

**Cowpet Bay West
Board of Directors Meeting
April 11, 2012**

Present: Ed Wardwell, Rosie Wells, Bill Canfield, Sharon Koehler, Herb Horwitz, Doug Rebak (by phone conference), Jon Cassady, Louanne Schechter
Owner's in attendance: Judi Kromenhoek and by phone Lance Talkington

Approval of Minutes of March 6, 2012: There being no objections to the minutes, a motion was made to approve the March 6, 2012 minutes as recorded. All were in favor.

Treasurer's Report: Sharon's report is as follows:

Bank balances – March 31, 2012

General and Special	\$ 87,000*
Reserve	\$397,335

*Owed to Reserve \$38,355

**Owed to General \$11,550

Outstanding accounts and fines

Due 3/31/12 (no dog fines)	\$ 28,171*
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Dog fines billed, unpaid	\$ 4,900
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*Gate fine included \$5788

Review of QBB-1st Quarter 2012

Gray water/Pot. Water \$7,500 over

Building Repairs \$6,000 over

Security \$8,000 over

Legal fees \$8,000 over

Masonry \$3,000 over ANNUAL

Stairs & rails \$7,000 over

Funding Insurance Policy

We collect \$23,700 in insurance income every month from our owners. Our April 1 payment for our new policy was covered by our return premium. We have a May and June payment due of \$ 86,122(each); a total due of \$172,244.

Ideally we will have our April, May and June collections(\$71,100) to put toward part of the remaining premium due.

As discussed at our special insurance meeting, it is the board's plan to borrow, in the form of a loan to be repaid, the funds necessary to pay the remainder of our principal from our Reserve account. There will need to be a Board resolution to accomplish this transaction.

Manager's Report:

Systems: The gray and fresh water distribution systems filters were changed on the first Tuesday of the month.

Doug asked why the gray water last month became dark and dirty. Jon was not aware there was a problem. Sharon stated that the gray water in her unit is getting progressively worse. Doug suggested the intensive rain storm may have affected the gray water. Jon stated the cistern is covered and rain should not affect the cistern. Following discussion, apparently Leeward gray water has more sediment than Windward. Jon will investigate the problem.

Bill stated he spoke with GE Representatives regarding a new RO system. GE would like to come out next week and assess the property. The representative has indicated there would be considerable savings to CBW. GE would provide the system, as well as the monitoring and maintenance. CBW would pay for the water usage. GE would also be interested in replacing the water meters.

Jon stated that all systems were operating efficiently.

Responding to the quarterly report of "overages", Jon noted that his expenses, if averaged over the entire year, would be within the limits of the budget.

There was one issue with a raw sewage lift pump located by the yacht club last month, leaving only one pump operating to push uphill to the WWTP. The pump had to be pulled up from the raw sewage pit to be inspected. The impeller was jammed by a large piece of concrete that was in the pit. The concrete was removed and the impeller spun backwards and restarted. To prevent further jamming, the pit was drained, power washed, the gray water cistern was cleaned. There was a considerable amount of grease in the sludge that was removed. There was no obvious explanation for the grease.

Building Repairs: Predominantly we are repairing water leaks. We have had several this quarter. There is no preventative measure.

Security: The dollar amount in the budget is due to increasing the hours of the guards. The owners requested and the Directors approved increasing hours for guards on weekends and from 4p-6p. Bill said he spoke with the head of security, Dean. Dean suggested the guard walk 20 minutes, then return to the guard house 20 minutes, rather than only monitor the gate. Bill also suggested the golf cart be utilized by the guards to monitor the property.

Jon and Bill will meet with Dean and revise our current plan.

Additional cameras were discussed with Alert 1. Bill believes the expense of cameras is not cost effective. He stated a 6 by law a 60% head shot is required.

Masonry: We have completed the cistern repair, sealing and clean-out and began some of the crawl space spalling projects as the budget permitted. The annual masonry budget is exhausted and the project is on hold until the next budget year. Jon estimates that 25% of the spalling repairs were completed.

Stairs and Rails: The project is on hold. The upfront cost of \$14,000 was materials. Jon has estimates of \$250/stair. At this cost, the project would be on target for the annual budget.

Insurance Committee Report: Mapfre representatives visited CBW and brought the policy. The owners received a copy of the comfort letter. Owners are being offered a 25% discount for HO6 policies.

Property and Planning Report: Max held a meeting on solar energy. The minutes are as follows:

Purpose of this meeting: The purpose of this meeting was to examine some possible options for using solar energy to offset our WAPA electrical bills.

Mr. Rosen was invited to tell us about his company and how they might fit into our long-term planning for the use of solar energy to ease our WAPA bills. Prosolar is grid-tied photovoltaic (PV) system

company that began in Florida and started in St Thomas last year. They have installed 5 systems on St. Thomas, and gave us the names for reference. They have established an excellent working relationship with DPNR and WAPA, and have had no permitting problems.

Max made sure everyone knew this was an exploratory conversation, and CBW is just beginning to look at PV system possibilities.

In preparation for the meeting Max had called Michael Bornn at Montessori to discuss their system choice and vetting process (at Anna's suggestion). He also met early with Peter, and they walked the property to examine such things as roof structure and orientation and electrical disconnects.

Peter explained that WAPA allows only 100 KW PV systems per each meter. The VI Energy Office is out of rebate money and the federal 30% rebate is not available to non-profit organizations like condo associations.

To buy a 100KW PV system, which would cover about 8000 square feet of roof area, would cost about \$400K-450K installed. A more feasible approach may be to lease the system from Prosolar, and they would provide a guaranteed amount of power. Such a system would cost Zero down, and be financed for 7 to 12 years at an agreed interest rate (perhaps 6%). The amount financed would be about \$375K since the contractor/installer could take advantage of the federal rebate. Much of this would be very negotiable.

The expected power produced would be worth about \$6K per month at current rates, and the loan payments would be about \$3k per month. This would provide an estimated savings on our WAPA bill of \$3K per month.

We then spent some time with Jon discussing roof mount attachments, and how a PV system would tie in to our electrical system.

Max asked the Directors if there was an interest in following up on solar energy. The Directors support the concept of solar energy to defray the increasing cost of WAPA as a long term (2-3 years) project.

Max will be having a telephone call-in conference for his committee in May.

Security Committee Report: Bill stated he has one owner interested in the committee. Bill stated he has spoke with the head of our security and agrees the guards should be roving the property rather than guarding the electric gate.

Registration of By Laws: Ed stated he has obtained the opinion from our legal counsel that we hold in abeyance registration of the By Laws until the Association obtain approval from the owners (2/3 of owners) to change the no dog wording to the paragraph that the attorney has recommended:

No dogs are allowed on the property, either long term or visiting. Owners or occupants who have properly documented and verified disability as defined by Federal Law may make a request for a reasonable accommodation and exception to the prohibition on dogs on the property. An owner or occupant seeking an accommodation can do so in writing to the Board. The request shall include (1) identification of the Owner or occupant seeking the accommodation; (2) explanation of the relationship between the requested accommodation and the disability; and (3) verification of the disability and need for accommodation as set forth in this rule. To facilitate the Board's review of each request for an

accommodation of a non-obvious handicap the Board may require (1) the submission of documentation verifying that the person meets the Federal Fair Housing Act's definition of disability; and (2) documentation from a doctor or other medical professional who is in a position to know about the individual's disability, and that the requested accommodation is related to the individual's disability. All information submitted to the Board that is necessary for the evaluation of the reasonableness of an accommodation will be kept confidential.

By changing this paragraph the By Laws will bring the Association into Federal compliance. Herb and Bill volunteered to assist Ed in contacting the owners and obtaining the 2/3 necessary vote.

Action Items:

Amend February Minutes by 3/12/12	Rosie	Done
Resend Amended Minutes to Board Members	Louanne	Done
Change Signatories on First Bank Account	Sharon, Ed, Bill, Rosie	Done
Open additional accounts to maintain FDIC coverage	Sharon	Will open checking account
Transfer of funds from First Bank to operating account	Sharon	Hold
Organizational Minutes	Max	Done
Annual Minutes with Amendments completed by 3/15	Rosie	Done
Provide protocol for release of funds	Sharon	Satisfied with current procedure
Add employee severance to budget as a liability line item	Sharon	Done
Installation of Manual Gate completion date 3/15/12	Jon	Done
Security Committee Review of Bid from Alert 1	Bill	Done
Adjust placement of NO DOG signs and add 2 by 3/9/12	Sharon	Done
Rails painted –starting this week	Jon	Metal done wood rails in progress
New Base on roadside sign	Jon	Replace sign
Step & Bracket Replacement; evaluate recent work	Jon	On-hold
Owner Workshop	Jon	Done
Drip Edge on L-6, L-10, W-26,	Jon	Material on island
Contact Chuck Waggoner re: By-Laws	Ed	Done
Contact Maria Hodge re: By-Laws	Ed	Done
Mailboxes: Replace shingles and paint by next Board meeting	Jon	Done
Assign employee parking	Jon	Done
Repaint numbers on parking spaces next week	Jon	75% Done
Directors don't like color want redone with teal paint		
L-3 re: Discuss owner responsibility	Ed	Done
L-01 Patch and Paint area used to repair water leak	Jon	Done
L-06 Patch and Paint area used to repair water leak	Jon	Done
Entry Gate: obtain police report/begin repairs	Jon	Police Report not available.
Employee Shirts	Louanne	Done
W-12 Condensation issue	Ed	Done
W-27 Suggest electrical inspection	Ed	Done
Letter to GE	Bill	Done
Solar Energy Company research	Max	Done

New Business

W-35 Repaint the edge of the porch following the tile installation.

W-07 Ed spoke with the owners last week. The issue is between the owner and the contractor.

L-50 Doug request his roof be painted as the patching of leaks has left it unsightly. Ed said he will discuss in Executive session.

Renewal of other Insurance Policies: Doug will follow up with the General Liability, D & O, and Vehicle Insurance policies.

May Board Meeting Schedule: May 8, 2012 at 8:45 AST.

Adjournment: There being no further business the meeting is adjourned. There will be an Executive Meeting in 10 minutes.

Action Items

Sediment in gray water	Jon
Checking Account	Sharon, Ed
Meeting with GE Representative	Jon, Bill
Meeting with Dean from No-Nonsense Security	Jon, Bill
Contact Owners to amend no dog policy	Ed, Bill, Herb
Replace sign on roadside (remove distance) and lower	Jon, Louanne
Repair fascia with drip Edge	Jon
Repaint parking numbers with teal	Jon
Obtain police report	Jon
Insurance Renewal policies-forward to Doug	Louanne