Some History and Background on the Water Quality Improvement Project for Pelican Cove

Ground was broken for Pelican Cove in 1985 and the development was substantially completed in 1995 except for Block 8 which was completed in 1998. The original developer was Marine Creek Estates Joint Venture which put in place the current water circulation system.

In 1999 the Board of Directors contracted with an engineering firm, Shiner Moseley and Associates, to evaluate the system's condition and make recommendations for any appropriate corrective measures that might be needed. They offered several alternatives but finally suggested a fix that would have cost about $1,000,000 at that time. The result was that no corrective action was taken.

In 2002 the Board of Directors contracted with another engineering firm, RVE, Inc. for another evaluation and recommendation. The Board was not happy with their ideas or the relationship with them so the contract with them was abandoned shortly thereafter. In addition, the starting price of their recommendations was in the millions.

In 2004 the engineering firm of John D. Mercer & Associates was contacted and developed a proposed course of action to repair and remodel the circulation pipe system.

At a special town hall meeting at the VFW hall in Ingleside on Nov.6, 2004, the Mercer plan and the need for an assessment to cover its costs was presented to Owners for their consideration. The President asked the Owners for a vote of confidence on the plan and the need for an assessment and it was approved.

At a Special Board Meeting on Dec. 9, 2004, the Board of Directors gave the President the authority to sign a contract with Mercer & Associates to do the engineering work for the project and began preparations to hold a special meeting to obtain the approval of Owners for a special assessment to cover the estimated costs of the project.

On Jan. 8, 2005, a Special Assessment Meeting for Owners was held at Compton Hall to seek approval of the proposed assessment. At that meeting, phase 1 and phase 2 were approved, along with an assessment of $1500 per lot, to cover the estimated cost of phase 1. The vote was approved by a margin of 108.5 for and 20 against.

At a Board Meeting on Feb. 9, 2005, the Board approved the Mercer plan and agreed for Mercer to seek bids for phase 1 of the project to be presented to the Board on Mar. 1, 2005. Mercer published the request for proposals in the appropriate trade journals and approximately 12 sets of plans were checked-out to contractors for which each contractor placed a deposit to be returned to them when the plans were returned to PCCOA.

The bid date was subsequently changed to Mar. 2 and at that time only one bid was received by PCCOA/Mercer. That bid was from J. M. Davidson Co. At that time it was decided to extend the bid deadline by 2 weeks in the event that the contractors simply needed more time to prepare their bid. The Davidson bid was not opened. The extended deadline passed with no more bids being received. The reason for failure to bid which was given to the Board was the uncertainty of the job due to the fact that there was no way to know with reasonable certainty what work would be required because the pipes were so full of debris they could not be adequately investigated. Indeed the exact location of the pipes and even their composition was unknown due to the lack of records from the developer. The developer and the original contractor were long ago out of business.

Davidson's bid was subsequently opened and deemed to be higher than the Board had hoped for. At a Special Board Meeting on Mar. 22, 2005, the Board decided to try to negotiate with Davidson to arrive at a more favorable price. Those negotiations achieved a price reduction but resulted in more exceptions in the contract in the event that the work did not go as planned due to no fault of the contractor.

At a Special Board Meeting on Apr. 26, 2005, the Board agreed to accept the final negotiated price for phase 1 and Davidson's bid for phase1was accepted.

Mercer/PCCOA received the necessary authority from the Corps of Engineers to do the project and on May 16, 2005 the contract with J. M. Davidson was signed.

The phase 1 project was started in the summer of 2005 and completed approximately one year later in the summer of 2006. There were several change orders necessary in the construction of phase 1 due to the uncertainty of the conditions mentioned above with regard to the reluctance of contractors to bid on the job. In fact the final cost of the project was very close to the initial bid price prior to the negotiations to lower the price.

The project was monitored on a regular basis by Mercer Engineering including reviewing completed work, change orders, costs and helping to establish the periodic payments as portions of the job were completed.

Some problems have developed since phase one was completed which require attention very soon. These problems will be fully explained in the upcoming Informational Meeting and at the Annual General Meeting in June. Phase 2 was intended to take care of these anticipated problems. Failure to assess ourselves to accomplish phase 2 would negatively affect every owner and their property values; therefore the Board of Directors recommends approval of this assessment.

Irwin Walters

President,
PCCOA Board of Directors