

CHADWICK SHORES PROPERTY OWNERS ASSOCIATION
BOARD OF DIRECTORS MEETING ** MINUTES

REVISED

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Meeting date: March 17, 2010

1. CALL TO ORDER

The meeting was held at the Sneads Ferry Community Building, and was called to order at 7:05 pm by Cameron Waggoner, President.

Board members in attendance:

Cameron Waggoner	-	President
Jon Frisch,	-	1 st Vice President
Janet Holman	-	Treasurer
Janet Gargano	-	Secretary
Tony Gillespie	-	Past President – 2008 and 2009

Board members absent:

Libby Murcia - 2nd Vice President (proxy vote to Jon Frisch)

2. MINUTES -

The REVISED minutes of the February 17, 2010 Board of Directors meeting were emailed to the Board for review and approval.

3. PRESIDENT'S REPORT -

> Cameron asked Chris Diederich, our Grounds & Maintenance chairman, to give the Board a report on his meeting with Len West, Al Gurganus and Rich Civelli to discuss the drainage problems throughout the neighborhood.

(NOTE: Len, Al and Rich volunteered at the February meeting to assist the Board in resolving our drainage problems.)

- a. Regarding the drainage issues between Shellbank and Dale along the North side of Chadwick **Shores** Dr. Chris reported that he met with Len, Al and Rich during the week of Feb. 22nd. They recommended that we get the original contractor to come back and see if the company would fix the **issue**.
- b. Chris met with Chris Holman on March 14th to walk the **grounds** and get the history on the previous project. The original project was intended to mitigate the Artesian Spring that exists on the peninsula, not to take care of rain water issues. There is no warranty on the original project as it is functioning as intended and moves the water from the Artesian Spring. They both agreed there may be some feasibility to having someone lower the tops of the catch basins and re-grade the areas leading to them in order to encourage the additional waters we've experienced during this rainy season to drain.
- c. Chris D. recommended that we have Cost Wise (Johnny Goines) present a proposal to re-work the ditches/swales and see if that will fix any of the problems.

- d. The last recommendation would be to hire a company to conduct a detailed study of the topography and hydrology in the neighborhood and propose a plan to mitigate the issue permanently. Chris said he believes it would be money well spent to have the study done so we could have a complete picture of what **needs** to be done regarding the drainage situation. He also stated that he did not think he was equipped to make a “solid” recommendation of what should be done.

Cameron suggested it might be more cost-effective to have the study done and proceed from that point.

> Len West reported on what he had done since our last meeting. After a lot of phone calls, he was able to determine that Industrial Paving and Grading had performed the original work (contract). He called Jeff Williams who came right out to meet with Len, Al and Rich. They showed Mr. Williams the work his company had done and how bad it was: Len said, quite frankly, that in some instances the company had made the problem worse **than** it was before. Mr. Williams agreed to come back and correct everything.

Len stated that he gave Mr. Williams every opportunity to say whether or not he would charge us for this but he did not give Len an answer. Len suggested that someone from the Board has to get confirmation from Mr. Williams as to what, if anything, the work will cost.

Also, Len mentioned that if Industrial Paving comes across something that is not their responsibility Mr. Williams will give us a price on the cost of the repair(s).

> Cameron noted there are other areas with standing water that need to be addressed. Len suggested we might want to get an engineer to do a study which he said won't be cheap. Len said you need to know where to start and how to proceed. He also noted that Industrial Paving and Grading was paid almost \$100,000 by CSPOA over a period of 3 years.

> Hal Corzine made mention that Industrial Paving put 2 major ditches in Escoba Bay, and they made some mistakes. He said that Mr. Williams followed up and corrected them at no charge. Hal said, in his opinion, Mr. Williams is an honorable man and will stick to his word; he knows he has some responsibility in here (Chadwick Shores).

> Cameron stated that in view of Hal's knowledge of Industrial Paving (Escoba Bay), and the fact that they are willing to come back and “fix” the situation, he would like to have Chris Diederich contact and meet with Mr. Williams. Chris agreed, but suggested it would be helpful if Len and the other men would be able to ‘shepherd’ the work along when it begins.

> Tony said that there is a significant problem down by the Gearon's house on both sides of the street. He assumes they will have to put a pipe under the ground and drain the water into the creek.

Tony also noted that the area from the community lot down to Hal's house is deeded property for oyster beds.

> Janet Holman said she did some research and discovered this is the ‘highest water table’ in 50 years.

> Cameron asked how does the Board **wanted** to approach the other areas in the community where other drainage issues exist. Tony suggested we might broach this to Mr. Williams once Industrial Paving has completed their ‘original’ work.

- > Len West had to leave the meeting early, but he told the Board that he, Al and Rich are ready to help in any capacity **whenever** the Board wants to call upon them. Cameron expressed his sincere appreciation for their willingness to volunteer their knowledge and time to this **issue**. However, Cameron expressed his concerns about ‘protection from litigation’ under CSPOA insurance coverage as it would apply to the men should the Board be sued, and with them not being Board members, Cameron said he would not want anyone to be able to bring an individual lawsuit dragging Len and the others into it because they were acting **for** the Board.
- > Megan Williams, 1651 Chadwick Shores Drive, and her neighbor, Brad (1655 CSD) expressed concern about the standing water on their property which goes back as “far as you can see”. Megan feels it is caused by **a** particular property which is backed up to their fence line, and she asked if there was anything the Board can do. Tony replied that the Board can only be responsible for community property which is 30 ft. in from the road; anything else would be considered a ‘dispute between property owners’.
- > Janet Holman noted that all Chadwick Shores homes are on septic systems which means more water going into the ground.
- > Chris also mentioned that the lack of pine trees on the properties contributes to this problem, because the trees soak up tremendous amounts of water, and Cameron noted that Chadwick Shores is on a peninsula.
- > Cameron asked if the Board was satisfied with the direction in which we are moving with regards to the drainage problems, and with Chris contacting Jeff Williams (Industrial Paving) about the issues CSPOA has with the particular work they did on their previous job. The Board was in agreement with the process.

COMMITTEE REPORTS

- 1. Treasurer** – Hal reviewed the accounts with the Board, and he stated we are in good shape as far as expenditures against the budget. He made mention that in the Accounts Receivable balance sheet there is an anomaly that he is still trying to figure out; it is the -\$700 which he believes could very well be income but a ‘glitch’ in the QuickBooks program is not showing it as such; he will keep working on this.

Hal discovered an error in the February 17th minutes: that being the amount of \$640,000 which was listed as assets of CSPOA. Hal said that amount is the **total assets which includes the value of the land**. The correct amount in the accounts should have been shown as **\$432,000**; Janet Gargano will make the correction.

- > Tony stated that he has signed the 2009 tax documents, and Hal has mailed them out. Hal said we had no Federal taxes to pay, and \$25.00 paid for state taxes.

- > Tony said we are ‘paid in full’ for every house under construction.

- > Janet Holman reported that she opened two (2) Money Market accounts at Sun Trust bank as was discussed at last month’s meeting. Hal said he transferred \$50,000 from each of CSPOA checking accounts for the MM accounts; he said we now have \$200,000 in one bank and almost \$250,000 in the second bank.

Past due accounts – Association dues and Road fees – Hal provided the Board with a ‘customer balance summary’ listing the property owners in arrears on their Association due and/or Road fees; he noted there **are 140 properties** on this list.

Cameron indicated his desire to get a feel for those properties which have liens on them; he said that with the end of March the 90 day grace period would be up for payments due.

Hal said he will go back in Evelyn's records to get an idea as to how the liens were handled, and also what liens will be expiring soon. He indicated that he now has the Rules for Collection of Fees and Assessments, and these state that 'when a receivable is 3 months old, a registered letter will be sent stating that a late fee of \$25.00 will be charged, and an interest rate of 1.5% per month on the total outstanding balance will be imposed unless the bill is paid full within 30 days of the notice, unless there are extra-ordinary circumstances presented to the Board'.

> Cameron noted a email sent to the CSPOA suggestion voicing concern about the amount of money in the accounts and the potential for CSPOA being audited. Tony answered that the upcoming resealing of the roads will take a 'good chunk' out of the accounts.

A motion to accept the Treasurer's Report as provided was made by Janet Gargano; 2nd by Jon Frisch; All approved.

2. Roads – Tony reported that the painters will be here to mark the roads and, if it stays dry, they will start painting the orange/yellow stripe down the center.

> Tony said he did speak with the property owner who had the PVC pipe draining water from his backyard to the road. The gentleman expressed to Tony that this was a measure of protection to keep his house from being flooded. Cameron said this **was** a reasonable course of 'temporary action'. The water is not pumping at this time, and he will continue to monitor the situation.

> Cameron stated that he had a chance to speak with several residents regarding the issue raised at the February meeting and that being a somewhat lack of enforcement of the golf carts being driven by children in the neighborhood. He is going to draft a letter addressing this subject and, perhaps, ask the parents with young children and golf carts to exercise more attention to this activity. He stated that the last thing we want is an injury to someone in a golf cart or someone being struck by a golf cart.

> Tony note that it has been repeated over and over in his letters that under NC law you must be a licensed driver to operate a motorized vehicle and that includes golf carts. He said to call **455-3113** – the deputy will come out, take the golf cart and speak to the child's parents.

> Brad relayed an incident that occurred after dark when a golf **cart** without lights drove past his wife's car as she was backing out of their driveway; this, he noted, could have very well resulted in a serious injury.

> Chris Diederich elected to speak to Roads due to the fact that he obtained quite a bit of information from his meeting with Chris Holman. He believes we could benefit from sealing the existing road and packing dirt of 'crush and run' along the edges of the road: this should mitigate the breakage we are currently experiencing along the road's edge.

A motion to accept the Roads Report was made by Jon Frisch; 2nd by Janet Gargano; All approved.

3. Grounds and Maintenance- Chris reported that he met with Johnny Goines from Cost Wise on Feb. 21st to discuss clearing the brush back to the property lines, cleaning out the culverts and ditches to encourage the water to drain.

> Chris met with Johnny Goines on Feb. 26th after he had spent the day cleaning the ditches and culverts. Water evacuation had improved noticeably. Chris said he also discussed the option of Cost Wise using an excavator to clear the ditches and re-form the swales to further encourage the water to drain. Chris received a quote on March 8th, but told Johnny to provide a written proposal outlining his plan to accomplish the work.

> Chris reported he corresponded with Cost Wise regarding the Fire Ant Control on March 10th. Board approved the contract, and Cost Wise will move forward with the work.

> Chris also has asked Cost Wise to provide a quote to assume maintenance responsibilities for the front entrance and shrubs. (this is pending)

> Cameron mentioned that when he makes his drive to the Community Lot he has noticed that the kids love to move the picnic tables around. He suggested we put some type of rod or spikes in the ground and cable the picnic benches to them. He and Chris will try to get this done at some point.

A motion to accept the Grounds and Maintenance Report was made by Jon Frish; 2nd by Tony Gillespie. All approved.

4. Welcoming - no report. Hal Cozine did mention that we had **2** new families move into the neighborhood last month.

5. Covenants - Tony reported two new houses are under construction by Stencil Builders, and all the documents were received in order.

> Tony said installation of the 20 new street lights, which were approved in last year's budget, should be well under way at this point in time.

> Tony noted that the Community Lot is being littered with trash from the construction work being done on the house next to it. He said he has twice had the workers move their equipment and trailers off the Community Lot. Tony said he will speak to the owners, the Uzzells, who live in the neighborhood.

> Tony noted that vehicle parking on the 'right of way' has eased up quite a bit.

> He stated that there are two vehicles partially disassembled at a house which is being rented by some single Marines. He said he wrote them a letter last year, and they moved the vehicles into the garage; now they are back out in front, again. Tony will send them a notice stating that if the vehicles are not moved in five days they will be towed.

> Cameron mentioned that he has noticed on his drives through the neighborhood that some front yards are being used as parking lots. A resident who attended the meeting stated that she has the same situation in her immediate area. Tony is sending letters to the residents which refers to the Covenants that state; all driveways on improved properties must be paved; vehicles cannot be parked on front lawns.

6. Amenities - no report

7. Security -

Tony reported that the surveillance system has been delivered, and everything will be assembled, and the cameras will be activated in a few weeks; they will record activity coming into and leaving the front entrance.

> Megan Williams asked if CSPOA had anything in the Covenants regarding 'soliciting' in the neighborhood. She mentioned this because there was a person going door to door in her area; she asked if a sign could be posted at the front entrance. Tony answered that we could – however, what would you do about 'trick or treaters' because that is considered solicitation? He said the easiest thing to do is tell the person who comes to your door that there is NO SOLICITATION in this neighborhood and he/she has to leave. If they continue on to another house Tony said to email him the information and he will contact the Sheriff.

A motion to accept the Covenants Report and Security Report was made by Janet Gargano; 2nd by Jon Frisch. All approved.

Legal - Tony reported that the attorney is in the process of notifying the owners of the 31 properties. He said he did inform the attorney that we will need the documentation by June of this year; that is when the liens and foreclosures become effective for those property owners who are over \$1000 in arrears.

Old/ Pending Business

- a. Signs for the community dock, Tot Lot and front entrance as proposed by the 2009 Board **are** still pending awaiting a decision of the verbiage to read, "no trespassing; members and guests only. Tony added, "guests must be accompanied by a member". Tony said he will check with Ellie Giles who handled the ordering of all the previous signs for CSPOA. Chris noted that the posts for the new signs are already in place.
- b. Tony reported that the issued of illegal parking at the corner of Shellbank has been resolved, and no sign will be needed.

New Business

The Board received an email from Dick Miller with an attachment of an invoice from Vernon L. Kellum in the amount of \$3000 made out to Cahoone Builders for 'ditch work' to Lot 3-C, 312 Chadwick Shores Drive "to make the lot usable and saleable". Payment was requested to be made by CSPOA.

Tony said they lowered the catch basin and put a bigger box over it, and in doing so they broke a big chunk of pavement.

Cameron asked for the Board's discussion on this matter:

Tony voiced his opinion stating that this has been the wettest season in the past 50 years, and the property was under water **before** construction. The submittal regulation states that 'you must maintain the existing swale'. He said it is not the Board's responsibility to make a lot 'usable'. He cited the number of lots in the community for you cannot obtain a septic permit, and it is not the Board's responsibility to provide "off-site" septic, either.

- > Janet Holman asked what Mr. Miller's argument was that makes him feel that **the** work is the Board's responsibility?
 - > Cameron stated that he did send Dick Miller an email inviting him to attend our meeting and present his position as to why he feels this is the Board's responsibility.
 - > Janet Gargano noted that Mr. Miller never proposed the project to the Board before Cahoon Builders contracted Mr. Kellum to do the work; they just went ahead and had the work done.
 - > Tony said there was a known drainage issue before the property was built upon, and Dick, who was a Board member, was aware of this.
 - > Hal gave his opinion that "making a lot build-able is part of the cost of selling that lot.
 - > Cameron asked if the catch basin was helping with the water flow? Just to play 'devil's advocate', he said that Mr. Miller might have used a poor choice of words; he really did not do anything to the lot, it was to the swale and corrected an existing catch basin to make it more effective. Cameron said these are the ultimate questions we need to ask.
 - > Janet Holman and Chris Diederich both suggested that approval of payment might well be setting a precedent whereby the Board will accept responsibility for other properties being made "saleable".
 - > Tony said this matter should have been brought before the Board along with the documentation before going ahead and making improvements to property you don't own.
 - > Cameron said he feels this was a commitment Mr. Miller made without the the authority to do so but with the perspective that the Association would pay for the work. He also feels that in this case, Mr. Miller should have gone through the process of getting Board approval, or tack on the \$3000 to his closing cost. Cameron cited as an example the idea that if he had a sprinkler system and a pool on his property it would make it more saleable, but he doesn't believe the Board should pay for them.
 - > Tony stated that as Chairman of Covenants he makes a motion that the Board disapprove reimbursing Mr. Cahoon for the work that he had done without Board approval. The motion was 2nd by Janet Gargano.
 - > Cameron requested that before the Board moves on Tony's motion he would like, because Mr. Miller served on the Board, and he is one of our close neighbors, and we did offer him a chance to come to come in, he would like to respond to Mr. Miller and let him know that the Board did discuss his request for payment, but before we take a final vote we would like to offer him one more opportunity to appear, and we will make a final decision at the next Board meeting.
 - > Tony stated that in the meantime, we have to repair the road in front of the property, and that typically comes out of the escrow; he feels this would be 'kind of adding insult to injury'. (he stated that a huge chunk of pavement is gone because they brought in a pay loader)
 - > Cameron put the motion to the Board for a 'show of hands' vote: Janet Gargano, Janet Holman, Jon Frisch, Libby Murcia (proxy vote) and Tony Gillespie voted **yes** to disapprove the payment of \$3000 to Cahoon Builders for the ditch work on Lot 3C, 312 Chadwick Shores Drive.
- None were against; the motion carried.
- > Cameron will draft a letter to Mr. Miller informing him of the Board's decision.

Good and Welfare -

a. Email was sent to the CSPOA suggestion box asking about the possibility of having a ‘clean-up day’ in the neighborhood to pick up the litter on the road area and the empty lots. Janet Holman questioned as to whether we are allowed on other properties; Tony said 30 ft. from the street. Cameron said he would respond to the sender asking if he/she would like to coordinate this project.

b. Email sent to the CSPOA suggestion box relating to the non-profit status of the Association with concerns about amount of money we have in our accounts. The sender (anonymous) made a recommendation to look at “customized mailboxes” for the community cited that, “it is easily the most unsightly thing as you drive our roads; 25% do a good job, 25% are average and 50% look terrible”. The sender also suggests the roads be sealed and not resurfaced; also packing of dirt against the shoulders to help the road edges.

> Tony noted that the Board has already done the research on customized mailboxes, and the cost was \$175,000. Cameron asked what would happen to the property owners who already have the brick or stone mailboxes in place. Tony cited North Shores as having 2 or 3 different types of mailboxes because of this same issue.

Tony said he would first be inclined to send the property owner a letter if we feel their mailbox is in bad condition; then we would condemn it, and if the property owner does not replace the mailbox the Association would do so and bill them in their fees.

> Jon said he will look up the parameters that the U.S. Postal Service has with regard to mailboxes.

> Megan expressed her opinion that uniform mailboxes would be an asset to the neighborhood and would make a nice appearance to anyone coming in to Chadwick Shores; she also thought they would benefit the resale of a home.

> Tony said the Board would be taking on a big maintenance problem, and we just don’t have enough members or volunteers.

> Janet Holman suggested giving the property owners a few examples of mailboxes from which they could choose. She also volunteered to draft a response to the resident asking them to pick some sample mailboxes and present them to the Board.

c. Jon mentioned that there was some aggressive ‘clear-cutting’ of some pine trees behind his property. He walked the property line because the Association owns **the** lots, but found there was no encroachment into our properties.

> Megan asked if there was anything **in** Covenants or Bylaws regarding “clear-cutting” on lots. Tony said the Board’s authority stops with the placement of the house and septic tank, the size and material of the house; but we have no authority how the property owner treats the lot afterwards.

> Megan inquired about sidewalks for the neighborhood; Tony explained that they had been proposed last year, and the property owners voted them down.

> Tony stated the last piece of business he had was the need for more Board members (we have 3 positions open for directors), and we really need more volunteers to serve on committees.

ADJOURNMENT

Tony made a motion to adjourn the meeting; 2nd by Janet Gargano. All approved.
The meeting was adjourned at 8:38 pm.

Submitted by,

Janet Gargano, Secretary

April 20, 2010

Revised May 2, 2010

