused this damage was a "named" storm at the time it occurred; "named" storm damages are not covered. Thus the association's final liability is still unknown at this time. The Kauai repair cost has now reached \$46k in expenses.

--Heat Checks: PKS reports 1 owner with a water ON failure occurrence has not paid the fine. Carol Ann and PKS have reached out to this owner to get closure on this effort.

--Special Assessment payments: Owner payments of the \$400 Special Assessment, which was due by 3/31/23, are still not complete. After multiple follow-up emails and in some cases phone calls, there are still 3 units unpaid. The board agreed to work with John / Mana-Jit's Collection attorney to bring this effort to closure. Carol Ann will coordinate with John on this effort.

--Reserve Accounts: Bob Moore / PKS successfully found a good investment solution for the Island's CDs / monies through Edward Jones. Signature paperwork is completed and Bob is now in the (laborious) process of closing our existing CD's and moving those funds to A.G Edwards to manage. This continues to be an ongoing project for now.

Master insurance policy renewal: Over the past weeks, Mark shared news of the new insurance company environment and his strenuous efforts to "shop" our master renewal policy for the best cost. On a special Zoom meeting last week, Mark reviewed the insurance companies laddering of new policies structure. The impact for us is much worse than last year's renewal of our Master insurance policy with the Island's new Master policy cost increasing by 129%. John noted this is now a common situation for many OC condo associations, many of whom are now also dealing with new Reserve budget funding requirements. While our new master policy "includes" Wind damage coverage, under this year's deductible methodology, we're essentially self-insured for wind. Even with us taking on some loss exposure, the new laddered policies resulted in a \$294k cost increase, plus finance charges. This higher cost seriously impacts our current 2023 budget as well as planning for our 2024 budget needs. Also, owners will now be strongly encouraged to carry \$50k Loss Assessment coverage on their own H06 policy to protect themselves in the event of a catastrophic loss.

**Owner Meeting items for review / approval:**

**2024 Budget plans:** Carol Ann shared 2 draft Operating and Reserve budgets for 2024. With the above mentioned significant insurance cost increase, along with needing to adjust other ongoing contracts for their likely 2024 cost, the condo dues for 2024 needs to dramatically increase. The insurance cost situation is now viewed as a recurring pattern, not a one-time event. Thus we have been advised a Special Assessment is not the correct method to bring our revenue to the funding levels needed. The decision to raise the condo dues now is further warranted after the very poor owner response to the 2023 Special Assessment effort, especially given the fact we've still not collected all the monies that were due by 3/31/23. With one minor line item budget tweak, the board unanimously accepted Option 2 of the Proposed 2024 budgets.

**--Owner Meeting agenda:** The board then discussed the agenda for our Oct. 7<sup>th</sup> Owner meeting. When possible, the plan is to slow down / space out some future work projects, e.g. replacing the breaker boxes on the boardwalk. Conversely, speeding up the timeline for other projects, e.g. roof replacement, was discussed to provide some wind protection coverage outside of our insurance policy. Other topics to be reviewed, e.g. Owner Maintenance and Architectural guidelines, were suggested for inclusion in the General Discussion section of the owner meeting.

**--Timeline of mailing documents for Annual Owner Meeting:** John advised he plans to send out the Owner Meeting notice and request for Board Members (Bio's) early next week. The full package of owner meeting materials will be provided to all owners the first week of September.

**Project status:**

**--Tennis Court:** It was agreed the tennis court project is now complete; John will include the final invoice in the next invoice package. Pickle ball activity has been high since the court re-opened with some players not being owners / guest---they were asked to leave. To better secure the tennis court going forward, we're going to replace the keypad lock with a keyed lock, keyed the same as the pool gates. John also plans to order an updated tennis court / pickle ball rules sign to cover the various issues and concerns that have surfaced in recent weeks.

**--Landscaping:** Tom shared the contracted 2023 Spring landscape work is 98% complete; John is tracking on the misc. plantings yet to be installed. Owners have commented on the landscape improvements over the past weeks. Tom shared Brittingham found six bad irrigation controller units needing to be replaced. He's replaced 5 controllers thus far; is there a 6<sup>th</sup> one to be done? Charlie shared we have new sinkholes along the grass / boardwalk area mostly by Aruba. These are safety concerns. Brittingham is aware and of the need to address them quickly. Future plans for this year might include more red stone and replacing misc. dead / dying shrubs. Mark noted there is grass growing in the parking lot cracks; we need Brittingham's team to spray / kill it.

**--Pest control:** Pest control is a current issue for some owners. John obtained a proposal from a new vendor. Carol Ann will provide what she has from old billing records on pest / termite control however, the board prefers to hold off a decision on this topic to coincide with 2024 work.

**-- Bermuda wood:** The Bermuda wood railings are mostly complete except for some of the new long railing sections where a second / double 2x6 face board was not installed. The contract scope called for "like for like" and that cost was included in the Bermuda contract. Tyler's lead stated it was a mis-communication. It is safe for now and the second boards will be added in the Fall.

**--Misc. Painting projects:** Miscellaneous painting work to complete this Fall includes the 3 stair tower peaks on Dominica, 2 peaks on Aruba plus the Kauai circle detail; this work will require a lift. Given the budget constraints and how late it is in the season, the siding on **Hawaii** that should be power-washed will likely now be deferred to next year. Painting the North pool foundation walls was postponed for now as those walls need concrete repairs completed first.

--South pool – misc. repairs: John believes Atlantic Pools completed the clean-up work on the south pool shallow end skimmer. He will re-verify it was done.

--Lanai sinkhole: John is aware of a new sinkhole starting at Lanai near a storm drain, along the sidewalk curb. No action has occurred on this item at this time.

--Dominica: Soft spots found earlier in the T-111 siding on Dominica near the owner entrances to units #220 & #320. Tyler's team replaced that bad wood with cement / Hardy board but found significant rot behind it. More exploratory work needs to be done after the Summer on this issue but for now there are no interior issues affecting either of those owner units.

--Aruba circle leak: The owner of Aruba 302 noted there is rot above his sliders. It appears to be from a leak in the circle detail above that area. This work is planned but deferred during the season to not disturb owner's activity. We have spare siding in 401-A for this repair.

### **Proposed Work:**

--Breaker boxes for boardwalk – replace / update options: John continues to work with Beacon Electric on their cost quote and material availability. A better cost breakdown for this project, detailing cost for the replacement box(es) as well as the GFCI breakers and how much of the work will be done on a Time and Materials basis is still needed. Supply availability of the new boxes remains a concern. Further, we need to know if GFCI breakers are now required, by code, to be installed at the owner slip end of the circuit, at the owner cost; the total length of the circuit runs was also questioned for code compliance. It is expected the new breaker box panels will be raised higher off the dock to prevent them from being underwater in future storms. Another concern was an open space in the bottom of one of the boxes exists now; can it be sealed with a temporary patch? John is working with Beacon to obtain more specific details for our next discussion. The board is targeting November / December, after the dock water is turned off, to start this work with the goal to complete the work and have the billing hit in early 2024.

--Dominica / Kauai awnings: John has not received a cost quote from Phillips Signs yet to address the rusted steel frames of the 2 end side canopy awnings on Dominica. Rich noted the 3<sup>rd</sup> floor Kauai awning is now “on its last legs” and should be added to the cost request for Phillips Signs. It was also recommended that John / board member do another walkaround inventory of the 3<sup>rd</sup> floor awning bolt connections to be sure they are properly secured, esp. ahead of storm season.

--Islamorada roof replacement: During a recent sprinkler head leak issue and subsequent roof inspection on Islamorada, Chesapeake Roofing strongly advised us to replace this building's roof now. While this was the last building built, they indicated this roof is “shot” with some flashing poorly installed, etc. With the position of the Islamorada building close to both the Bay / marsh, access to work on this project is limited. This caused the roof replacement cost for Islamorada to be significantly higher than anticipated due to a crane and hopper needed. It would also be a second roof replacement project in a year. The board asked John to re-verify if there isn't another way to handle this roof replacement to reduce the cost. He was also asked to solicit a cost quote from another roofing company.

While discussing Islamorada's roof, the 2024 plan to replace the **Lanai** roof was also mentioned. **Oahu**'s roof is deemed to be in good shape leaving **Lanai** and **Maui** next on the schedule. A brief discussion followed if we could, budget allowing, replace both Lanai and Maui in 2024 to cut down our roof shingle exposure to wind issues (the new insurance policy does not provide that coverage). Another consideration was if we did tackle both Lanai and Maui, side by side buildings, would that give us a price break on cost of mobilization, etc. John will check on this.

Electric Vehicle (EV) charging stations: Owner interest in having an electric vehicle (EV) charging station on the Island was again mentioned. Charlie suggested there would be a 2-3 year payback window if we would pursue this additional amenity. Right now we believe there are 6 EV's on the property and expect this number will increase over time; EV charging could become a selling feature of the Island. A concern to limit EV charging use to just Island owners was also noted as we don't want public overflow from the limited 125<sup>th</sup> Street EV units to move onto the Island. Right now, we understand the 2023 government funding has been exhausted but possibly we can snag 2024 funding sources. John stated he has a contact who could help us with this topic.

**Miscellaneous follow-up / thoughts / owner concerns:**

--Owner "improvements" to exterior of the buildings: Recently it's been observed that one owner replaced both their front door and storm door without prior approval and further that the new doors do not comply with the Island's Architectural Guidelines. John notified this owner to take corrective action and has received their commitment to correct it. Another unit in the same building was also found to have a non-approved storm door. That owner has been notified they are not in compliance with the Island's Architectural Guidelines; no response has been received from that owner yet. Trailers on the parking lot, in season, are becoming an increasing concern John agreed to send a general reminder notice to all owners that no exterior alterations may be done without prior board authorization. These topics will also be mentioned in the October Owner Meeting. It was suggested we raise the fines to owner who do not follow the rules.

--Owner directory: Martha was not able to attend this meeting so we do not have any updates on this topic.

--Picnic tables / pool umbrellas: While a damaged wood picnic table was removed recently, more wood tables remain on the Island. John was tasked to have all the wood ones removed for safety reasons. If we need more composite type picnic tables in the future, we will order them in the Spring. Additionally, an owner suggested more umbrellas are needed in the (North) pool area. Again, this will be considered more fully next Spring.

Item from the floor: John was recently advised we have a water meter that is no longer recording water consumption. The Town of OC requires it be replaced; it will require an approximate 4 hour water shut-down. The board agreed to have this work done now to avoid estimated billings.

**Work shifted to future times:**

--Condensate lines: John engaged RYT Plumbing to discuss the condensate lines in the crawlspaces for how best to keep them clear going forward. They agreed this effort wouldn't be tackled until 2023.

--Tyler—Islamorada decking: Tyler's team is currently developing the cost, per owner deck, to replace the composite decking on the north side of Islamorada. This quote will serve as a point of reference for the Islamorada owners if / when they decide to replace the walkway (at their cost).

--Tyler-Pool houses: As stated earlier the pool house walls are a concern as they sit directly on concrete with no membrane in place to prevent rot in the walls. This work is not time critical now so John will add this to Tyler's project list for the Fall.

All agenda items were covered in this meeting. The next meeting is the Annual Owner Meeting scheduled for **Saturday, October 7, 2023** starting at **9am**. This meeting will be held in the OC Recreation Center on 125<sup>th</sup> St. but in the West wing / GYM this year.

This meeting adjourned at approximately 11 am.

Respectfully submitted,  
Carol Ann Bianco, Treasurer / Secretary