

EastBluff #4: Special Assessment Project Update

August, 2020

Summary: EB4's Plan for a Viable and Thriving Community!

- ❖ Our aging infrastructure will continue to deteriorate if not repaired. Currently, we do not have sufficient financial reserves to fund these needs.
 - ❖ Board has developed a two-phased, multi-year plan to address our aging infrastructure and return EB4 to financial viability:
 - Phase I (2020)--Compile project data and specs to update Reserve Study, prioritize repairs, determine funding requirements, and address financial and operating deficiencies to avoid or limit need for a Special Assessment.
 - Phase II (est. 3-5 years)--Complete identified repairs over time to smooth financial burden. Review, update and revise remaining plan as needed
 - ❖ Returning EB4 to financial stability will take time and tighter financial/project management.
 - Financial Management--Collect aged receivables, periodically re-bid material operating contracts to ensure cost effectiveness, reduce discretionary expenses, return water heater replacement to residents, and defer earthquake insurance,
 - Project Management--Implement governance process under Construction Committee to ensure infrastructure projects contain sufficient specs to hold contractors accountable, are awarded only thru multi-bid processes, and project sign-off/acceptance occurs before final payment.
 - ❖ Subject to sufficient funding, complete gutter project before the next rainy season and begin Phase II in first half of 2021
 - ❖ Monthly progress reports will be provided to Residents and Town Hall meetings will be conducted to discuss Phase I results and Phase II alternatives on or before 2021 Annual Meeting.
- ➔ ***While a plan does not guarantee success, the absence of a plan almost ensures failure!***

Projected Timeline

❖ Phase I:

- Initiate process to assemble data, project specifications and costs for Reserve Study and Special Assessment determination--**6/1/2020**
- Gutter Project:
 - Coordinate with Avalon to request bids from 3-5 qualified contractors--**8/15/2020**
 - Select contractor and negotiate contract for Gutter Project--on or before **9/15/2020**
 - Subject to sufficient funds, initiate project--**Q4**
- Submit Reserve Study data (specs and estimated costs for identified project categories) to SCT--**10/1/2020**
- Finalize 2021 Budget--**10/31/2020**
- Board Approval of 2021 Budget--**third week of November 2020**
- Distribute 2021 Budget--**11/30/2020** (60 days prior to FYE)
- Distribute Annual Disclosure to Association membership--**12/31/2020**
- Town Hall meetings with Residents to discuss Special Assessment recommendation and alternatives, and long term Capital Improvement Plan--**target December 2020 and January 2021.**
- Present recommendation for Special Assessment to Residents for vote by 2021 Annual Meeting--**January 2021**

❖ Phase II:

- Subject to sufficient Reserves, initiate capital projects--**first half of 2021**
- Continue to implement projects over an estimated 3-5 year timeframe and update project cost estimates and prioritization at least annually.

Progress Update

❖ Timeline:

- Initiate process to assemble data, project specifications and costs for Reserve Study and Special Assessment determination--**6/1/2020 Construction Committee continues to work with OSJ to develop specs for select Reserve Study components and infrastructure repairs. On track to submit Reserve Study data to SCT on or before 10/1.**
- Gutter Project:
 - Coordinate with Avalon to request bids from 3-5 qualified contractors--**8/15/2020 Proceeding on schedule**

❖ Financial Management:

- **Board/Finance Committee working to collect aged Receivables, which have increased to \$117,000+ as of August 7th.**
- **Landscape Committee finalizing recommendation to move forward on subsidized turf replacement opportunity**
- Board/Finance Committee working to return responsibility for water heater replacement to Residents--estimated save \$30,000 per year.
- **Project Management:**
- **OSJ Town Hall: On July 30th, OSJ Engineering presented "Specifications 101" to residents.**
- Reserve Study: Construction Committee continues to work to obtain data and specifications for Reserve Study and Special Assessment determination. RFPs sent to multiple contractors to obtain cost estimates on multiple projects
- Gutter Project: On track to select new contractor and complete contract on or before the 9/15 target date.