

**2023 Cowpet Bay West Annual Owner's Meeting**  
**February 18, 2023**

**Call to order:** The Annual Owner's Meeting was called to order by President Bill Hanson at 9:15am at the Caribbean Fish Market. The meeting was also held via ZOOM. Board members present were Bill Hanson, Mike Harrell, Jennifer Planeta, Kevin Gregory, Judi Kromenhoek, Sherri Levin, and Marilyn Blackhall. Matthew Willey, Property Manager, and Tanji Williams, Office Manager were also present.

**Roll Call:** Owners were directed to sign in upon arrival. Owners were asked to identify themselves as their names were called and owners that were holding proxies were asked to identify themselves as proxy holders. Owners on Zoom were authenticated when they registered for the meeting.

**Quorum Verification:** Tanji Williams announced that there was sufficient attendance and proxies (1/3 of authorized votes) for quorum. 35 units present.

**Proof of Notice of Meeting:** Documentation of notice was presented via email on December 12, 2022 and in the January 2023 Newsletter.

**Rules of Conduct:** Owners who are requesting to be recognized, should raise their hand, live or virtual, or stand to be recognized by the chairperson. Owners were informed to state their name and unit number before speaking, to keep questions succinct, to be respectful of those speaking, be prepared to provide verifiable and supporting information, when possible, state primary concerns, and leave time for others, and if a financial concern, specify the accounting information required to support your concern.

**Reading of the 2022 Annual Owners Meeting Minutes:** Motion was made and 2<sup>nd</sup> to waive the reading of the 2022 minutes. Copies of the minutes were made available for members upon request and were emailed prior to the meeting.

**Moment of Silence:** Moment of silence was observed for Mr. Browne, beloved landscaper who passed away from complications of COVID on December 25, 2022.

**Introductions:** Matthew and Tanji- CBW Manager's were presented, as well as the CBW Staff. Maintenance team includes, Sherman Williams, Renold Mothe, and Robert Dixon. Grounds staff includes Johnis Smith, Clement Mathurin, Manes Plaisimond, and Renel Gue.

**Dismissal of Employee:** On January 5, 2023, protective orders related to alleged criminal conduct by Arlington Graham were issued by The VI Superior Court prohibiting Mr. Graham from approaching two employees of CBW and from entering the Cowpet premises. As a result, and as the alleged criminal conduct is currently the subject of criminal investigations by law enforcement, Mr. Graham was terminated effective December 31, 2022, and directed not to return to the Cowpet premises. The Association was advised not to discuss this as there is still an on-going investigation.

**Acknowledgement of New Owners:**

**2022:**

L-04 Kathy and Matt Behouk  
W-10 Sherri Levin\*  
W-23 Zoe Banfield  
W-29 Cindy and John Stafford\*

**2021:**

L-03 Alan and Dawn Joseph  
L-15 Nicole and Christopher Johnson  
L-35 Vincent Moleski and Jeffery Swidor  
L-38 Ari Almani  
L-42 William and Susan Brewer  
W-03 Neal Buckley and Lisa Litner  
W-11 Larissa Staszkiw  
W-13 David and Mary Lutes  
W-17 Kimberly Cole  
W-25 John and Cindy Stafford  
W-27 Ricardo Alvarez  
W-34 Brian and Kate Luisi  
W-50 John Duncan  
W-51 John Duncan  
W-52 Stefanie Sibilly

**Motions and Amendments:** Owners were informed that, as we did last year, due do a combination of in-person and remote attendees, motions can be submitted in writing to be circulated among all owners for an on-line ballot.

The CBW 1974 Merger document and percent ownership values require an owner vote to pass the motions. Merger requires  $\frac{3}{4}$  approval, percent ownership requires unanimous owner approval.

All proposed By Law changes will be presented to owners for a vote.

**President's Report:** Bill Hanson

2022 Accomplishments include:

- Implemented new CBW employee performance-based evaluation procedures
- Resolved EPA citations for our WWTP
- Continued replacement of electric panels/meters
- Installed ventilation to reduce moisture under buildings
- Conducted property survey, defined lot lines
- Applied for Coastal Zone Management (CZM) permit
- Applied for Department of Planning and Natural Resources (DPNR) permit for site work
- Finalized 2020 audit, IAW VI Code requirements
- Resolved adverse possession concern (site survey)
- Constructed new entrance to STYC (walkway, stairs, move gray water overflow tank, relocate pump room)
- Broadened Wi-Fi coverage on property and added more security cameras
- Replaced/removed two transformers
- Purchased back-up generator
- Modified weather-proof enclosure for primary generator
- Rebuilt roof for WWTP sludge pit
- Repaired hazardous sidewalks

- Replaced two hazardous staircases
- Provided on-site trash service in compliance with VI law

Association Initiatives for 2023:

- Amend By Laws - 2023 (Advisory Committee)
- Validate 1974 Merger document (owner vote)
- Resolve percent ownership for stages (owner vote)
- Update Employee Manual (Advisory Committee)
- Update CBW Rules and Regulations (Advisory Committee)
- Water conservation initiative (Advisory Committee)
- Upgrade and expand waste water treatment plant
- Upgrade Reverse Osmosis plant – possible grant
- Structural safety and railing/stair replacement
- Property enhancements - additional landscaping
- Conduct follow-up building structural inspection
- Conduct 2021 & 2022 Audits
- Upgrade property irrigation system – WiFi based
- Monitor & control potable and waste-water cisterns
- Repair property security fence around WWTP
- Complete installation of solar panels
- Install back-up generator

Bill Hanson gives a break for questions and then Kevin Gregory, Insurance Chairperson, takes over. Chris Crowe, Rick Hunter, and Marilyn Blackhall are also on the Insurance Committee.

**Insurance Committee Report:** Kevin Gregory

In early January, the Insurance Committee initiated the process to review and renew our insurance policies. We asked our existing two brokers, Global Insurance Brokers, and Tunic Insurance, plus one new broker, Caribbean Risk Group, to identify insurance markets they would like to represent us with.

- Markets (i.e., Specific Insurance Companies) assigned to the brokers are;
- Global: Lloyds, Liberty Mutual, XL Specialty, Mapfre, Praico, and VI Guardian
- Tunic: Island Heritage, Dorchester, Nemwil, Chubb, AIG, Everest and Swiss Re
- Caribbean Risk Group: Royal Star Assurance

Brokers were asked to have proposals for us by March 1 to give the Committee time to evaluate them and ask for adjustments, options or ask any questions that arise.

<b>Cowpet West Replacement Cost 2021</b>					
<b>Gross Bldg Area Calculations</b>					
	<b># of Type</b>	<b>Unit Areas</b>	<b>Total Area / Type</b>	<b>Cost per Sq FT</b>	<b>Replacement Cost</b>
<b>Two Bedroom Units</b>	68	1110	75480	\$ 265	\$ 20,002,200
<b>3 Bed units Type A</b>	12	1470	17640	\$ 265	\$ 4,674,600
<b>3 Bed Units Type B</b>	12	1420	17040	\$ 265	\$ 4,515,600
<b>3 Bed units type C</b>	4	1446	5784	\$ 265	\$ 1,532,760
<b>4 Bed units Type A</b>	3	1894	5682	\$ 265	\$ 1,505,730
<b>4 Bed units Type B</b>	3	1808	5424	\$ 265	\$ 1,437,360
<b>Totals all Units</b>			127050		\$ 33,668,250
<b>Porches</b>					
<b>Entry Porches Upper Units</b>			10710	\$ 75	\$ 803,250
<b>Entry Porches Lower Units</b>			10710	\$ 75	\$ 803,250
<b>Upper Unit Balconies</b>			8211	\$ 60	\$ 492,660
<b>Lower Unit Balconies</b>			8211	\$ 60	\$ 492,660
<b>Totals All Porches</b>			37842		\$ 2,591,820
<b>Miscellaneous Infrastructure</b>					
<b>Managers apartment</b>			1141	\$ 265	\$ 302,365
<b>Generator Bldg</b>					\$ 330,000
<b>Treatment Plant</b>					\$ 300,000
<b>Locker Areas</b>					195000
<b>R.O Building</b>					\$ 81,540
<b>R.O. Plant</b>					\$ 225,000
<b>Sea Wall Along Shore</b>					\$ 500,000
<b>Security Gate</b>					\$ 52,000
<b>Total Miscellaneous</b>					\$ 1,985,905
<b>Grand Total for Replacement Cost</b>					<b>\$ 38,245,975</b>
<b>Notes:</b>					
We have taken into account that there will be an economy of scale when building a large project like the subject. There are minimal architectural fees and permitting fees when rebuilding after a hurricane. The bonding of contractors is not generally required when rebuilding either. The cost of these condos is not so high as the cost of building the types of resort condos being designed and built today, because new projects tend to be more ambitious and have more complex designs. These costs would cover cisterns, foundations, and the shell of the buildings including the roofs and the exterior doors and windows. The interior buildouts are not included here, as insuring those elements of construction are left to the individual unit owners and would include wall and ceiling finishings, interior doors, flooring, cabinets, electrical & plumbing fixtures and appliances and their installations.					

**Property Insurance – Global/Lloyds**

Total values (100% RC)	\$38,245,000
Limits	\$15,000,000
Wind Limit	\$15,000,000
Deductible (wind 3%)	\$ 450,000
Earthquake	\$ 450,000
Flood	\$ 10,000
All other perils	\$ 2,500
Premium	\$ 514,494

**Property XS:**

Limits	\$23,245,975
Sub-limit Wind	\$ 6,000,000
Deductible	3%
Premium	\$ 177,546

**Total Property Premium** \$ 692,040

**Directors & Officers Liability:**

Limits	\$3,000,000
Deductible	\$ 10,000
Premium	\$ 15,000

**General Liability:**

Limits	\$5,000,000
Deductible	\$ 25,000
Premium	\$ 8,850

**Auto:**

Limits	\$1,000,000
Deductible (comp/coll)	\$ 500/1,000
Premium	\$ 5,887

**Fidelity Bond:**

Limits	\$ 500,000
Deductible	\$ 5,000
Premium	\$ 1,107

**Workers Compensation:** per Statutory limits & premium

**Treasurer's Report:** given by Bill Hanson since there is not a current Treasurer.

**Bank Account Balances:**

As of December 31, 2022

- Reserve Fund (Merchants Bank) - \$758,658
- Insurance Fund (Banco Popular) - \$449,421
- Operating Funds (Banco Popular) - \$16,741
- Payroll Account - \$13,510
- Petty Cash - \$1,370
- Total: \$1,239,709

**Accounts in Arrears:**

- Collected on past-due owners accounts totaling \$52,134
- 1 owner's account in arrears (\$5,193.58), collection action
- Past due (over 60 days) account total \$0.00.

**Reserve Fund:**

- Once our Reserve Fund exceeded the FDIC insurance limit (\$250,000), we decided to move funds to several interest-bearing accounts.
- Keep \$200,000 in Merchants Bank
- Moved \$500,000 to Fidelity Investments
- Move \$27,000 into new CARP account
- Start funding CARP monthly with 25% of the Reserve Fund deposits.
- 75% will continue to go to Reserve Account
- Goal – maintain \$1,000,000 in Reserve Fund

**Capital Asset Replacement Program:**

- Reserve Funds for unplanned emergencies, CARP for planned replacement of capital assets
- Set aside funds to replace failing or obsolete capital assets – schedule replacement
- Avoids using Reserve Funds or an assessment
- Deficiency noted in 2020 audit
- To be funded by a portion (25%) of Reserve Fund deposits
- Capital assets summarized – life expectancy and replacement cost estimated, annual deposits computed

**Financial Report:**

- Need a Treasurer for the Association (Officer?)!
- Completed 2020 Audit IAW USVI Code, Title 28
- Just signed contract for 2021 CBW audit
- Intend to sign contract for 2022 Audit
- Received \$10,575 cash-back from CBW credit card
- Posting quarterly financials on owner portal
- Received tax clearance letter from IRB

<b>Cowpet Bay West</b>						
<b>Capital Asset Replacement Plan</b>						
<b>2023</b>						

		initial	remaining life	estimated future	predicted	Annual \$
	last done	cost (\$)	expectancy (yrs)	replacement cost*	year due	Set-aside
Reverse Osmosis System	1974		50	\$200,000	2024	\$4,000
Back-up generator	2022	\$50,000	25	\$60,000	2047	\$2,400
Roof replacement	2018		25	\$1,500,000	2043	\$60,000
Railing replacement	2023		25	\$1,000,000	2023	\$40,000
Primary Generator	2019		20	\$500,000	2039	\$25,000
Generator-switch gear	2019		20	\$50,000	2039	\$2,500
paint exterior of buildings	2019	\$350,000	5	\$400,000	2024	\$80,000
re-seal/surface roofs	2018		10	\$250,000	2028	\$25,000
pick-up truck (used)	2017	\$40,000	12	\$45,000	2029	\$3,750
dump truck			12	\$50,000		\$4,167
security gate			10	\$7,000		\$700
irrigation system & controllers	2008		20	\$25,000	2028	\$1,250
Gutters	2019				2019	
Security system (cameras)	2022		12	\$15,000	2034	\$1,250
solar panels (reinstalled)	2023				2023	
transformers	2022		12	\$7,000	2034	\$583
water system pumps	2018				2018	
electric meters	2021	\$85,000	25	\$100,000	2046	\$4,000
exterior building lights	2017		20		2037	\$0
parking area pole lights	2016		30		2046	\$0
golf cart (used)	2023	\$8,000	15	\$10,000	2038	\$667
					0	

**CBW Liabilities:**

- Outstanding balance of SBA loan \$667,145
- Potential WAPA settlement \$186,000
- Employee accrued severance payments \$60,418
- Solar panel/system loan \$44,385 (Merchants)

**Financial Initiatives:**

- Resolved past-due taxes and filed returns 2018, 2019 & 2020
- Separated CBW bank accounts and signatories to prevent co-mingling of funds:

- O & M – Banco Popular
- Insurance Account: -Banco Popular
- Future - Fidelity (core account)
- Reserve Accounts: Merchants Bank
- Fidelity investments (government backed securities)
- Capital Asset Replacement Program (CARP) – Merchants

- Conducted 2020 audit on our property IAW USVI Title 28 Property, Chapter 33 Condominium Act – required annually
- Conducted an appraisal for property value IAW CBW By Laws property value was \$26M, 2021 replacement value \$38,245,975, estimated current value \$40,000,000

Cost Saving Initiatives:

- Amex card – cash-back vs. points \$10-12K per year
- Solar System energy system savings
- Challenge WAPA estimated charges \$186,000
- Spare parts for critical equipment - avoid crisis
- Correct WWTP - avoid EPA citations and fines
- Avoid Coastal Zone Management violations/ fines
- Get (2-3) competitive property insurance quotes
- Eliminate financing for insurance premium \$11,400

Sherri Levin: The CBW 2022 P&L and 2022 Balance Sheet were distributed prior to the meeting. Sherri presents the 2022 Budget that was sent out to all owners prior to the meeting. Sherri takes questions.

**Old Business:** presented by Bill Hanson

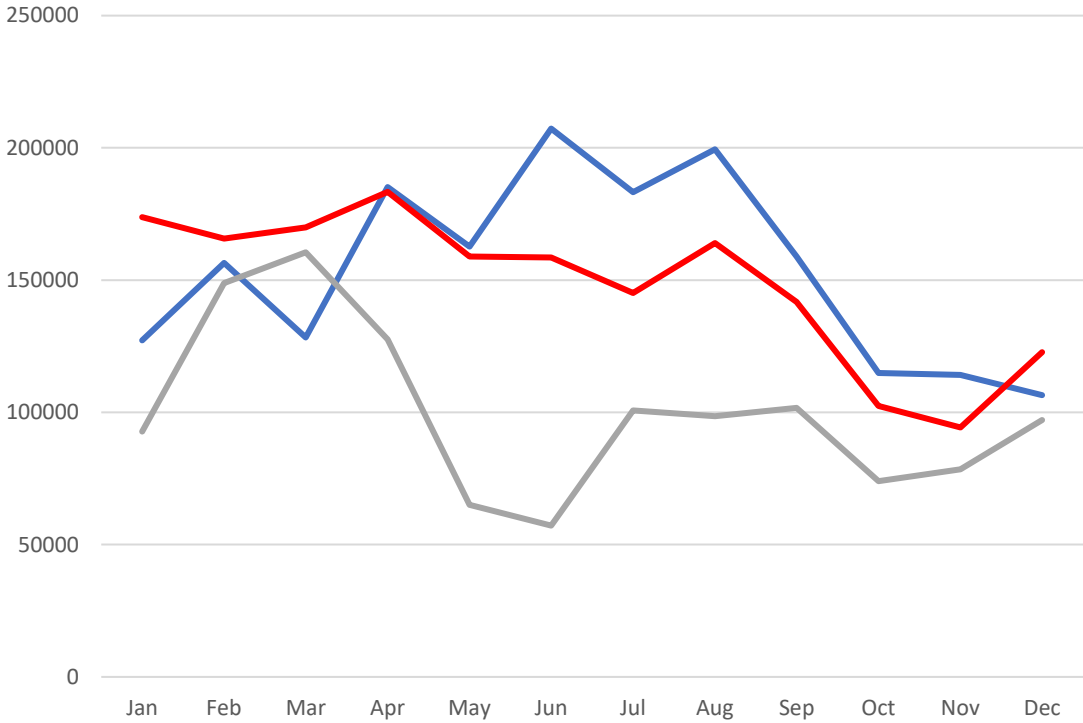
Property Survey Presented

Water Consumption:

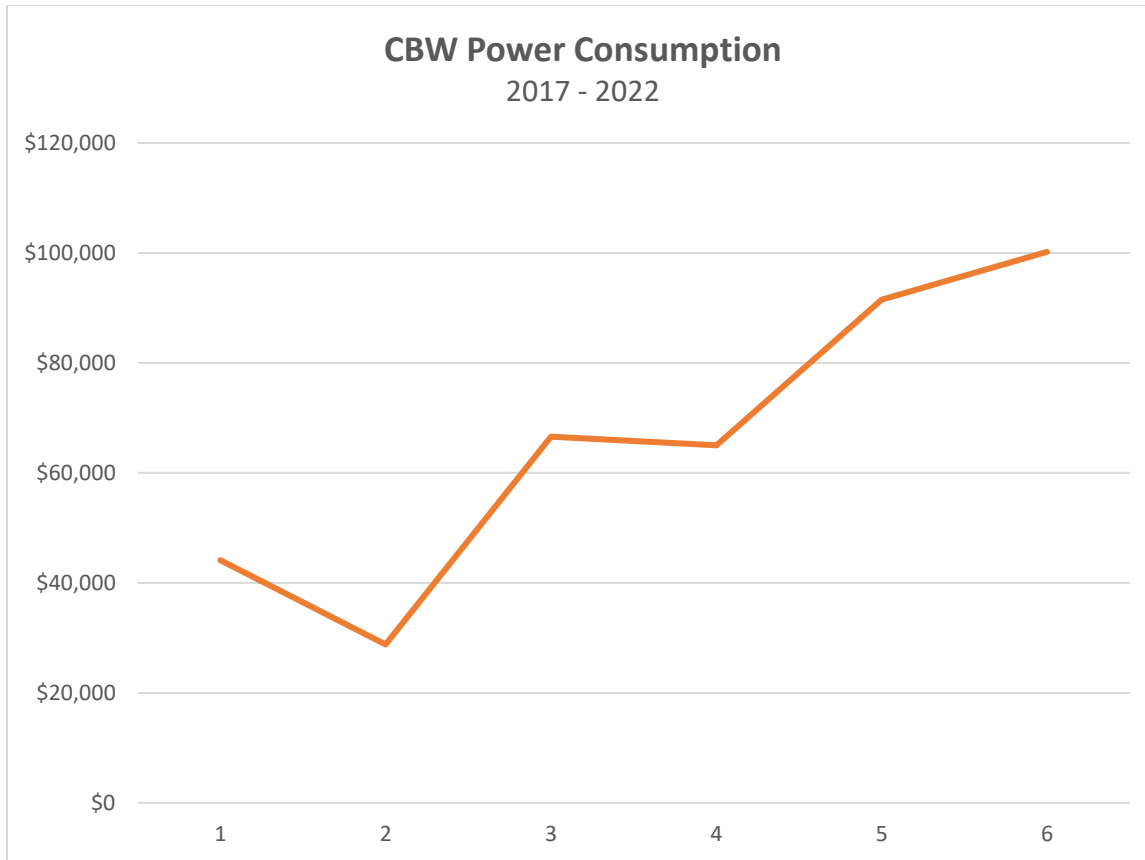
- Total water consumption increased **53%** in 2021!
- Association's average water consumption was 100,000 gal/mo in 2020, but increased to 150,000 gal/mo in 2021 and 2022
- January 2023 water consumption 195,020 gal, a **12%** increase over January 2022!
- Increase in water consumption burdens both our RO and WWT plants
- Increases cost for CBW electric
- CBW needs water conservation initiative!
- BOD considering a tiered rate structure to discourage excessive water use



### CBW Water Consumption



— 2021 — 2020 — 2022



#### Wastewater Treatment Plant:

- Treatment tanks deteriorating, needs repair
- Greater water usage burdens our WWTP
- New tank needed to accommodate future waste-water volume
- WWTP marginally able to properly process volume of water for toilets & irrigation system
- Results in EPA citations for quality of gray water
- Plan to expand WWT system with additional tank
- Consultant hired - Bioimpact, Inc.
- Architect hired – Emily Burton, RA, CSI
- New clarification tank design in-process
- Bidding process to begun once design complete
- Coastal Zone Management permit requested
- DPNR permit\* requested
- Estimated cost was \$130,000+ (last year)
- Deteriorating mortar between concrete blocks of current tank
- Now that we have CZM permit DPNR will allow us to move forward with constructing the new tank

#### Building Structural Safety:

- Continued concern for structural integrity of buildings due to building age and earthquakes
- Structural engineer performed inspection in 2020
- Identified high priority and secondary structural concerns

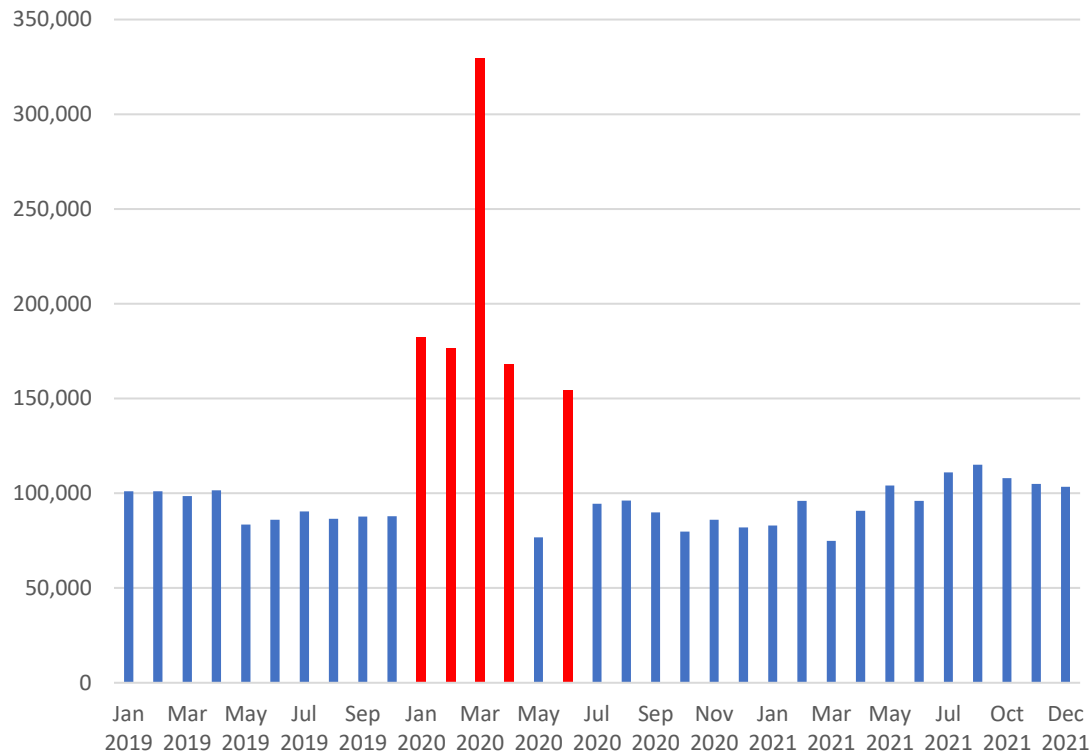
- Corrective action undertaken in 2021 & 2022
- Original columns made of cinder blocks
- Rebuilt columns with reinforced concrete
- Efforts to reduce moisture under buildings ongoing
  - Powered ventilation
  - Eliminating condensation from AC units
- Planning a follow-up structural evaluation 2023

WAPA Billing Estimate Appeal:

- 2020 WAPA billing estimates\* incorrect
  - Abnormally high usage estimates Jan – June
  - Typical usage about 100,000 KW per month
  - WAPA estimates 150,000-325,000 KW per month
  - This represents an overcharge of about \$186,000
  - CBW's first appeal rejected
  - Second appeal still pending
  - Remains a significant liability!
- \*WAPA was not reading meters at this time, but estimating power usage

## Cowpet Bay West Power Consumption

Data in **RED** WAPA Estimates



Break for questions.

### **New Business:**

### **Current Projects:**

-Solar Panels – reinstallation has begun, new cables and inverters installed, panels to follow

-Security – outsource the security service for 12/7

-Two companies responded, compared bids

**-4 US Security Company** chosen – started Feb 5<sup>th</sup>

-Guard house prepared\* for security guards

-Increase security cameras, 24 installed

-Lighting - upgrade property lighting for safety

-Landscaping project at two entrances underway

-Back-up generator purchased; installation scheduled

\* Security computer, AC, mini-fridge, desk, etc.

-Repair of back-up raw water line to WWTF

- Identify and purchase back up components for essential equipment (pumps, controllers, motors, etc.)
- Repaired serious trip hazards (23) on property sidewalks & stairs
- Install tank monitors as safeguards on cisterns
- Expand irrigation system to two entrances
- Purchased new 40KW Back-up Generator and automatic switch for potable and gray water delivery
- Developing a new online project tracking system
  - MaintainX- Workflow Management Platform
  - Acquired new on-line repair request & tracking app.
  - Log incoming owner repair requests
  - Tracks activity & progress toward completion
  - Provides valuable historical data
  - Quantifies number & nature of repairs
  - Since implemented in May 2022 over **344 owner repair requests** were received and resolved!

#### Capital Improvements:

- Entrance from St Thomas Yacht Club
  - Stairs did not comply with USVI building codes
  - Removed hazardous stairs , a liability
  - Landscape Committee researched new designs
  - Rerouted entrance around buildings
  - Provided improved lighting
  - Relocated gray-water overflow tank
  - Relocated collapsing pump room
  - Built new walkway and approved landscaping
  - Built new stairs between Windward 8 & 10

#### Landscaping Projects:

- Plans to redesign front entrance by gate and circle.

#### Advisory Committees Formed:

- Water Conservation – crafting tiered cost structure plan
- Landscaping – implementing entrance enhancement landscaping plan
- By Laws – reports significant progress on recommended amendments to 2012 By Laws
- Employee Manual – updating CBW manual to comply with USVI Department of Labor

#### Potential 2023 Capital Projects:

- Additional Waste-Water Treatment tank
- New Reverse Osmosis plant – grant available
- Continued repair of building structural issues
- Auxiliary parking area for excess vehicles
- Upgrade irrigation system
- Back-up generator installation (March 2023)
- Possible replacement of main entrance gate
- Replacement of railings and stairs to units – collecting info on materials, design and cost

#### **Motions:**

- 1) Validate the 1974 Merger Document:
  - Voting requirement: 75% owner approval

2) Amend the 1998 By Laws:

- a) Accept the percent ownership established in the 1998 Amended By Laws
- b) Amend the 1998 By Laws to include compensation for catastrophic loss of the property

Voting requirement: 100% owner approval

**Q&A Session:**

- Provide motions or amendments through email to the CBW Office
- Motions will be distributed for on-line voting by all owners
- Future By-Law changes will require 2/3 majority

**Election Results:**

-Election Runner was unable to provide the results to the election, so results will be released as soon the office receives. Expect them to come via email.

**Meeting Adjourned:**

-There being no further business, the meeting was adjourned at 11:30AM.