**Clubhouse Moisture Issue – UPDATE**

Currently, the POA is scheduled to spend approximately $80,400 in Asset Replacement Funds toward fixing the moisture issue in the Clubhouse. However, this is not all of the funds that will be required to resolve the issue. To date the following work has been or will be completed toward resolution of this issue:

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| HVAC Air Intakes with associated roof components-Replaced |
| HVAC Unit #2 -Replaced |
| Attic Dehumidifiers-Added, removes moisture from the attic space |
| Replace HVAC Condensation Drain Lines |
| Mechanical Engineer |
| CH outside drainage system-New, carries moisture away from the building |

This first phase will be focused on bringing about a resolution that will permanently fix the HVAC systems issues. The HVAC issues are responsible for most of the moisture within the building. This phase has been split into Level 1 and Level 2 by the Engineer which corresponds to the first and second floors of the Clubhouse respectively. The Engineering Report for Level One of the building has been received and reviewed by the Board. The Board after fully considering the information in the report has chosen to go with the Engineers recommendations for Zones 1-4 and has chosen Option 4 for Zone 5, the most complicated part of this phase. The other options pose space limitations, noise issues, code restrictions and appearance issues. Additionally, Option 1 is extremely expensive. The Board has determined Option 4 presents a permanent solution and preserves the appeal of the facility for the community and its guests. The Engineer has been asked to draw up the bidding documents necessary to move forward with Level 1. Once the Level 2 report is received, which will be less complicated portion of this phase, the Board will move forward with the review and selection of the solution.

Next, there may be other building areas that are bringing moisture into the building that may need to be fixed. Additionally, there may be costs associated with cosmetic fixes that need to be completed due to moisture damage. Keep in mind that an environmental engineer will need to be consulted to determine if water damage in the walls and attic have led to mold or other issues which will need to be addressed.

The Replacement Fund began August with $457,171 and now stands at $427,969 with the addition of the second installment of the budgeted contribution to the account for this fiscal year. Please expect for this balance go down as we continue to fund the fixes required by the building issues identified as being caused by the moisture issue.

The next update will be issued as soon as the Bids and/or the Level 2 report are received.