



## President's Update

21 JAN 21

Dear Property Owners,

I wish that I did not have to make this statement again but since my last newsletter the virus situation in the United States has become much worse. During this COVID 19 virus crises in our country the Board would like first and foremost to say that our hearts and prayers go out to anyone who is being impacted by the virus, both directly and indirectly. Our thoughts are especially with those who are at risk. Further, our thoughts are with those who are presently sick, to whom the Board extends its heartfelt wishes for a full recovery. The Board is truly inspired by the selfless healthcare workers, grocery store employees and truckers around our country.

To reiterate, SIP is a non-profit corporation, which is run by a volunteer Board. This Board is managing, budgeting and maintaining SIP. As a non-profit corporation the board must answer to all Owners, who are investors, and must repair and maintain the roads, and other common elements, including extensive amenities. The previously referred to expenses are still being incurred, including but not limited to, insurance for said property, pool chemicals, landscaping, and bulk services. Further, in the wake of numerous hurricanes, the Board is still recouping from previous repairs and increases in insurance expenses. It is not only advisable, but necessary that this non-profit corporation continue to collect assessments from its members.

Again, the global situation is unprecedented, the Board will continue to monitor recommendations from the CDC, SCDHEC and the standard course of business and collections practices of other HOAs in our community. At this time, the Board simply is not in the position to alter the collections procedures of assessments, other than what has been directed by the government and the court system. The pool and clubhouse will remain closed until it is deemed safe to reopen.

The Board would like to update you on what has taken place at SIP this past quarter:

1. **SIP Website.** The Board has made all of its actions as transparent as possible and has posted a plethora of information on the SIP website. Please visit the site. The Board updates this site frequently and has plans to continue to develop this site: <https://southislandplantationsc.com/>
2. **Docks. NO CHANGE. STILL WAITING FOR APPROVAL.** What was a slow process before the pandemic has become much slower. Before rebuilding the SIP docks the Board wanted to double check to see if the docks could be moved to deep water. The old docks were not useable in low tide. Board members were told many times that the docks could never go any further than the original permit. Permitted deep water (over 6 feet at low tide) on Winyah Bay would increase the value of the SIP

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properties. Board Treasurer Teddy Dowling took on this project. The Board had an engineering hydrographic survey completed by a company that handles permitting and the results were most favorable. The hydrographic survey showed that SIP could have deep water docks without encroaching on the federal channel thus having the most favorable consideration of approval. The Board has submitted new dock plans to the US Army Corps of Engineers and SC DHEC that will extend out to deep water. The deep water will be 8' at minimum low water (MLW). Our engineering firm expects approval of our plans. I have attached the plan to this letter. What does this mean for SIP? When approved, SIP will be able to put in deep water docks on Winyah Bay. The Board thinks this will be significant in terms marketing SIP as developers and buyers always want access to deep water which will allow SIP a variety of watercraft in our community. The long pole in this tent on this dock project is getting the permits approved. Once approved, the Board will plan and execute this project in phases. The first phase will be the initial dock platform that will lead out to the main dock system. As soon as the Board has the required permits the Board will execute Phase I. The Board will keep you posted on this project as the process unfolds. The Board is not planning on any increase in HOA fees or special assessments to complete this dock project. Again this deep water access is significant and should increase the value of lots in SIP as few other communities have deep water access on the Bay. SIP has received favorable information from SC DHEC that they like our project better than the alternatives. Still no new permit yet. This is a long process but well worth the wait to get to deep water 6' at MLW. The Board has just sent the results of a study that the Army Corps of Engineers wanted completed on possible historical and cultural artifacts that may have been located where the new docks, if approved, will be located. The study findings were no historical or cultural objects were found in the area of the new docks.

3. **Security Gates.** The Board will be looking at issues with the key pads and bar code reader on the security gate system this month (the system is old and not working as well as we want). The Board is also look at how FSR (Management Company) issues key pad codes and bar code stickers for the bar code reader.
  
4. **Irrigation. NO CHANGE. Still working options.** The Board would like to start this project in the first quarter of this year. This is very expensive and we want this system to last for some time. The pump, pressure tank, and bladder have gone bad and have to be replaced. Given that the system is old and was neglected for over ten years it is not surprising. Most of the individual heads have been replaced and are ready to go when the new pump and accessories are installed. This will allow the landscaping contractor to slowly upgrade the common areas that were without water for over ten years. The Board is still in the process of getting bids and it is looking like we may have to restore irrigation in phases due to the neglect of the system over the years. Our first phase will be to restore irrigation in front of the gatehouse, along the road leading to the clubhouse and around the clubhouse. Irrigation has been most frustrating for



the Board but we are working hard to make it operational which will improve the appearance of the community.

5. **Clubhouse & Pool. NO CHANGE** “Currently the pool and clubhouse are closed for the following reasons: The SIP attorney strongly recommends against opening the pool during the pandemic. SIP insurance does not cover us for the virus and we cannot afford any additional legal fees if any lawsuits arise from the virus. It is too expensive for SIP to meet the CDC guidelines to open the pool. Since no families currently live at SIP the cost/benefit is not worth the risk for SIP.”
6. **Roads. NO Change Still working on the issue. This will be another very expensive issue.** Another sinkhole has appeared on Commanders Island Road. It is not water or sewer related but appears to be storm water related which along with all the roads in the community are SIP responsibilities. The Board is having this issue investigated and will make the appropriate repairs ASAP. The Board will award a contract this quarter to address this expanding problem.
7. **Landscaping Company. No Change.** The SIP BOD is very pleased with our new landscaping company. The Moore BROS are doing an excellent job. You can read the quarterly landscaping inspection reports that our management company FSR conducts on the website. The Board has received many complementary comments from owners who have had the opportunity to visit SIP recently. Please visit if you have an opportunity.
8. **Current Situation at SIP.** If you go to the SIP website you will see lots of activity in the SIP ARB area. SIP now has five members on the SIP ARB and has more meetings in the last two quarters of the year as much as any year in the past. Most years, the ARB never met. While receiving many inquiries from builders, the ARB, has emphasized to potential builders that the current SIP building standards, which are the same as those approved when SIP was created, must be adhered to. The Board expects that 4-5 houses will start to be built in the first and second quarter of the year that will follow the SIP guidelines. If you want to see what the guidelines are they are listed on the SIP website under documents. Lots sales continue to command higher prices. The Board is doing everything it can to maintain this upward traction and facilitate houses being built on SIP that comply with SIP guidelines.
9. **SIP selling the South Island Golf Course Shed across from the main SIP and a portion of the area around the shed.** SIP will be faced with some expensive maintenance issues in 2021. SIP will be in its 21<sup>st</sup> year of existence. Infrastructure that was put into place 21 years ago will require major capital outlays in 2021 if SIP is to be maintained according to its by-laws and covenants. The following are the major issues that need to be addressed:
  - A. **Irrigation.** The SIP developer installed irrigation in all the common areas which are extensive in SIP. At some point in time at least ten years ago the SIP Board in a cost-saving move decided to turn off



the irrigation system. The irrigation system in SIP sat for years with no maintenance and the system never used. Besides the system being neglected the landscaping at SIP suffered from lack of water resulting in a degradation of the SIP landscaping in the common areas which will take a good number of years to restore to SIP's original look in 2005. A recent Board decided to restore the irrigation system. The restoration of the system was fraught with mismanagement, poor contractor work, and theft of main well's pump and other equipment. At this time irrigation of the common areas remains non-existent in SIP. The current Board would like to start to restore irrigation to the common areas of the community. The plan is to do this restoration in phases. The first phase will be from the gatehouse along the main road to the clubhouse and around the clubhouse. The first phase will be the most expensive by far as SIP must replace the well pump. **This project estimate will be about 22,000.**

**B. Commanders Island Road.** Commanders Island Road like some of the other areas in SIP is experiencing sink holes from what has been determined to be the breakdown in the storm water pipe connections. It seems that the contractor who put in the storm water pipes may not have installed them correctly. Of course, 21 years later SIP cannot go back to the contractor who installed the pipes in 2004. The roads and storm water pipes remain the responsibility of SIP not the City of Georgetown. The City of Georgetown is responsible for water and sewer lines. The Board is in the process of making sure that storm water issues are the problem on Commanders Island Road but at this time that appears to be the issue. The Board has received estimates as high as 75,000. to repair Commanders Island Road which has to be done as the road is becoming a hazard. **This project estimate will be about 75,000.**

**C. SIP Docks.** The SIP docks were severely damaged by Hurricane Matthew in 2016. A previous Board decided to repair the docks at a cost of 44,000. That dock project was put on hold as a new Board decided to ask the State and Army Corps of Engineers for a deep water permit. You can look at the deep water permit status in another section of this letter. The Board will build either the base dock or restore the original dock system this year. SIP cannot continue to have the ramp going into the water. In addition to the docks the standpipe (Standpipe required by fire department so it can get water if there is a fire on the dock) was destroyed or severely damaged in Hurricane Matthew. The estimate on repair was 15,000. Fire Extinguishers also need to be replaced at a minimum cost of 1000. **The dock project's Phase One is planned cost will be from 55,000 to 60,000.**

These three projects alone could cost SIP 150,000 this year. Our SIP Reserve account should be around 195,000 by 30 JAN 21. If SIP takes the 150,000 from the reserve account that will leave only 45,000 which puts SIP at some risk of using up the reserve fund, increasing yearly HOA dues, or having a special assessment of SIP members. None of these options are appealing to the Board.



**Sale of SIP Shed and property around the shed.** The old South Island Golf Course had maintenance shed and owned land across the street from SIP. This land and shed was sitting vacant for about 16 years until a land development company asked if they could lease a portion of the land and shed. A past Board agreed to rent a portion of the land and the shed while still retaining the right to store SIP members boats, trailers, and RVs. The land development company asked if they could repair the shed because the shed doors were inoperative, no heat or air conditioning, no electric and lights, and a leaking roof. The land management company put over 25,000 into the shed area alone. The company's business has done so well that they are expanding operations and would like to continue to improve the shed but do not want to put any further money into the area unless that can purchase a portion of the land and shed. SIP and the land management company have been in negotiations for the past 4 months and have come to an agreement to sell a portion of the land and shed areas for 45,000.

SIP will still have an area to store boats, trailers, and RVs and a wooded area to expand in the future. Some folks have made the argument that we need to retain the land so that all 186 properties could store a boat, trailer, or RV on the site. In most communities the preponderance of folks has neither a boat, trailer, nor RV, so that argument does not make sense. There is currently plenty of room to accommodate SIP members even if 50 homes are built and occupied next year. Again, the land sat vacant for 16 years, there is only one SIP member storing his boat trailer now. SIP needs the revenue from the shed sale to maintain the synergy created this year and to continue to maintain a very desirable place to build a home. **The 45,000 from the sale of a portion of the property across from SIP will allow SIP to complete the three projects and still maintain a reserve account of over 100,000.**

In closing, the SIP BOD is doing everything possible to keep the property looking like a great place to live and build a community. SIP is assisting our current active builder and any other builders or buyers interested in SIP. STAY SAFE!

Kevin C. Dopf

President- South Island Plantation