

**WATERSIDE III AT BAY BEACH CONDOMINIUM
ASSOCIATION, INC.
MINUTES OF THE BOARD OF DIRECTOR'S MEETING
September 26, 2024 Following Special Members Meeting**

1. **Call to Order:** The meeting was called to order by Scott Kitkowski at 10:07 EST.
2. **Proof of Notice:** The meeting agenda was posted on the bulletin board on Saturday, September 21, 2024.
3. **Establish a Quorum.** All board members, Scott Kitkowski, Sue Walker, Jeff Lievens, Joel Wilmoth, and Donna Kaiser were present on Zoom and phone calls. A quorum was present.
4. **Approval of Minutes from August 1st and September 12th meetings.**
No additional approvals were needed. Minutes were approved in the prior meeting.
5. **Reports of Officers and Manager.**
 - a. **President's report.**
Scott read the president's report.
A copy is attached.
 - b. **Treasurer's report.**
Jeff provided highlights including:
 - An additional \$245,000 was received from SBA, up to the approved loan amount of \$1,545,000;
 - A request to SBA will be made to increase the approved loan amount to a total \$2,000,000 (an increase of \$455,000). This is to help cover anticipated expenses related to further damage to our building (e.g. windows);
 - A reserve study, lead by Joel Wilmoth, is in progress;
 - A transfer will be done, of about \$300,000 from the operating to the reserve fund to make the fund whole. There are ample funds to cover this;
 - The latest financial statement is August 2024. The main variance is over-budget insurance costs. This is due to the actual mid-year renewal rate being higher than the guidance from our broker when the 2024 budget was prepared.A copy of the entire report is attached.
 - c. **Property Manager's report.**
Sylvie provided updates happening around the building including:
 - It is recommended that anyone with a 10 year or older **hot water heater** should replace it. 3 different plumbing estimates have been received - United is the lowest. Each owner will be responsible for his cost. Only those affected owners will receive an email with details for replacement. Owners will then deal directly with the plumbing company.
 - Travis is doing the **AC duct installation** as time permits. The cost will be \$150 per duct which is the owner's responsibility.A copy of the full report is attached.

6. Committee reports.

a. Facility committee

Scott provided an update on the committee's activities including:

- A failure of the ATS switch on July 1st during an attempt to transfer power to the generator and back. The immediate problem was resolved and an electrical contractor checked the system. The system was tested (simulated a power outage, system started generator, switched building emergency panel to generator power, and after the appropriately delay, switched back to line power)
- no issues were noted.
- A reminder to seasonal owners to change thermostat batteries; non-functioning thermostats, due to dead batteries, have been found.

A copy of the full report is attached.

b. Hounshell Social committee

The social committee report was read giving updates for coming activities such as the season's Friday night gathering kick-off on October 18 at 5:00, and the Halloween, Thanksgiving and Christmas parties.

A copy of the full report is attached

c. Website committee

The website report read by committee chair, Janet Markelz mentioned all documents are posted on the site, while the team is looking at added features to help with site navigation and security.

A copy of the full report is attached.

d. Reserve committee

Joel Wilmoth presented the reserve committee report including:

- clarification of the changes introduced by SIRS (Structural Integrity Reserve Study) legislation and the impacts on reserves for Waterside III
- actions done by professionals hired to meet inspection requirements
- a recap of the feedback of those inspections, and
- plans for the reserve committee to meet and provide funding recommendations for future reserves.

A copy of the full report is attached.

e. Landscape committee

The landscape report, prepared by Sue Walker, was read by Scott. Highlights included a walk-around planned with Pelican landscaping to review existing plants and determine if any need replacement or others might be needed to fill gaps.

A copy of the full report is attached.

7. Old business.

a. Lobby Update

Scott provided an update on actions taken to research the 2nd contractor who submitted an estimate, Home Fixerz's. Actions included:

- a meeting held on 9-18-24 to review quote with Home Fixerz's
- a visit was made by Scott, Joel and Sylvie, to 3 homes and 1 condo to review work done by Home Fixerz's where the team found the quality of the work to be very good.

From there, Scott, Joel and Sylvie created a quote comparison between Bob Anderson's and Home Fixerz's estimates. Scott summarized the findings:

- Home Fixerz's was favorable by slightly over \$11,000 or 10.5% which gives some contingency in case of unforeseen issues, and the possibility to come in under the approved amount of \$107,983.80
- there was money in the quote to utilize a past town inspector to support the time line
- a completion estimate of 8-12 weeks.

A copy of the full quote comparison is attached.

Questions by board and owners:

Sue Walker asked how soon the work could be started by Home Fixerz's.

Response: The company could begin immediately, but Waterside III would first need enough assessment money to provide the down payment.

Joel Wilmoth made a motion to contract the lobby work with Home Fixerz's, Sue Walker seconded the motion and the board passed the motion unanimously.

8. New business.

a. Update on public adjustor

Scott recapped a timeline of actions taken throughout the summer with the adjustor and insurance company, most importantly citing an inspection requested by the insurance company, of **all unit windows and doors** in the building.

The timeline and a spreadsheet showing results by unit, are attached.

Scott then provided the subsequent findings and plans:

- the prior estimate from Altieri, our public adjuster, was an ACV of \$2,128,623.28
- the estimate from Altieri after Dr. Jain's forensic report is an ACV of \$4,338,273.96. This is the loss being claimed BEFORE deductible, and we will soon see the carrier's reaction and their forensic experts rebuttal.
- he recalled our carrier's original view of the damage did NOT clear our deductible of \$925,820.50
- the largest variances to the carrier's original view are from painting, garage decks, slider doors, fixed windows, and single hung windows.
- next step most likely will be working with Merlin law to develop some sort of legal solution.

b. Time and date for next meeting.

Scott presented tentative dates for the next meetings:

- October 21st BOD
Tentative topics: Merlin law update, Lobby update.
- November 21st BOD
Tentative topics: (review and?) approve budget

9. Owner Comments.

A single comment was expressed thanking the board for all the work done this past year.

10. Adjournment:

A motion was made by Joel Wilmoth to adjourn, Donna Kaiser seconded, and the board agreed to end the meeting.

President's Report

- We have a lot to cover today, so I will make the Presidents report rather quick.
- In the last BOD meeting where we accepted Pete's resignation, it was truly with a heavy heart that it was accepted, but it was accepted with much admiration and appreciation for everything he has done for us throughout his service to WSIII. I have a big set of shoes to fill, I can tell you that I will work diligently to fulfill the responsibilities and make Waterside III a wonderful, if not the best, place to live, Uphold the rules and regs, be a fiscally responsible board, and eliminate /manage all risks. And of course uphold all 18 items that are called out in the bylaws as board responsibilities in 4.18.
- We have a very busy month this month and are working to be aggressive on a some pressing items, such as Altieri insurance claim, lobby renovation, getting SIRS and our reserves solidified, budgeting process
- Joel is working diligently on the SIRS and reserve process, it is well underway and we will be awaiting response on some of our questions after Beryl completed their SIRS and Milestone study. Recall that the SIRS (Structural Integrity Reserve Study) was driven by Seaside condo collapse. It is a requirement to reserve for the structural components of our building to insure that we are fiscally well prepared to enact maintenance on our buildings infrastructure when required.
- I will cover where we stand on our insurance claim in a separate report, but we are moving much more quickly now, and the insurance carrier is fully engaged.
- We will also cover the Lobby status later in the meeting.
- I also want to remind everyone about the EBIA sponsored Meet the candidates on October 10 at 10:00 – 11:00 AM. We can and should be a force for FMB. There is also an EBIA Quarterly meeting on October 8.

Treasurer's Report

Here are the points mentioned during the board meeting:

- An additional \$245,000 was received from SBA, up to the approved loan amount of \$1,545,000.
- I'll be submitting a request to SBA to increase our approved loan amount to a total \$2,000,000 (increase of \$455,000). This is to help cover anticipated expenses related to further damage to our building (e.g. windows).
- A reserve study is in progress, led by Joel Wilmoth.
- We'll be transferring about \$300,000 from our operating fund to our reserve fund to make it whole. There are ample loan to cover this.
- The latest financial statement is August 2024. The main variance is over-budget insurance costs. This is due to the actual mid-year renewal rate being higher than the guidance from our broker when the 2024 budget was prepared.

Property Manager's Report (9-26-24)

- Asphalt Mill & Pave: was completed successfully and looked great however during the installation of sidewalks on WMA property the asphalt was damaged by heavy equipment. We are meeting with the contractor next week to get this resolved.
- Sealing of the Pavers: The pavers were cleaned and sealed last week. You will really notice a improvement.
- Hot Water Heater replacement. It is recommended that anyone with a 10 year old or more water heater should replace it. I have obtained prices from 3 different plumbing co with United being the lowest. Owners are responsible for this cost. We were waiting until more are in residence to schedule. Only those owners will receive an email with details. Owners will then deal directly with the plumbing co.
- AC duct installation: Travis is doing those as time permits. The cost will be \$150 per duct which is owner's responsibility.
- The Carpet Cleaning has been scheduled for Friday, October 4th beginning around 9am. Please remove all items from the floor in front of your unit.
- Cleaning of the Sewer lines & storm drain should be completed in the next couple of weeks. This should take 2 days per building. They will hydrojet under ground from the sanitary tees to the lift station. This maintenance is scheduled every 5 years. The last time this was completed was 2019. They will run a camera before & after hydro jetting.

Facility Committee Update

- The monthly inspections continue to support quick reaction to noted conditions. Thanks to John for handling August inspection.
- We have noted 87 issues since the inception of the monthly inspections, many have been taken care of.
- If you are seasonal please remember to change your thermostat batteries, we have had a few units thermostats stop functioning due to dead batteries. (found during the window inspections of each unit)
- On September 4th the work began on AC ducts to provide conditioned air to the common areas.
- ON July 1st there was a failure of the ATS switch when power tried to transfer to the generator and back. The immediate problem was taken care of, then an electrical contractor came out to check the system. Unfortunately nothing of consequence was noted. The system was tested (simulated a power outage, system started generator, switched building emergency panel to generator power, and then after the appropriately delay, switched back to line power) there were no issues noted.

Hounshell Committee Report

This season's activities will commence in a few weeks, starting with the Friday night socials. The first social will be held on Friday, October 18, 2024 at 5:00 p.m. in the Social Room. As usual, BYOB and a dish to pass.

The remainder of the 2024 calendar year has the following upcoming events:

October 31	Halloween Party
November 28	Thanksgiving
December 25	Christmas

The 2025 events for this season will be posted by early November. Please follow the bulletin board in the mail room for updates.

Respectfully Submitted,

Sue Walker
Judy Stewart
Patti Van Border
Laraine Yeatman

Website Committee Report

- All documents emailed to the committee have been uploaded to the website.
- The committee is currently exploring additional website features which could include increased security, a system to notify residents when new information appears on the website and other features that would increase website engagement.

Reserve Committee Report

Sept 26, 2024

The Reserve Committee has not officially met yet due to the introduction of the new Florida Structural Integrity Reserves study (SIRS). To review, before May 2022, reserve studies focused on four essential components: roofing, painting, paving, and anything over \$10,000. They were voluntary and did not necessarily require professional input. With the advent of

SIRS, eight (8) components must be considered in these studies. They include roofing, structure, fire protection, plumbing, electrical systems, windows, foundation, waterproofing, and any component over \$10,000 whose failure to replace or maintain negatively affects other items.

This assessment can be conducted by individuals with the necessary qualifications. However, when it comes to the visual inspection part of this study, it must be carried out or verified by professionals who hold specific licenses or certifications. This includes licensed engineers, licensed architects, or individuals certified as reserve specialists or professional reserve analysts.

The legislation mandates that condo associations in existence on or before July 1, 2022, complete their initial SIRS by the end of 2024. Subsequent SIRS studies must be conducted every 10 years. Any budget adopted on or after December 31, 2024, requires that a SIRS be used as the basis for funding structural reserves. In our case, since our 2025 budget will be approved prior to 12/31/24 for 2025, the law must be followed for the 2026 budget. Currently, it is the intent of the Reserve Committee to create the structure and funding mechanisms with the 2025 budget.

In May 2024, Waterside 1, 2, and 3 jointly hired Beryl Engineering and Inspection LLC to complete Milestone Inspections with regard to SIRS and non-SIRS components. A site visit at Waterside 3 occurred July 30, 2024. On August 9, 2024 the Board of Directors at Waterside 3 obtained copies of the Milestone Inspection and a proposed Reserve Study that contained both SIRS and non-SIRS components.

The good news is that Beryl's conclusions were as anticipated and expected. Specifically from the report:

"From Beryl's observation, the structural components and elements were generally found to be in Average condition, without evidence of substantial structural deterioration, therefore a Milestone –Phase 2 is not required with forensic testing. With regards to collapse, Beryl found that the building was not in danger of imminent collapse, repairs should be done in the near term. The building is safe for its intended use and could be occupied."

In the ensuing weeks, Scott Kitkowski, Sylvie Gauthier and Joel Wilmoth have pursued a reconciliation of the Beryl reserve study with the existing Waterside 3 reserve structure. This reconciliation includes the separation of SIRS versus non-SIRS components. Beryl provides one follow up meeting which we are now awaiting to schedule. We have submitted a six-page list of questions to Beryl to reconcile their specific reserve recommendations with our existing structure.

After this meeting occurs the plan is to bring together the reserve committee to review the conclusions and move forward with creation of the SIRS and non-SIRS reserve funding recommendations. The goal is to have this completed for presentation with the 2025 budget. Reserve committee members include, Tom Kaiser, Connie Shepherd, Sylvie Gauthier, Scott Kitkowski and Joel Wilmoth.

Respectfully submitted,

Joel Wilmoth

Reserve Committee Chair

LANDSCAPING REPORT

Waterside III

September 26, 2024

Earlier this year the WSIII Board requested a proposed plan for landscaping and irrigation for the planters outside of the social room and fitness areas. The plan was presented to various Board members on August 2, 2024. To date, there has been no response.

A meeting with Pelican is scheduled for the week of September 30, 2024, to do a walk around of the current landscaping and to identify any plantings that may need replacing. In addition, it has been previously noted that there may be a few places where additional plantings may be required after the original plantings were allowed to grow for a period of time to see how they were filling in the landscaping.

Plans were submitted to WMA over a year ago for additional plantings around the pool cage and the back corner of the cabanas. This was supposed to be completed when funds became available. With the change to a new landscaper, it is unknown what is going to happen with the landscaping open items. It is requested that a meeting be called with Mark Wiseman to discuss plans as it affects Waterside III.

Respectfully Submitted,
Sue Walker

Lobby Update

- In the past weeks there has been much work and procedural progress completed.
- 8/1/2024 – Review all three lobby proposals, determine which one to move forward. Vote by the board to move forward with Tier 1 proposal, which requires a special Member's meeting due to the cost.
- 8/6/2024 – Members meeting notice posted and sent out with appropriate proxy and voting package.
- 9/5/2024 – Member's meeting to vote in person or by proxy on the lobby expense of \$107,983.80. Expense was approved based upon membership vote.
- 9/9/2024 – BOD Special assessment meeting notification posted.
- 9/9/2024 – Received 2nd lobby quote
- 9/10/2024 – BOD Special assessment meeting notice sent out (14 day notice required). If approved at the meeting the assessments are set to be collected by October 26th , at which point there will be money available to start the renovations.
- 9/18/2024 – Meeting conducted to review questions on second Lobby quote
- Quote comparisons included a trip to see Home Fixerz's work both residential and commercial by Sylvie, Scott, & Joel
- We visited 3 homes and one condo building – the quality of work was very good
- Quote comparison
- Home Fixerz was favorable by slightly over \$11,000 or 10.5% which gives us some contingency in case of any unforeseen issues, and the possibility to come in under the amount - \$107,983.80 that was approved
- Money in the quote to utilize a past town inspector to support the time line
- Estimating 8-12 weeks to complete

HOME FIXZER QUOTE								BOB ANDERSON QUOTE					
Include in Tier 1				Material cost	Labor	Total cost	Total cost Include in Tier 1				Total cost Include in Tier 1		
Tile work	x	Floor	1A	Remove all Lobby and elevator floor tile	800		\$15,200.00	\$21,000.00				\$31,146.10	
			1B	Install Providence Bianco wood plank porcelain tile on Lobby floor and elevator floors	\$5,800.00	\$14,400.00	\$5,800.00						
			1C	Grout Mapei ultra color plus 5014 Biscuit			\$0.00						
	x	Column	2A	Install - HYDRA II CALACATTA MOTHER OF PEARL WATERIET MARBLE MOSAIC on all 4 sides of column with 1/2" Brushed gold Schluter edging on corners	\$3,700.00	\$1,600.00	\$5,300.00	\$5,300.00	1 showed 4949 material	\$4,919.18	\$4,000.00	\$8,919.18	\$8,919.18
	x	Elevator walls	3A	Install Dream -Pearl Polished glass tile vertically (aligned) 2 wide on all 8 corners - with 1/2" Brushed Gold Schluter edging on corner and inside edge	\$3,400.00	\$4,000.00	\$7,400.00	\$7,400.00	1 showed 1309 material	\$1,308.72	\$6,000.00	\$7,308.72	\$7,308.72
			4A	Misc corner boards, grout etc	0		\$0.00	\$0.00		1000		\$1,000.00	\$1,000.00
		5A	Removal and reinstall base board, Paint as required	\$1,500.00		\$1,500.00	\$1,500.00	#	0	\$3,800.00	\$3,800.00	\$3,800.00	
Wallpaper & Paint quote separately	x	elevator walls	6A	Smooth and paint walls on 3 sides of elevator shafts, Paint to be SW 6218 blue	Smoothing included in item 3A, paint included in item 9A			\$0.00		\$4,000.00	\$4,000.00	\$5,600.00	
			6B	Smooth and paint walls on door side of elevator shafts, Paint to be SW 9541 Snow White	Smoothing included in item 3A, paint included in item 9A			\$1,600.00		\$1,600.00	\$1,600.00	\$1,600.00	
	x	Conversation area	7A	Smooth wall for wall paper install			\$1,900.00	\$3,291.00		\$2,000.00	\$2,000.00	\$4,453.00	
			7B	Install wallpaper (Thibaut Geode T10969)	\$1,391.00	\$1,900.00	\$1,391.00	\$1,391.00	\$1,062.00	\$2,453.00	\$2,453.00		
	x	elevator vestibule ceiling	8A	Smooth ceiling for wall paper install	included in items 22a & 22b			\$1,698.56	\$1,698.56	\$500.00	\$500.00	\$2,702.56	
			8B	Install wall paper (Vahallan Crystalline Amazonite)	\$1,698.56	Included in items 22a and 22b		\$2,202.56	\$1,698.56	\$504.00	\$2,202.56	\$2,202.56	
	x	All other walls (shown in yellow highlight on slide 2)	9A	Paint walls white snow SW 9541 (not to be smoothed)	\$6,800.00		\$6,800.00	\$6,800.00	\$3,900.00	\$3,900.00	\$3,900.00		
	x		10B	Paint soffit white snow SW 9541 (not to be smoothed)	Included in 9A			\$0.00	\$0.00	\$1,200.00	\$1,200.00	\$1,200.00	
	x	All garage and trash access doors	11B	Install clear pastic corner beads on trash room door and all garage access doors - ALL DOORS AND CORNERS	\$580.00		\$580.00	\$580.00	add 500 estimate	\$500.00	\$500.00	\$500.00	

Include in Tier 1				Material cost	Labor	Total cost	Total cost Include in Tier 1				Total cost Include in Tier 1
Lights quote separately	x	12A	Install led lights in soffit including elevator vestibule- dimmer in FAP	\$800.00		\$800.00	\$800.00	add 1000 estimate	\$1,000.00	\$1,000.00	\$1,000.00
			13A	Remove and replace can lights with Square LEDs in material and soffit including elevator vestibule- dimmer in FAP	\$1,400.00		\$1,400.00	\$1,400.00	add 1000 estimate	\$1,000.00	\$1,000.00
	x	13A	Remove and replace can lights with Square LEDs in material and soffit including elevator vestibule- dimmer in FAP	\$1,400.00		\$1,400.00	\$1,400.00		\$1,200.00	\$1,200.00	\$1,200.00
	x	15A	Remove & replace all 8" can lights in seating area with 4 square LEDs, box changing lights switch consult separate (not including mail room)	\$350.00		\$350.00	\$350.00		\$700.00	\$350.00	\$900.00
	x	16A	Run power to and install pendant lights in front of elevator vestibule wall on right side of existing sconce feed	\$598.49	\$500.00	\$4,419.75	\$1,098.49		\$3,618.75	\$350.00	\$3,948.49
	x	17A 18A	Run power to and install pendant lights in front of elevator vestibule wall on right side of existing sconce feed	\$2,619.75	\$1,800.00	\$4,419.75	\$4,419.75		\$2,619.75	\$700.00	\$3,319.75
			Right side of existing sconce feed	\$800.00		\$800.00	\$800.00		\$400.00	\$400.00	\$400.00
			Remove metal on elevator wall	\$903.00	\$800.00	\$903.00	\$903.00		\$903.00	\$700.00	\$903.00
			Can be metal on elevator wall	\$800.00		\$800.00	\$800.00		\$400.00	\$400.00	\$400.00
	x	18A 19A	Install 3 LED square lights on each side of elevator detail for elevator wall	\$903.00	\$0.00	\$903.00	\$903.00		\$900.00	\$900.00	\$900.00
Install 3 LED square lights on each side of elevator detail for elevator wall			\$903.00		\$903.00	\$903.00		\$903.00	\$903.00	\$903.00	
Install 3 LED square lights in hall by east elevator			\$750.00		\$750.00	\$750.00		\$900.00	\$900.00	\$900.00	
x	20A	Install 2 LED square lights in hall by west elevator	\$500.00		\$500.00	\$500.00		\$600.00	\$600.00	\$600.00	
ceiling rework	x	Elevator vestibule	22A	remove soffit		\$5,700.00	\$5,700.00		\$4,000.00	\$4,000.00	\$4,000.00
			22B	install tray ceiling woodwork with crown molding to allow for LED lighting			\$500.00	\$500.00		\$500.00	\$500.00
ceiling rework	x	Elevator vestibule	23B	Install tray ceiling woodwork with crown molding to allow for LED lighting	\$5,700.00	\$5,700.00	\$5,700.00	Need cost for tv- 500 and feed 500 total add 500	\$4,000.00	\$4,000.00	\$4,000.00
								add 517 material and 150 labor total 667			

Public Adjuster Update

21-Jun	RFI (Request for Information from Carrier) documents were submitted to carrier on 06/21/2024.
11-Jul	Joint reinspection by Sedwick, Altieri, Envista (carrier's forensic experts), Walker consulting (Merlin Laws forensic consultant), Merlin Law, and Texas Piers consulting (here for original inspection after lan. A total of 9 units were inspected
4-Sep	Carrier requested that all units be inspected in same manner that the 9 units were on July 11.
	Claim to be submitted to carrier by no later than September 28th (2 year anniversary) in additon civil remedy
Week of 16SE	DR Jain and Alteri reviewed DR Jains findings and developed a revised Claim
20-Sep	Updated Claim and Proof of Loss received September 18 and reviewed on September 20, a few changes required
23-Sep	Revised Proof of Loss executed and Notorized

Floor	Unit number					
PH2	3H1	3H2	3H3	3H4	3H5	3H6
PH1	3P1	3P2	3P3	3P4	3P5	3P6
8	381	382	383	384	385	386
7	371	372	373	374	375	376
6	361	362	363	364	365	366
5	351	352	353	354	355	356
4	341	342	343	344	345	346
3	331	332	333	334	335	336
2	321	322	323	324	325	326
1	Fitness	312	313	314	315	Guest / social
L						
	4/17/2024	Inspection with DR Jain, and Altieri				
	6/4/2024	Dr Jain, his apprentice and Pete				
X	7/11/2024	Joint inspection carrier and Merlin				
red font	9/4/2024	carrier inspection of ALL remaining units, merlin present				

- Prior estimate from Altieri our public adjuster was an ACV of \$2,128,623.28
- Estimate from Altieri after Dr. Jain's forensic report is an ACV of \$4,338,273.96
 - NOTE this is the loss we are claiming BEFORE deductible, and we will soon begin to see the reaction of the carrier, and their forensic experts rebuttal.
- Recall that our carriers view of the damage did NOT clear our deductible of \$925,820.50
- Largest variances to the carrier's original view is Painting, Garage decks, Sliders, fixed windows, single hung windows.
- We will now be getting ready for next step which is most likely working with Merlin law to develop some sort of legal solution.