

The Broadmoor Breeze



May 2022

A Publication for the homeowners/residents of The Broadmoor Huntington Harbour Community Association

President's Message

What is very loud, very messy, and took longer than anticipated? Answer: Sandblasting the bottom of the lagoon. The great news is that it is finished. Now comes filling the cracks, then sealing the entire bottom (and sides to 1" above the water level) with a color-tinted sealant. Finally, fill with water. We are racing to get this project completed and filled with water before the Governor imposes any statewide water restrictions. As I have consistently said, we are fortunate to live in north Orange County because we have plenty of water. However, as part of the state, we could be impacted if statewide restrictions are imposed by the Governor later in the year.

We live above an underground water basin estimated to be 60-million acre-feet of water, which is over two times the size of Lake Mead when it is full. The basin is replenished with 100 million gallons of highly treated wastewater each day. That amount will increase to 130 million gallons of almost distilled water each day next year. While other Southern California regions import most of their water from the Sacramento Delta or Colorado River (75% up to 94%), Orange County imports less than 23% of its water and in some years, none.

Please take the time to read the article following this letter. The article explains the finances of the HOA after undertaking the painting, woodworking, and lagoon issues. Thankfully, we have adequate reserves to pay for all the work without a special assessment or borrowing the funds. However, our reserve accounts will be dangerously low after paying for these projects and must be built up again. Please read what we think is a reasonable solution. If you have a better idea to replenish our reserves, we would like to hear it.

One thing we all have in common is the street named Grimaud. We all use it daily. Five years ago, a new slurry coat was applied to the road. It has held up well. However, some cracks need attention, and the middle

concrete drainage strip has some damage around the storm water grates. So, we are pursuing professional advice to see if we can delay any major recoating or work until next year.

The building painting is progressing smoothly. The PrimeCo crew is very good, respectful to homeowners, and easy to work with. The crew is smaller in numbers than when the project started, but they have learned our buildings and become more efficient. The advance painting schedule does get modified, so periodically check our website for the most up to date schedule information for your building.

All the best,
Garry Brown

Proposed Temporary Assessment Increase

At the May meeting, the board will consider a short-term assessment increase to restore the association's depleted reserves. First, the extensive wood work rehabilitation project will exceed the current allocated reserves for wood repairs by \$500,000. Second, during this project it was discovered that the framing and three of the six arched glu-lam beams supporting the lagoon bridges are significantly damaged from dry-rot, requiring re-building of a major portion of all three bridges at a projected cost of \$275,000 to \$300,000. And third, over the past year, the board has confirmed that the lagoon has been leaking for many years, with a concern that continued leakage could compromise the foundational stability of the buildings and streets along the lagoon. As a result the board has entered into a \$350,000 contract with a company which designs, constructs and repairs major water features in Southern California to repair the cracks and apply a cementitious sealant coat on the entire lagoon bottom.

The wood work project was a decision by the board to address as much of the deferred maintenance on all exterior wood elements before painting the buildings. This project was scheduled now to attend to long-accumulated damage and to eliminate or retard further damage to the buildings to preserve the integrity of the structures for many more years. Rather than just a slap a superficial coat of paint over existing rotted or damaged wood, the board took the bold and necessary step to address all eroded elements that would not last another 15 years or which would increase the risk of future building damage.

The lagoon bridges replacements were completely unexpected. However, when stucco was removed it was revealed that the original waterproof paper is completely fragile, torn, dissolved or missing, leaving the wood framing exposed to penetrating moisture which has resulted in structural dry-rot. The ends of three of the six arched glu-lam beams are dry-rotted and literally crumble in one's hand. Failure to address the bridges now could eventually result in complete failure in one or more of the bridges and potential risk of injury.

And finally, the leaking lagoon was discovered during the board's investigation of the persistent appearance of water in the middle of Bordeaux for over a year. While one of the City's unit service lines ultimately was found to be leaking as well, the water in the street consistently tested high in chlorine, confirming that water from the lagoon was leaking under the Bordeaux building, combining with the City's water leak, and percolating up into the street.

The total expenditures for these three projects exceed our current allocated line-item reserves by at least \$800,000, none of which could have been anticipated. Fortunately, the association's overall reserves are sufficient that the cost of these three repair projects can be funded by temporarily "borrowing" against other line-item reserves, therefore avoiding either an immediate special assessment or having to secure a bank loan and pay interest. However, borrowing from other allocated reserve line items is just a short-term cash flow arrangement. The excess reserve funds spent on these projects must be restored. (After these expenses, the reserves are projected to fall to less than 22%, which is well below the industry-accepted "healthy" level of 67 to 70%.)

The board will be considering a temporary \$90 increase in the monthly assessment for a period of 36 months. If approved, the increase will be 100% earmarked for reserve replenishment. At the end of 36 months, the \$90 assessment will automatically expire. (This short-term increase will restore \$790,560 to the reserves, after which reserves are projected to reach the 44% funding level.)

Alternately, if the board does nothing and allows the reserves (and the related monthly assessment) to remain unchanged, the funding for future repairs and replacement projects could be severely compromised. The 22% funding levels may also jeopardize homeowner's ability to refinance and affect new loans for purchases in our community. While no one wants to pay more than necessary in monthly dues, it is in our collective best interests to address the reserves in a fiscally responsible manner.

The three current projects will maintain and enhance our community and housing values. Any board action is designed to address responsibly the current and future need to maintain more healthy reserve levels. The board strives to find the right balance between affordability and proper funding to preserve Broadmoor's infrastructure and individual home values for the years to come.

[The accompanying photos are a sample of the issues discovered with the bridge support beams and examples of the lagoon cracks. Over 8,000 feet of cracks were measured in the lagoon's bottom.]



North Bridge: Main glu-lam beam dissolving in hand



Middle Bridge: Delaminating arched glu-lam beam



Lagoon Leak: Large cracks in lagoon



Lagoon Leak: Another larger crack in lagoon

BOARD OF DIRECTORS 2022/2023

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BROADMOOR CONTACTS

Broadmoor website: broadmoorhh.com
Front guard house: 562.592.4213
Powerstone Property Management: 949.716.3998
Property manager: Michele Rossi
mrossi@powerstonepm.com 949.535.4538
Maintenance issues: Oscar Hernandez
ohernandez@powerstonepm.com 949.508.1621
GateKey Vehicle Pass System: gatekey.com/resident-login

MONTHLY BOARD MEETINGS

Third Wednesday of each month at 6:00PM at Huntington Bay Club, 4121 Warner Avenue. All residents are encouraged to attend.

RESIDENT SERVICES CONTACTS

SPECTRUM COMMUNITY SOLUTIONS (\$53 of the monthly assessment includes 200Mbps internet, cable TV, DVR, internet modem/router & Showtime Premium Channels): 855.895.5302

BUTIN'S PLUMBING (for individual and common area plumbing issues): 714.670.1900

HUNTINGTON BEACH POLICE

Front desk/noise complaints: 714.960.8811
Parking control (non-emergency): 714.960.3998 ext #0

REPUBLIC SERVICES (trash and recycling):

Monday to Friday 7:30A – 5:00P: 714.847.3581

ORANGE COUNTY ANIMAL CONTROL

Monday to Friday 8:00A – 5:00P: 714.935.6848
After hours: 714.935.7158

COMMITTEES AND THEIR MEMBERS

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Condominium Board Members

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R-1 Board Member

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The **Broadmoor Breeze Newsletter** is posted by the 15th of each month on the association's website www.broadmoorhh.com. A copy of the newsletter is included with monthly statements. Any comments or suggestions should be emailed to the Powerstone property manager.

Email alerts: Always be up to date with important association information by signing up for automatic email alerts on the website.