

KIAWAH ISLAND
COMMUNITY
ASSOCIATION

BOARD OF DIRECTORS

Meeting Minutes

May 6, 2024 at 3 p.m.

Virtual and In-Person Meeting

Board Members Present:

Kevin Donlon, Chair

Dwight Williams, Vice Chair

Lisa Mascolo, Treasurer

Paul Hennessy, Secretary

David DeStefano, Director

Cherie Gallagher, Director

Amanda Mole, Developer Director

Staff Members Present: Shannon White – COO, Tony Elder – Director of Ops,
Dale Schoon - Director of Finance, Ellen Festa – Executive Assistant

Member Attendees: (17 In Person / 14 Virtual)

Recording of Meeting: <https://www.youtube.com/watch?v=JpgBkNU5Scg>

1. Call to Order

Chair Kevin Donlon called the meeting of the Kiawah Island Community Association Board of Directors to order @ 2:59 p.m.

2. Chair Comments

Kevin read the following statement re: Captain Sams.

“As many of our members are aware, KICA has been working to enforce its rights under the ARDA since the expiration in December. On January 31st of this year, KICA entered into a settlement agreement with Kiawah Partners intended to effectuate a near-term transfer of the beach and marsh portions of the Spit that were promised to KICA for conservation.

KICA voted 6-0 to accept this settlement and received positive and supportive feedback from various parties, including the Kiawah Conservancy. Unfortunately, Kiawah Partners has failed to deliver a clean quitclaim deed for recordation that is acceptable to KICA.

At this time, KICA is collaborating with our legal counsel, as well as the Town of Kiawah and



Kiawah Conservancy to evaluate the next course of action. The KICA board takes it fiduciary duty in this matter very seriously. KICA has initiated multiple, lengthy meetings with both the Town and the Conservancy and continues to be open-minded and remain committed to working with these parties to accomplish our common goal - complete conservation of Captain Sam's Spit. The board has a duty to perform its own due diligence and challenge all the strategies and offers proposed as it seeks solutions that are best for KICA members.

This past week the KICA board formed a Special Litigation Committee that includes all directors except for the director appointed by Kiawah Partners.

We encourage thoughtful and constructive interactions in the weeks and months ahead. Logic, persuasion and facts are the most effective tools to build consensus.”

3. Member Comments – Agenda Topics

Member Maria Sanseri encourages the Board to read Tim Hazel’s email re: Captain Sams. Important to look at Section 16F of the ARDA and the importance of granting an easement to the Conservancy before any deed is conveyed.

4. Administrative

a. Announcement of Votes in Executive Session

- May 2 – Special Executive Meeting – Board voted to form a Special Litigation Committee of the Board for Captain Sam’s Spit. Board also voted to release Board statement re: Captain Sam’s Spit in weekly newsletter. Both votes were 6-0. Amanda Mole as Developer Director was not present.

- At today’s executive session:
 - Minutes for April 8 Executive Session were approved.
 - The Board voted to approve one (1) KICA member to the Human Resources Committee. Name to be announced later. The vote was 7-0.
 - The Board voted to approve four (4) KICA members to the Security & Enforcement Committee. Charter will be revised to reflect increase to (4) members. Names to be announced later. The vote was 7-0.

b. Approval of Minutes



- i. Kevin asked for a motion to approve the April 8, 2024 minutes. So moved by David D., seconded by Lisa M.

Paul H. commented that for every member comment raised at a Board meeting, the Board will strive to respond to them or refer them to the correct team.

Vote Passed: (7) In favor

K. Donlon, D. Williams, L. Mascolo, A. Mole,
D. DeStefano, C. Gallagher, P. Hennessy

5. Reports

a. COO Report – Shannon White

Shannon provided an update on drainage, current projects and future plans related to flooding and flood management. KICA has a large master drainage system throughout the island, runs through every residential neighborhood, under most of the golf courses and open spaces.

Factors that contribute to the successful operation of the drainage system:

(1) Operation of the Pipes Themselves

Between 1975-1981, over 78,000 feet of corrugated metal pipe was installed. We have been actively working on metal pipe repair/replacement for the last decade. \$1M budgeted annually for metal pipe repairs. Not experiencing the issues with sinkholes and collapsing pipes, as we were in earlier years. This work continues today.

(2) Bathymetry of the Ponds Themselves

In 2024, KICA is having bathymetry of its 122 ponds done. When complete in June, KICA will have three-dimensional maps to be compared to KICA's 2015 bathymetry survey, to understand how topography has changed and identify areas that need to be looked at more closely.

(3) Vegetation Surrounding the Ponds

In 2019, KICA undertook a major pruning project around its ponds. KICA had generally left its pond edges in a natural state, causing problems for the health of the ponds, debris into the drainage system and weakening the banks of the ponds. We have now completed 52 ponds and are in our 5th year of this project.

(4) Operation of the Largest Drainage Basins

KICA's drainage basins release water at low tide. Completion of electronic gates at our 2 largest drainage basins – Beachwalker & Canvasback – handle 70% of the island's



storm water and permit us to more efficiently operate these basins with the tides, either pre- or post-storm.

(5) Flood Management Projects

In 2020, 82% of members voted to support a series of 6 flood management projects. To date, 5 of the projects are complete. Final project area – the Trumpet Creeper drainage basin that impacts the drainage of Governors Drive in this location.

- Installing new outfall to the marsh at pond 056
 - Installing new gate which will increase the amount of water we can release
 - Approximately 130' of metal pipe being replaced - to be completed this summer.
- Most visible part of the project - managing rainfall at intersection of Governors Drive at Trumpet Creeper.
 - Stantec is in 3rd design of this part of the project. This will redirect water from Trumpet Creeper drainage basin to the Pintail drainage basin that can absorb more water during a storm. Last thing to resolve is how the new drainage line will cross over a KIU sewer force main. Stantec, our engineering team and KIU are working on this now. We are pushing to be out to bid on this project in late May.

Flood Management 2.0

As we near completion of the 6 flood management projects, Stantec is working on potential areas to consider for Flood Management 2.0.

- Update the hydrology modeling for the stormwater management system, based on the completed flood management projects.
- Identify up to 10 potential locations for improvements. We currently expect this initial work to be completed by late May.

We have also recently had Stantec update our outfall procedures report, which provides a framework for our team, as we make decisions about lowering drainage basins.

Cleanout of Drainage Lines

Prior to large, forecasted storms, we often bring a vacuum truck on island to clear out drainage lines in known problem areas. Our engineer is considering adding funding to the 2025 operations budget to more systematically clean major drainage lines on the island.



Royal Beach Drive – member complaint received about road condition and damage “rippling”. Three (3) new home sites in progress to be completed this year. Cost to repair road is \$100K which includes the base of road. Repairs to be scheduled and budgeted in 2025.

b. Finance Report – Lisa Mascolo / Dale Schoon

Dale S. reported on collection of assessments:

- 99.5% collected with 38 properties outstanding - \$78K.
- Following FCM process with statements are going out May 8, staff is working to collect more.
- Our attorney will send courtesy letters, liens placed in June.
- Late fees are being assessed monthly and restrictions will be placed on access at main gate and Sandcastle.
- Board will be notified of pending liens and reviewed in Executive Session 6/3/24.

CTR YTD is \$900K. 39 properties closed in April - \$510K. Cape will have 29 closings in May estimating \$525K in CTR.

Lisa M commented that the Finance Committee had their first meeting with the new FC members. Insurance remained essentially flat, which is a good thing. Good discussions with Cook St. who provided their investment report which is posted on the website. Quarterly financials also posted on the website and we’ll be talking later about the new Designated Cash Investment Policy.

Paul H. asked how it’s going with Employee Health Insurance now that it moved to self-insured last year.

Shannon said they just met with Wellnet and will be preparing a report for the BOD. On target but only have one quarter of data.

c. Joint ARB Task Force Update – David DeStefano / Kevin Donlon

Kevin D. stated that the TF has been working for 14 months. Phase I and Phase II reports have been issued outlining the problem and recommendations. Now moving into Phase III which is looking at the transition of ARB functions. KP has agreed to work with us on that transition and has provided a detailed transition plan. Jim Jarosik has joined the TF from KICA. David D. added that the document provided by the Partners is a good document, so



we won't have to start from scratch. We may not agree with everything but it's a good framework.

Kevin D. said KICA members on TF include himself, David D., Beverly Fieroh and Jim Jarosik. Town will be adding a member. Paul H. encouraged everyone to step up and get involved.

6. Old Business

a. Island Signage Update – Tony Elder

Tony Elder provided a status on signage across the island. Some regimes have changed their signs, some have not. Resort and KP still have signs that need to be changed. Regimes need to step up, however, they can choose to remove them.

Paul H. said this is a good topic for the new Regime Council.

b. Duneside MOU – Amanda Mole

Shannon gave a quick historical overview of MOU agreement between KICA and Kiawah Partners related to Duneside Road, Timbers and the Cape. Part of that agreement includes safety improvements, limits on traffic that can go down Duneside Road, ex: primary access to the Club, # of units on the road for the Ocean Pines project etc.

Amanda M. reviewed the slide with the consolidated site plan for Duneside and Ocean Pines development. No vehicular connection between Southern Pines and Beachwalker. Cape Point Rd will have private drive extension with parking and drop off for deliveries etc. Some Ocean Pines access will be through Duneside Rd. and Southern Pines Lane, remainder though Beachwalker Dr. Discussion on available parking spaces, and potential shortage of spaces for guests, club members etc. Concerns about parking on the street on busy weekends.

Kevin D. clarified with Shannon that the issue on the table is for KICA to tell the Town that we agree that this is in compliance with the MOU? Amanda has walked us through the plan and it's up to the KICA Board to confirm that the terms of the MOU have been met.

There's no vote today, but we did want to discuss this in public. Board needs to discuss. Concerns remain about parking.

7. New Business

a. Designated Cash Investment Policy (VOTE)



Lisa M. provided an overview of the new Designated Cash Investment Policy to govern designated cash funds managed outside the normal daily operations of the Association. There are long term cash investments and short term cash needs, this is cash that sits in the middle which is approx. \$4M. Finance Committee recommendation is that we should create a third bucket and advise Cook St. to look at ways to get a better return on this bucket. Lisa M. provided some clarity that this third bucket is separate from MR&R and Operating Cash. She also confirmed that the recommendation of the Finance Committee to proceed was unanimous.

Kevin D. asked for a motion to approve the Designated Cash Investment Policy as recommended by the Finance Committee. So moved by Lisa M., seconded by David D.

Vote Passed: (7) In favor

K. Donlon, D. Williams, L. Mascolo, A. Mole,
D. DeStefano, C. Gallagher, P. Hennessy

b. Proposed Covenant Amendments

Paul H. commented on Covenant Amendment process. Paul expressed his thanks to the Task Force who is meeting regularly and working hard, to the staff and to the Community for providing their input. It's important for them to be on board with the amendments since we need them to vote. Paul shared that this Task Force is just continuing the work done by the previous Governance Task Force on the By-laws and that the focus is on the 4 amendments. We recognize there may be other issues in the Covenants or other governance issues that may need to be addressed in the future, but right now the focus is on these 4.

Community Forum – received good feedback. Paul provided statistics on survey that went out about the amendments. Survey comments will be published anonymously. Amendments will be going to our attorneys for final review and comments, prior to going to the Board for approval, hopefully in June. Board will determine if attorney feedback will be shared with the public.

8. Board Member Comments

Paul H. apologized for a comment he made about the Governance TF workload and how it was harder than what the first Governance TF worked on with the By-laws. It was not intended to



be disrespectful to the work done on the By-laws by that Task Force and consider this a public apology.

Cherie G. feels we need our attorney's opinion on the MOU before the Board votes. On the Amenities Committee, we received 28 applications for 9 spots. Currently reviewing and will be making recommendations to the Board, hope to get started in June. Held a recap session with the Board Outreach and Education Committee, working on a report of that for next month. There will be openings on that committee as well. Newly formed Regime Council will be meeting on May 8. Topics include signage and getting the Regime's help on Covenant Amendments vote.

Paul H. shared he thinks the Regime Council is a great idea and would like an opportunity to attend a future meeting to discuss the Covenant amendments to garner support.

Paul H. commented that he doesn't agree with our Reserve Policy and the funding level – feels it's an important topic and something the community should pay attention to.

Lisa M. stated not all of our assets are covered by Insurance or MR&R, do we want to get to the place where we're 100% funded? This is something the Finance Committee will be looking at – the issue is how to fund it.

9. Member Comments

Member Phil Mancusi-Ungaro: Suggested change to minutes, he referenced a pedestrian controlled light at new cross location on Governor's Drive, not a warning light at second gate. He would like to understand this operationally. Glad to see attention given to flooding issues and that we have better data available. Is the Operational Procedures Report available to public? Shannon said Board hasn't seen it yet. Glad to see more money for more drain maintenance, can we free up money to check all drains before the hurricane season is here?

Shannon stated cost is approx. \$250K and it's not in operational budget for this year.

Kevin stated we need to see what is necessary and what needs to be done and what we can fund.

Phil also raised issue of gutter cleaning and sweeping.

Kevin D. said it's something the Security Task Force has been looking at, looking to coordinate with the Town, it's not funded operationally but it's on the radar.



Member Todd Boney: Commented on Reserve Fund funding level. If it's 60% funded, it's 60% of what? Understand what this means. Parking issue – consider parking lot attendants to monitor during holiday times. Regarding Captain Sam's Spit – is TOKI, KICA and Conservancy aligned?

David D. said we're probably 85% aligned which is why we continue to have meetings.

Member Beth Zampino: Asked what the strategy is for ADA Boardwalks.

David D. commented that making a boardwalk ADA compliant requires parking.

There's not much room for parking at many boardwalk locations. Board has looked at this.

Member Eniko Niklaus: Captain Sam's - hope the Board will make the right decision to conserve the property and consider how the deed will affect our island. Issue of gate at Sandcastle has been discussed for 8 or 9 years but has not happened. Parking is an issue, cars that don't belong park there. Consider color passes? Look at other ways to monitor.

Cherie G. has that on the Amenities Committee list.

David D. agrees with Todd B.'s suggestion of a parking attendant.

Shannon stated that in order to have a gate, we would need to eliminate parking spaces.

We're already at the correct # of parking spaces required by County code. Removing spaces would make us non-compliant.

Dwight W. said overall gate access on the island is an issue and something the Security Committee needs to look at it.

Member Alex Fernandez: Was glad to see our Insurance renewal was flat. Thanks to Paul on Governance TF work - urges Board to go out with E Member vote only – it is overdue. MOU issue with parking and where it's located in the parcel. Let TOKI figure this out, not a KICA issue, we should stay out of it.

Member Larry Wolahan: Comments on parking – only facilitated by Resort and Partners, nothing by KICA. On Amanda's slide, south of roundabout area, asphalt road crosses boardwalk and the sandy access road for emergency access.

Amanda said it's a relocation of the emergency access road.

Regarding ARB - does KICA have the right to act off island? Ex: Freshfields

David D. said TOKI can't enforce private covenants.



Amanda M. said Freshfields ARB is under developer control as a separate ARB – it's not a KICA issue.

Member Maria Sanseri: Amendment to remove E-Member. Feels it's something that should have already been done contractually, doesn't feel it needs an amendment.

Kevin D. stated the Board has discussed this at great length and has decided the amendment is the best way to do this based on information and input from legal counsel. He stated that Amanda, as Developer Director, has not been a part of any of these discussions.

Member Joan Hogrefe: Comments and concerns about MOU, traffic and parking on Beachwalker is going to increase and get busy. Please take this into consideration.

Kevin asked for a motion to adjourn. So moved by Lisa M., seconded by David D. Meeting adjourned at 4:54 p.m.

Respectfully submitted,

Ellen Festa, Executive Assistant

