Shoal River Homeowners' Assoc.

July 21 2014

Agenda

Call to Order Ian Weaver, President

Roll Call/Member Quorum

Nominating (Gary Pangle)

Old Business

a) Lakes and Dams updated

New Business

Homeowner Questions/Feedback

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Lakes and Dams update

1) 4/30/14 Shoal River Dr dam failed

   a) County will repair dam/road

2) 7/7/14 confirmed with County Commissioner Wayne Harris

   a) County will NOT repair dam

   b) Legally not permitted to repair private property

   c) County estimate to repair dam and road $300K

3) 7/14/14 met with Wayne Harris (CC)/Jason Autrey(engineering)/Clay Simmons(roads)

7/14/14 Meeting with County

1) County legally not permitted to work on dam – all design work stopped. Would permit access to engineering work performed to-date.

2) Estimate to repair dam ($250K) based on large government scaled up costs (increased insurance liability costs etc). $70K pipe material quote.

3) If dam repaired (even via excavation) – then County/FEMA will repair road (estimated $50K)

4) Emergency exemption applied to Florida Water Management permitting requirements. IF dam repaired NOW using existing pipe dimensions and pre-damage config, THEN no additional hydrologic analysis (approx $20K savings) required and height of lake water may revert to level from 4/5 years ago.

7/9/14 - tour of repaired dam

1) Courtesy of SRHOA homeowner – met with former HOA board member of North Crestview HOA development

2) Toured repaired dam in north Crestview

   - repaired 2013

   - failed riser

   - larger dam (23ft vs our 18 ft)

   - total excavation and pipe replacement (3 months)

   - much smaller pipe (2’ vs our 5’)

   - excluding engineering cost ($49K)

   - HOA took on loan

Impact of failed dam

CONS

1) Reduced home value
2) Increased difficulty in selling and renting home
3) Emergency access to homes in Lakeside East
4) Nuisance of access to homes in Lakeside East
5) Increased traffic through Timberline East
6) School-bus access
7) Failure of dam/road on Skyline is inevitable

PROS

1) Minimal traffic lakeside east (quieter and great for pedestrians)

Recommendation

Immediately initiate plans to repair the dam on Shoal River Drive and subsequently with the dam on Skyline Circle. The SRHOA would underwrite the cost of both dams.

Questions

1) What will it cost?

Answer:

1) **Don't know**. We will seek bids. Shoal River Dr dam could be $125K ???? Skyline Dr dam could be $40K with sliplining??? Or could be more.

2) Regardless – it needs to be fixed – sooner the better

3) Combination of savings, higher assessments, special assessment? and loan?

Questions

1) Why are we fixing a dam we don't own?

Answer:

1) Review impact of failed dam (several slides earlier)

2) Same conclusion 7 years ago – needed to be done

3) It may become our dam anyway

Conclusion

Seeking Board authority for the following:

1) Attain “permission” to perform repairs on the dam
2) Recommend creation of “fast-track repair committee”
3) Solicit bids for engineering and contractor work
4) Attain sufficient financing
    a) Special Assessment may be necessary
5) Select winning bids
6) Sign contracts to initiate work


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Shoal River Dr
Shoal River Dr
Shoal River Dr
Shoal River Dr

New Business

1) ?

Homeowner Questions/Feedback

Backup

ARTICLE VI

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

1. The Board of Directors shall have power:

c. To establish the budget and to levy and assess, and collect the assessments necessary to operate the Association and carry on its activities, and to create such reserves for expenditures as may be deemed appropriate by the Board of Directors.

d. To authorize or cause the Association to enter into contracts for the day-to-day operation of the Association and the discharge of its responsibilities and obligations.

Special Assessment

1. Conflict between Covenant and Bylaw

Covenants

ARTICLE V. COVENANT FOR MAINTENANCE ASSESSMENT

Section 5. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the General Area or the roadways constructed upon the dams, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of members who are voting in person or by proxy at a meeting duly called for this purpose.

Section 9. "General Areas" are defined as the county easements maintained by the Association for beautification purposes only.

BYLAWS

ARTICLE X1 - FISCAL MANAGEMENT

7. Special Assessments. Special assessments, if required and approved by the Board of Directors at a duly convened meeting, shall be levied and paid in the same manner as heretofore provided for regular assessments. Special assessments can be of two kinds: (i) those chargeable to all Members of the Association in the same proportions as regular assessments to meet operating shortages or emergencies, to construct, reconstruct, repair or replace all or any part of the Common Elements (including fixtures and personal property related thereto) and for such other purposes as shall have been approved by the Board of Directors at a duly convened meeting; or (ii) those assessed against one Member alone to cover repairs or maintenance for which such Member is responsible and which he has failed to make, which failure impairs the value of or endangers the Common Elements, or which are for expenses incident to the abatement of a nuisance with his Residential Dwelling Unit. Provided, however special assessment of the kind described in (i) herein shall be assessed against all Members and shall be limited, so as that the total special assessment(s) during any one (1) fiscal year shall not exceed one-half (½) the annual assessment as levied against each residential dwelling unit, except for special assessments caused by casualty or natural emergency which are not covered by insurance.

Covenant provides definition of “Common Area”

ARTICLE I. DEFINITIONS

Section 10. Limited Common Area. "Limited Common Area" shall mean and refer to those certain tracts of land lying between the approximate ordinary high water line of any lake and a point 25 feet landward of said approximate ordinary high water line, which point shall also be the rear lot line of certain Residential Dwelling Units. That portion of the Limited Common Area, which lies within the lakeward projection of an Owner’s property line, shall be reserved for the exclusive use and enjoyment of such Property Owner; provided, however, that the Property Owner shall maintain such Limited Common Area.

Bylaws – Member led Referendum

ARTICLE X. MEETINGS OF MEMBERS

4. The Members shall have the power to approve or reject proposed actions taken by the Association by referendum in addition to a duly called meeting of the Association. In the event fifty-one percent (51%) of the votes of the Association Members shall approve such action by referendum, the action voted upon will be deemed to have been authorized by the Members: provided, however that if a higher percentage vote required shall be specifically expressed herein, that higher percentage shall control in that instance. Members may require a referendum on any action of the Board of Directors by presenting to the Secretary of the Board not less than thirty (30) days prior to the taking of such action or ratification by the Board of its intent to take such action, a petition signed by not less than thirty percent (30%) of the Members.

Overriding Governance Principles
Florida Statutes/SRHOA Covenants/Bylaws

1) Board of Directors has the fiduciary duty to interpret the documents to give the best effect of the intent of the general plan of development and to provide for the rights of Association Members without unduly impairing the ability of the Association to perform its functions.

2) The Shoal River Road repair is of utmost importance for emergency access, school bus access, general access and to reduce risk of total isolation for approx 87 homes (1/2 of the association)

3) In Conclusion: Use only Board authority (as called out by the Bylaws) to approve special assessment.