M E M O R A N D U M

To PHA Delegates and Board Members

From: Mr. Antonio Maldonado
Executive Director

Date: February 28, 2018

Subject: Delegates Meeting

Notice is hereby given that the Delegates Committee Meeting will be held on **Thursday, March 8, 2018** at **6:30 PM** at the **PHA Assembly Hall.**

Enclosed please find:

1. Agenda for the Meeting
2. Minutes of **January 11, 2018** PHA Delegates Meetings
3. Minutes of **November 6, 2017 & January 8, 2018** PHA Security Council Meeting Minutes
4. Minutes of November **30, 2017** PHA Board Meeting & **December 6, 2017** Extraordinary PHA Board Meeting

If unable to attend the meeting, please notify your regime Alternate Delegate. Thank You.

PHA DELEGATES MEETING
Thursday, March 8, 2018
AGENDA

I. Call to Order

II. Approval of Minutes

III. Review of Old Business

IV. New Business

V. PHA Executive Director's Report – Mr. Antonio Maldonado

VI. Any Other Business

VIII. Adjourn

02/28/18

PHA DELEGATES COMMITTEE
JANUARY 11, 2018
MINUTES

Attendance:

Antonio Maldonado – Montecarlo
Julio Garcia – Palmanova Plaza
Rita Molinelli – Crescent Beach
Rita Molinelli – Beach Village II
Rita Molinelli – Beach Village I (alt)
Cándido Díaz – Casillas de Palmas
Provi Walker – Palmarina
Sandra Gracia – Marbella Club
Jorge Suárez – Plaza del Mar
José Garcés – Seascape
Roberto Velázquez Jr. – Las Villas II
Roberto Velázquez Sr. – Las Villas I
Carmen Roldán – Palmas Plantation
Agripino Lugo – Villa Franca
Bill Erhart – Beach Village III
Jorge Maisonet – Harborlights
Héctor Flores - Plaza del Mar
Frances Olivieri – Shell Castle Club
Hector Robles – Montesol
José Garcés – Seascape
Lourdes Cols – La Jolla
Jorge Manrique – Beach Village V

Members Absent/Excused

Antonio Garcia

Others Present

Edd Siler – PHA Board of Directors
Miguel Velázquez – PHA Security Director
Alejandro Uriarte – New Energy Consultant
Miguel Torres - New Energy Consultant
Luis Gómez – Palmas Plantation President
John Brightman – The Woods Resident
Pedro Cosculluela – Surfside Resident
Matt Newman (by phone) – Beach Village III

I. CALL TO ORDER

Mrs. Sandra Gracia, President, called the meeting to order at 6:45 p.m. Mrs. Gracia welcomed the Delegates and Alternate Delegates attending the meeting for the first time. She wished everyone a successful and healthy 2018.

II. APPROVAL OF MINUTES

Upon a motion by Ms. Rita Molinelli seconded by Mrs. Lourdes Cols minutes pertaining to the meetings held on July 6, 2017 and November 9, 2017 were unanimously approved.

III. PALMAS DEL MAR MICRO- GRID PROJECT PRESENTATION

Ms. Rita Molinelli, President of the Palmas del Mar Homeowners Association (PHA) introduced Mr. Alejandro Uriarte and Mr. Miguel Torres from New Energy Consultants and Contractors Company (NECC). NECC has been working on a proposal for the design and construction of a photo-voltaic electricity and storage facility to supply the electrical needs of Palmas del Mar through a micro-grid dedicated to the Palmas del Mar community. The PHA Infrastructure Committee and the PHA Board have received presentations for information purposes on this project.

Mr. Uriarte and Mr. Torres then proceeded to make a presentation to the Delegates on the details of the project and its time table. It was noted that this is a conceptual project still requiring government regulatory decisions as well as negotiations with PREPA regarding the use of its distribution infrastructure and the transfer of customer accounts. Also, the acquisition of the land where the project will be located is still under negotiations. A copy of the NECC presentation has been forwarded to all the Delegates and is attached to the record copy of these minutes.

Following the presentation, NECC representatives answered questions, clarified information and exchanged views with the Delegates. Assuming that all required negotiations, permits and government aspects are cleared (estimated at six months), NECC goal is to have the micro-grid built and operational twelve months later. Should the project prove to be a viable one and advantageous to the Palmas del Mar community, PHA could be asked to become a facilitator and endorser for the project before the appropriate government agencies. The NECC will keep PHA and the Delegates abreast of progress.

At the conclusion of the NECC presentation and the question and answer period, the Delegates thanked NECC and PHA for undertaking such a major and transcendental initiative at a time when Palmas del Mar and Puerto Rico are suffering from the worst energetic crisis ever seen in the island.

Upon a motion by Mr. Miguel Santiago seconded by Mrs. Lourdes Cols, the PHA Delegates unanimously approved a motion to record their support for this project conceptual proposal and to request that the PHA Board gives further consideration and its endorsement to this initiative and work to see if it can produce a final proposal that is viable and beneficial to the Palmas del Mar community.

IV. OLD BUSINESS

A. Hurricane Maria Status Report

Mr. Antonio Maldonado provided a detailed status update on outstanding action items pertaining to damages caused by Hurricane María.

-Electrical illumination in the perimeter areas has been restored. Luminaries have been ordered and work continues in other areas of Palmas to restore illumination in all areas. PHA is looking into options for restoring solar illumination. The restoration of all illumination at Palmas is a slow process as it depends on availability of materials and sufficient funds to cover its costs.

- AVI System has been restored. Back Gate is working well. Main Gate remains disconnected due to lack of PREPA power. Main Gate continues to run by an electric generator at night. AVI lanes at Main Gate remain closed. Repairs of Main Gate facilities are schedule to begin in two weeks.

-Cameras. Access Control cameras have been restored. Perimeter cameras are on order and installation is scheduled to begin on January 23, 2018.

- Removal of debris from common areas is complete. The Corps of Engineers (COE) is now removing the debris from the six staging sites established by PHA. COE work should be complete by January 20, 2018.

- Beach access gates and beach signs have been restored. Major clean-up of beach areas is complete and normal daily clean-up is being accomplished. Trash drums are on order.

- Forest. Working on the restoration of boardwalk and signs.

B. PAC Update

Both golf courses are open. Beach Club is open and swimming pool areas have been repaired. Tennis Club is open. Chez Daniel Restaurant is moving to the Country Club.

C. ARB Update

After Hurricane Maria the PHA-ARB has been evaluating different situations pertaining to the installation of Spanish Clay Roof Tiles. Based on its preliminary analysis, most roof tiles that were damaged or were lost was due to external projectiles and the high intensity winds with gusts over 200 miles per hour. The ARB is also evaluating roof tiles fabricated with different materials other than clay and a type of solar collectors shaped as roof tiles. The ARB final guidance on roof tiles is expected by the end of January 2018. Meanwhile clay tiles may be removed and replaced using existing guidance.

V. NEW BUSINESS

A. Insurance

The PHA Delegates discussed the current problematic of insurance companies already denying coverage on certain areas for condominiums and homes near coastal areas. Also, a very steep increase in premiums have been alerted by most insurance brokers. It has been suggested that condominiums and regimes group together to obtain leverage and be able to negotiate uniform terms more attractive to the re-insurance industry. To do this it will require that all regimes and major Palmas organizations provide copies of their policies and amounts lost so that a program be designed for marketing purposes. This has been a problem in the past as regimes and brokers do not want to share this information. However, if no action is taken regimes will become hostages of insurance companies.

Mr. Roberto Velázquez from Las Villas in Palmas informed that he works with the insurance industry and is willing to work with a PHA committee to figure out the best course of action. Brokers do not like to share information for fear of losing customers. The Insurance Commissioner needs to listen to the problem and provide guidance. Customers need to understand and be more patient as Hurricane María was an event of proportions never seen before. Insurance companies are completely overwhelmed with this situation.

VI. SECURITY UPDATE

Mr. Miguel Velázquez, PHA Security Director, provided the Delegates with an annual security summary. Criminal and delinquency statistics reflect that Palmas del Mar, in spite of Hurricane Maria problems, remains a very safe and secure community. There were no homicides, sexual assaults or stolen vehicles. Burglaries reached an all-time low at 5 versus 11 last year and over 50 more than seven years ago. There was one aggravated aggression resulting from a fight at Palmanova Plaza, one domicile robbery at Cocoloba Street and 33 illegal appropriations mostly golf cart parts. Security conducted 85 interventions and detained 56 individuals for being at unauthorized locations. These individuals were escorted out of Palmas.

Mr. Antonio Maldonado briefed the Delegates on the Tsunami Contingency Plan activation on January 9, 2017 as a result of a Tsunami advisory received from the Center for Tsunami Alerts. Although the advisory was subsequently discontinued the plan was fully activated. Notifications to the community were made using the security patrols since the Tsunami siren system was rendered unusable by Hurricane Maria.

The plan has been redistributed to all regimes and administrators to insure they become intimately familiar with its contents and prepare individual regime plans to deal with this situation.

VII. ADJOURN

Upon a motion by Mr. Miguel Santiago seconded by Mr. Luis Gómez, the PHA Delegates Committee adjourned at 8:20 pm. The next meeting will be on March 8, 2018.

11/21/17

Security Council Meeting
November 6, 2017
Minutes

Members Attendance	**Members Excused / Absent**
Edd Siler	Julio García
Antonio Maldonado	Jesús Delgado
Lizbeth Cruz	Jorge Manrique
Benjamín Rodríguez	Mary Jo Espasas
Julio Bagué	Aaron Ashner
Joseph Maqueda	Manuel Rodriguez
Radames Cobos	Aaron Ashner
Ever Sánchez	Chris Pennock
Daniel Vasse	Erasmo Reyes
Miguel Velázquez	
Servando Díaz	
Manuel Angleró	

I. Call to Order

Mr. Antonio Maldonado, Acting President, called the meeting to order at 6:40pm. Call to order was followed by a moment of reflection. The President welcomed, Mrs. Lizbeth Cruz who has replaced Mr. Luis Ayala as Ranger American Service Representative at Palmas del Mar.

II. Approval of Minutes

Minutes corresponding to the August 7, 2017 meeting were unanimously approved upon a motion by Servando Diaz seconded by Ever Sanchez.

III. Old Business

A. General Situation

Mr. Miguel Velázquez gave a general review of the criminal situation for Puerto Rico. Due to Hurricane Maria no police statistics were available. However, it was noted that the Humacao region has been relatively quiet regarding major crimes such as homicides, rapes, robberies and aggressions.

B. October 31, 2017 Year to Date Criminal Statistics Summary

	Homicides	Sex Violations	Robberies	Aggravated Assault	Burglaries	Illegal Appropriation	Car Thefts
Humacao	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Humacao Region	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Puerto Rico	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Palmas	0	0	1	1	4	23	0

C. Palmas Situation

No crimes such as homicides, robberies, sexual or car thefts were registered in October 2017. Criminal situations in the aftermath of Hurricane Maria has _remained relatively quiet.

IV. Hurricane Maria Report

Mr. Antonio Maldonado provided the Security Council with a detailed report outlining all actions taken by PHA before, during, immediately after and during the days after Hurricane Maria. A summary of Mr. Maldonado's report follows:

A. Before, During and Immediately After Actions

- Preparations
- Readying community prepositioning personnel an equipment
- Security & Maintenance
- Alternate Command Post (Plaza Resort)
- Identifying and permission for debris accumulations site (6)
- Hurricane Impact (Security of Personnel In Quarters)
- Immediately after (damage, assessment, security or property & initial clean-up)
- Contracting of clean-up crews (Dionisio, Pavarini, Oro Maintenance, Pennock)
- Establishing Water Oasis
- Establishment of staging site and cleanup of vegetation debris
- Disposal of other than vegetation debris
- Other assistance to the community (medical, legal, insurance, etc.)
- Future actions of debris staging site (already working with FEMA, Coe & Municipality)
- Damage Claim Process

B. PHA Damage Report and Claim Process

- Status of each PHA property
- Insurance advancement, payments and amounts owed
- Status of Claim

C. Status of Services

- Water, Electricity, Trash, Mail, Fumigation, etc.

D. Other Activities

- PAC, Beach Bohio, Beach Clean-up & Marina

E. Lessons Learned

There are several lessons learned that need to be incorporated into the PHA Security Contingency Plan. These include among others:

1. Need for redundant communications. Emergency communications have to include not only Security but the maintenance, PDMU and Staff elements of the Emergency Recovery Team. Although shortcomings were solved during the emergency, preparations need improvement in terms of pre-positioning equipment to include satellite phones, radios, back-up antennas, etc.
2. Medical services. Arrange for medical services and pre-position basic medications and first-aid supplies prior to the emergency. This was worked out immediately after the Hurricane with Dr. Benjamin Rodriguez who volunteered his services to the community.
3. Fuel Provisions. Pre-position sufficient diesel and gasoline to support security and maintenance recovery operations for at least 3 days after hurricane passage.
4. Water. Pre-position water trucks or oasis for the community in case water reserves are lost during the emergency.
5. Security at regimes. Need to insure each regime makes provisions to have security services available immediately after the emergency.
6. Debris Disposition Sites – Every regime should plan ahead of time where to dispose of debris resulting from the emergency.

Following Mr. Maldonado's report, the Security Council congratulated Palmas Security and Ranger American for their outstanding performance throughout Hurricane Maria's emergency situation.

V. Central Council Matters

None

VI. Adjourn

The Palmas Security Council adjourned at 7:50 p.m. The next meeting is on December 4, 2017.

11/21/17

Security Council Meeting
November 6, 2017
Minutes

Members Attendance	**Members Excused / Absent**
Edd Siler	Julio García
Antonio Maldonado	Jesús Delgado
Lizbeth Cruz	Jorge Manrique
Benjamín Rodríguez	Mary Jo Espasas
Julio Bagué	Aaron Ashner
Joseph Maqueda	Manuel Rodriguez
Radames Cobos	Aaron Ashner
Ever Sánchez	Chris Pennock
Daniel Vasse	Erasmo Reyes
Miguel Velázquez	
Servando Díaz	
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Puerto Rico	N/A	N/A	N/A	N/A	N/A	N/A	N/A
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C. Status of Services

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3. Fuel Provisions. Pre-position sufficient diesel and gasoline to support security and maintenance recovery operations for at least 3 days after hurricane passage.
4. Water. Pre-position water trucks or oasis for the community in case water reserves are lost during the emergency.
5. Security at regimes. Need to insure each regime makes provisions to have security services available immediately after the emergency.
6. Debris Disposition Sites – Every regime should plan ahead of time where to dispose of debris resulting from the emergency.

Following Mr. Maldonado's report, the Security Council congratulated Palmas Security and Ranger American for their outstanding performance throughout Hurricane Maria's emergency situation.

V. Central Council Matters

None

VI. Adjourn

The Palmas Security Council adjourned at 7:50 p.m. The next meeting is on December 4, 2017.

01/31/18

Security Council Meeting
January 8, 2018
Minutes

Members Attendance	**Members Excused / Absent**
Edd Siler	Julio García
Antonio Maldonado	Jesús Delgado
Aaron Ashner	Mary Jo Espasas
Chris Pennock	Manuel Rodríguez
Jorge Manrique	
Joseph Maqueda	
Erasmo Reyes	
Rita Molinelli	
Daniel Vasse	
Miguel Velázquez	
Manuel Angleró	

I. Call to Order

Mr. Chris Pennock, Acting President, called the meeting to order at 6:40pm. Call to order was followed by a moment of reflection.

II. Approval of Minutes

Minutes corresponding to the November 6, 2017 meeting were unanimously approved upon a motion by Edd Siler seconded by Daniel Vasse.

III. Old Business

A. General Situation

Mr. Miguel Velázquez gave a general review of the criminal statistics for Puerto Rico. Due to problems associated with Hurricane Maria, police statistics are not being published. However, it was noted that the new year has started with an alarming number of homicides that already exceeds the numbers from January last year. The Humacao area has been relatively quiet regarding major crimes.

B. December 31, 2017 Year to Date Criminal Statistics Summary

	Homicides	Sex Violations	Robberies	Aggravated Assault	Burglaries	Illegal Appropriation	Car Thefts
Humacao	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Humacao Region	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Puerto Rico	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Palmas	0	0	1	1	5	33	0

C. Palmas Situation

No crimes such as homicides, robberies, sexual or car thefts were registered in December 2017. Criminal situations at Palmas del Mar in the aftermath of Hurricane Maria has remained relatively quiet. Overall statistics for Palmas show the community remains very safe.

IV. Hurricane Maria Status Regard

Mr. Antonio Maldonado provided a detail status report on outstanding actions items pertaining to damages caused by Hurricane Maria.

- Electrical illumination in the perimeter areas has been restored. Luminaries have been ordered and work continues in other areas of Palmas to restore illumination in all areas. PHA is looking into options for restoring solar illumination. The restoration of all illumination at Palmas is a slow process as it depends on availability of materials and sufficient funds to cover its costs.

- AVI system has been restored. Back Gate is working well. Main Gate remains disconnected due to lack of PREPA power. Main Gate continues to run by an electric generator at night. AVI lanes at Main Gate remain closed. Repairs of Main Gate facilities are scheduled to begin in two weeks.

- Cameras – Access control cameras have been restored. Perimeters cameras are on order and installation is scheduled to begin on January 23, 2018.

- Removal of debris from common areas is complete. The Corps of Engineers (COE) is now removing the debris from the six staging sites established by PHA. COE work should be completed by January 20, 2018.

- Beach access gates and beach signs have been restored. Major clean-up of beach areas is complete and normal daily clean-up is being accomplished. Trash cans are on order.

V. Central Council Matters

None. There was no representation of the PR Police at the meeting. Central Council has not met since Hurricane María.

VI. Other Business

Daniel Vasse indicated that in the aftermath of Hurricane María there were some bad vendors selling plants at Palmas del Mar that embezzled money from some residents through false representations. PHA should update its preferred vendor's list with reputable electrical generator sales representatives and good maintenance companies.

Joe Maqueda pointed out that there were many lessons learned from Hurricane María that should be incorporated into the PHA Contingency Plan for use by the entire community. Antonio Maldonado indicated that the contingency plan is being updated to include all lessons learned.

PHA BOARD MEETING
November 30, 2017
MINUTES

Members Present

Rita Molinelli
Edd Siler
Daniel Torrellas
Francisco Bruno
José Ortiz
Frances Olivieri
David Suson
Sandra Gracia
Luis Ortiz Segura
Antonio García

Others Present

Antonio Maldonado
Shirley Morales

Members Excused

José Bacardi
Julio García
Joaquín Soler

I. CALL TO ORDER

Ms. Rita Molinelli, President, called the meeting to order at 2:20 p.m.

II. APPROVAL OF MINUTES

Upon a motion Mr. Luis Ortiz Segura seconded by Mrs. Frances Olivieri, the minutes of the extraordinary Board meeting held on October 26, 2017 were unanimously approved.

III. 2018 BUDGET

Mr. Luis Ortiz Segura, PHA Treasurer, and Mr. Antonio Maldonado, PHA Executive Director, led a comprehensive presentation/discussion detailing all aspects of the proposed PHA Budget for the year 2018. Presentation included budget objectives, assumptions, significant variances, projected revenues and expenses, excess revenues and proposed community and capital projects. A copy of the Budget presentation including the back up information for every budget line item is included in the record copy of these minutes.

Upon a motion by Mr. Francisco Bruno seconded by Mr. Antonio Garcia the PHA Board of Directors approved the proposed 2018 Budget.

IV. TREASURER'S REPORT – MR. LUIS ORTIZ SEGURA

A. Financial Statements

The October financial statements as well as the cash flow statements for the month of November were sent to the Board yesterday. Looking at the Statement of Revenues and Expenses, in general terms the October financials show that PHA continues to do very well in terms of budget execution despite Hurricane Maria. Actual total revenues were about 53,026,142 which is better than budget by $100,000. In terms of expenses total actual expenses as of end of October were about $2,559,877 which is better than budget by almost $15,000. Excess revenue over expenses were about $466,265 which is also better than budget by almost $115,000.

Please keep in mind this is our normal budget performance. We will address items related to Hurricane Maria separately.

B. Cash Flow for the Month of November as of Today

The cash flow reflects in line 6, first page, that total income for the month of November was $996,000 which includes $701,000 received from the Hurricane Maria insurance settlement. Please note that assessments received in November are $159,679 which is $51,000 more than the assessments collected in November last year. However, you may recall that the assessments received in September and October were considerably less due to the Hurricane Maria situation, so we are slowly catching up and should continue to improve in December.

On the expenses, the report shows at the bottom of the second page, line 68, total expenses at about $271,000. The large majority of those expenses ($126,227) are related to payments associated with Hurricane Maria recovery work. All other expenses were held to a minimum since most contract services were stopped.

The cash balance as of today, line 70, is $1,101,190 which is considerably better than last year by approximately $800,000. The main reason for this is that such an amount includes the money received from the insurance company as a result of Hurricane Maria. However, if we were to disregard the money received from the insurance company the cash balance would have been similar to the one from last year ($337,700).

As you can see on page 2, line 67, in September, October and November we have spent approximately $395,000 in work and services associated with Hurricane Maria including debris removal and cleanup operations, additional security, diesel, installation of signs, access control cameras, AVI system, etcetera. We have approximately $100,000 in outstanding bills and works remain regarding illumination, both solar and electrical, installation of perimeter cameras, PHA building repairs, solar project repairs, and work at the Children's Park. The money received from the insurance company and funding expected from FEMA (Tony will talk about that), along with

the normal funding from the budget just approved, should help us over the course of next year bring Palmas back to just about where it was before Hurricane Maria.

At the right-hand side of the last page, you can see that operational account is at a healthy $1.1 million and our total cash is at nearly $1.5 million. This is about $700,000 more than our normal position at this time of the year for the reasons we have just discussed. This position should continue to improve by the end of December and January when pre-paid assessments are received.

Having said that we should remain very cautious over the coming year and continue to watch our receivables very closely as more than likely the after effects of Hurricane Maria will likely affect the payment of assessments from some of our members. As we saw in our budget, we are already hedging against that possibility.

C. Vote by Referendum

On November 17, 2017, the PHA Board of Directors unanimously approved through Vote by Referendum a settlement proposal from the insurance company on PHA losses stemming from Hurricane María. The settlement proposal from the insurance company is $851,786. This amount pays in full, without deductible, the limits in our insurance policy for items such as illumination poles ($300,000), Street Signs ($100,000), Debris Removal ($50,000), Outdoor Property ($10,000) and Landscaping ($30,000). Also, they are covering in full our claim for the Traffic Fountain ($17,981), the Forest Boardwalk, ($188,468), the Cameras and AVI Systems ($86,972), the Children's Park ($48,675) and the Main Gate Building ($6,000). Additionally, minus deductible, damages to the PHA Building ($8,110) and to the PHA Solar System ($6,160). Pending for settlement from our claim and waiting for the electrical power restoration are the security and fuel expenses for our power generator.

V. HURRICANE MARIA AFTER ACTIONS REPORT – MR. ANTONIO MALDONADO

A. PHA Claim closed. Pending diesel and security

B. Debris Removal – First stage complete and work on-going on second stage. Third stage which includes clean up inside of the Forest area green areas is being coordinated with the PR Conservation Trust for assistance. A request for assistance for the removal of debris from staging sites has been submitted to FEMA. Inspectors from the US Corps of Engineers (COE) and FEMA have already inspected the sites.

C. Access Control cameras and AVI system for the front and back gates have been restored. Awaiting now for AEE power to open up all lanes.

D. PHA Building repairs are underway. Main Gate and Back Gate will follow.

E. Photo-voltaic Plaques – Damage repaired. Awaiting for AEE power.

F. Road and street signs are up. Still working general signage.

G. Illumination – Electrical poles are being created and fixed in the perimeter areas. Proposals for solar illumination alternatives are being evaluated.

H. Perimeter cameras and antennas – Reinstallation plan is complete and equipment has been ordered. Expect project completion by the end of January.

I. Children's Park – Floor tiles have been ordered. Installation expected before Christmas.

J. Beach access gates are being built. Clean up access will take place once beach cleanup is complete.

K. Beach Clean-up of major debris is in progress. A sea turtle monitor has been contracted as required by DNRE to insure clean up does not impact nesting areas or that sand is removed.

L. Electrical Situation – Several areas of Humacao have been energized including Palmanova Plaza. Other areas are being connected as output permits. Other services at Palmas del Mar are back to normal.

VI. REVIEW OF OLD BUSINESS

A. Dredging of Candelero River

No further action has been taken due to Hurricane Maria. It was suggested that Hurricane Maria presents an excellent opportunity for the municipality/PDMPI to obtain assistance from FEMA for the clean-up and dredging of river since an inordinate amount of debris is blocking the normal river causeway. During Hurricane Maria and the torrential rains that followed great concern was voiced by the residents from Palmas Plantation as the river rose within 24 inches of the top of the levee. Also, several trees in the levee have fallen down possibly weakening the levee.

B. Beach Erosion was exacerbated by Hurricane Maria.

Assistance should be requested from FEMA to help in the restoration of areas threatening building structure near the beach.

Mr. José Ortiz provided an orientation regarding FEMA assistance funding to deal with this situation as well as funding for other areas in Palmas where insurance is insufficient to cover all the damage. Mr. Ortiz will coordinate a meeting in San Juan for PHA to receive a broad orientation on this subject. Dr. Sandra Gracia will attend the meeting for information regarding beach erosion.

C. Yacht Club

No further information has been received from Prof. Michel Godreau. Still missing a document submitted to DNRE as part of the concession permit. PHA will explore with PDMPI to see if they have a copy of the document.

VI. NEW BUSINESS

A. Security Contract

In early June, PHA initiated the process to bid the security contract. Request for proposals (RFP) containing a detailed scope of work and service requirements were sent to the top ten security companies in Puerto Rico as ranked by the Caribbean Business including Allied, St. James, Genesis, Bridge, Capitol, G4S, Ranger American and a local company Private Cops. The bid process was conducted in strict compliance with the approved PHA contract procedures and guidelines.

As required by these procedures, an Evaluation Committee was appointed by the PHA Executive Committee to oversee this process and to make a final recommendation to the PHA Board. The Evaluation Committee consists of Ms. Rita Molinelli, Mr. Luis Ortiz Segura, Mr. Francisco Bruno, Mr. Edd Siler, Mr. Antonio Maldonado, Mr. Jesús Delgado (Chair of the Security Council) and Mr. Julio Bagué (former PHA President and member of the PHA Security Council).

In reply to the RFP seven submittals were received. The Evaluation Committee met on August 7, 2017 and conducted a comparative analysis of the proposals evaluation matrix as required by the PHA procedures and guidelines. After a thorough review and discussion on the various proposals and companies, the Committee unanimously recommended the selection of Ranger American to continue providing the security services at Palmas del Mar. In addition to their service pricing offer, the Committee took into consideration their fiscal strength, excellence in the quality of the services being rendered, customer satisfaction in all areas, commitment of employees to the Palmas community and the very low turnover of personnel.

On August 10 the PHA Executive Committee reviewed the Evaluations Committee recommendation and unanimously agreed to recommend approval by the PHA Board. The draft contract has been reviewed by Marsh Saldaña and to the PHA legal counsel to insure all terms & limits are accurate. The new contract will be effective January 1, 2018 so that it is aligned with the PHA Budget and financial cycle.

Upon a motion by Mr. Antonio Garcia seconded by Dr. Sandra Gracia the PHA Board unanimously approved renewing the contract of Ranger American as the security services provider for Palmas del Mar Homeowners Association. A copy of the contract is in file at PHA.

B. Solar Power Grid Proposal

Ms. Rita Molinelli informed the Directors that an extraordinary Board meeting on December 6, 2017 at 4:00 pm to listen to a proposal from New Energy Consultant and Contractors (NECC) on a power grid for Palmas. Such a proposal involves the design for the potential construction of a photo-voltaic electricity and storage facility to supply to the electrical needs of Palmas del Mar through a power micro-grid dedicated to the Palmas community.

C. Other New Business

Mr. Luis Ortiz Segura expressed his satisfaction with a letter received from PDMU explaining in detail the incident whereby the water reserve from the storage tanks was lost during Hurricane Maria. Also, Mr. Ortiz Segura asked PDMPI representatives at the PHA Board if PDMPI, as the Master Developer of Palmas was planning to contribute to the restoration of some of the infrastructure such as the illumination system lost as a result of Hurricane María. In his opinion, in view of the PHA limited resources, as the Master Developer PDMPI bears some responsibility and interest in the restoration of Palmas del Mar to its pre-María condition. Mr. David Suson acknowledged Mr. Ortiz remarks and indicated that he cannot express an opinion at this time, but he would like to see PHA insurance claim documents and study the shortage of funds. Additionally, Mr. Ortiz Segura questioned the absence of Mr. José Bacardi from several Board meetings. Mr. Bacardi represents the largest PHA district and his presence is important at the PHA Board meetings. Ms. Molinelli pointed out that Mr. Bacardi had excused himself from this meeting as well as those previously missed. She added that Mr. Bacardi has been very active in the Infrastructure Committee.

Mrs. Sandra Gracia pointed out the need for the Palmas community to learn from the Hurricane Maria event and conduct formal training on emergency management. The community must be ready at all times. In the absence of the PHA leadership someone has to grab the contingency plan and run with it. Table-top exercises are a good way to involve and train the community.

VII. SECURITY REVIEW

Mr. Antonio Maldonado reviewed the criminal and delinquency situation at Palmas and in the Humacao Municipality since Hurricane Maria. Overall, delinquency and criminal activity has been very low. One burglary was reported in September at Las Villas de Palmas and another in November at Shell Castle. Both burglaries involved stolen TV's. The Humacao area has been low in terms of criminal activity. At least one car-jacking incident involving people stopped and talking by cellular on the side of Highway 52.

VIII. ADJOURN

Upon a motion by Mr. Edd Siler seconded by Ms. Frances Olivieri the PHA Board of Directors adjourned at 4:45 p.m.

Respectfully submitted,

Francisco G. Bruno
Secretary

PHA BOARD EXTRAORDINARY MEETING
DECEMBER 6, 2017
MINUTES

MEMBERS PRESENT

Rita Molinelli
Antonio Garcia
Frances Olivieri
Francisco Bruno
Luis Ortiz Segura
Joaquin Soler

MEMBERS EXCUSED

David Suson
Edd Siler
Jose Ortiz
Julio Garcia
Sandra Gracia
Daniel Torrellas
Jose Bacardi

OTHERS PRESENT

Antonio Maldonado
Hector Rosario
Miguel Torres
Alejandro Uriarte
Sammy Esoyag

I. CALL TO ORDER

Ms. Rita Molinelli, President, called the meeting to order at 4:30 p.m. Ms. Molinelli noted lack of sufficient quorum for voting and/or decision matters, if any, and proceeded with the meeting for information purposes.

II. PURPOSE OF EXTRAORDINARY MEETING

Ms. Rita Molinelli explained that the purpose of the meeting is to listen to a presentation from New Energy Consultants and Contractors Co. (NECC) and exchange views on a proposal for a solar power grid for Palmas del Mar. Such a proposal involves the design for the construction of a photo-voltaic electricity and storage facility to supply the electrical needs of Palmas del Mar through a micro-grid dedicated to the Palmas del Mar community. The PHA Infrastructure Committee consisting of Gabriel Espasas, Jose Bacardi, Daniel Torrellas, Hector Rosario, Julio Bague, Carlos Garcia, Miguel

Santiago and Antonio Maldonado has met twice with NECC to review the project and exchange ideas. The Committee felt that the proposal has sufficient merit for presentation to the PHA Board for information purposes. It was noted that this is a conceptual project still requiring government regulatory decisions as well as negotiations with PREPA regarding the use of its distribution infrastructure and the transfer of customer accounts. Also, the acquisition of the land where the project will be located is still under negotiations.

III. SUMMARY OF PRESENTATION/DISCUSSIONS

A copy of NECC presentation is attached to these minutes. Following the presentation NECC representatives answered questions, clarified information and exchanged views with Board members. Assuming that all required negotiations, permits and government regulatory aspects are cleared, NECC feels optimistic that their goal of establishing a micro-grid by December 2018 to offer energy services to the Palmas community is an obtainable one. NECC expressed that they could be asking PHA in the future to determine if PHA would become a facilitator for this project, to inform the community about the advantages and benefits of the project and if necessary or appropriate, to express its interest to the government agencies in the project.

IV. ADJOURN

The PHA Board of Directors adjourns at 6:00 p.m.

Respectfully Submitted.

Francisco G. Bruno

Secretary