



PHA DELEGATES COMMITTEE MEETING MAY 13, 2008 MINUTES

Attendance:

Carlos García
Jose J. Martínez
Lizann Plá
Pedro Ever Sánchez
Luis Lomba
Julio Bagué
Jorge Mattei
Douglas Keil
Ronald Cintrón
Isabel Maisonet
José Beauchamp
Mirna Ríos
Ricardo Collazo
Angel Del Moral
Eric Grafals
Gladys Fornaris
José Garcés
Reynaldo Encarnación
José Colón

Palmas Doradas
Montecarlo – Palmanova
Fairlakes III
Beach Village IV
Plaza Resort
Casillas de Palmas
Bahía Del Sur
The Woods
Palmas Reales
Harborside
Harborlights
Villa Franca /PDM Business Assoc.
Beach Village II
Sunrise
Shell Castle Club
Palladio
Seascape
Palmanova Plaza
La Jolla

Members Excused:

Marie Sylvia Rivera
Providencia Walker

Maralago
Palmarina

Members Absent:

Daniel Vasse
Rafael Santos
Rita Molinelli
Pablo Quiñones
Sylvia Burn
Eva Candelario
Néctor Robles
Miguel Snatiago
Victor Nieto
Juan Gracia

Anchor's Village
Aquabella
Beach Village I
Beach Village III
Beach Village V
Club Villas
Crescent Beach
Fairlakes Village
Fairway Courts & PHA BOD
Flamboyan Greens

Fernando Valledor
Joseph Barlia
Jaime Fernández
Heriberto Silva
Luis Muñíz
José Bacardi
Ricardo De Varona
Frances Olivieri
Pedro Cosculluela
Héctor Robles
Radamés Acosta

Harborpoint
Las Villas I
Las Villas II
Palmas Plantation
Plaza Del Puerto
San Marcos Island
San Miguel Island
Shell Castle Club
South District
Tennis Village I
Tennis Village II

Others Present:

Servando Díaz
Antonio Maldonado
Ilía Bermúdez
Wilfredo López
Joseph Maqueda
Benjamín Orengo
Luis López
Edd Siler
Eng. Benajmín Pacheco

Chairman and PHA Board Director
PHA Executive Director
Crescent Cove Administrator
ARB Executive Director
Palmas Reales Homeowner
St. James Security
PHA Security Director
PHA Board Director
Solarea Project

I. CALL TO ORDER

Mr. Servando Díaz, President, called the meeting to order at 7:00 p.m. Mr. Díaz thanked the Delegates for the excellent attendance at the PHA Annual Meeting. Thirty six (36) Delegates out of Forty three attended the meeting making it the best official quorum ever at an Annual Meeting. Also, he thanked the PHA staff for the excellent manner in which the activity was put together and supported from start to end.

II. APPROVAL OF MINUTES

Minutes of the March 11, 2008 meeting were approved upon a motion by Mr. Eric Grafals seconded by Pedro Ever Sánchez.

III. ARB PRESENTATION

Mr. Wilfredo López, ARB Executive Director, presented an update report detailing the progress of Los Lagos Development. He explained project topography changes pointing out that project will be raised to original terrain levels through earth platforms and retention walls. He also addressed the installation of lakes and several construction concerns regarding dirtiness of Palmas drive caused by truck traffic, noise attenuation, and construction work on weekends and outside normal working hours. Mr. López also discussed violations inside of regimes, in particular, violations in Beach Village where

unauthorized iron-works have been installed at several villages in violation of Beach Village and ARB rules. Mr. López requested the support of the Beach Village Delegates and Boards to stop this trend.

Mr. López was followed by Engineer Benjamín Pacheco, Project Engineer for Solarea. Mr. Pacheco informed the Delegates about the upcoming construction of a traffic circle in front of the main entrance to Solarea in Ocean Drive between Fairlakes III and Maralago. This phase of the Solarea project is programmed to start between May and July and it is being planned so that it will not interfere with traffic.

Mr. Julio Bagué asked Eng. Pacheco about actions being taken to protect the beach in that area. Mr. Pacheco answered that bags similar to the ones installed at the Beach Club will be used to protect the property coast line. Permit for work has been requested from the Corps of Engineers and the installation of bags should commence as soon as permit is received.

Mr. Jorge Mattei inquired about the beach access for the Solarea project. It was pointed out that there will be two accesses; one between Solarea and Crescent Beach and another (temporary) between Solarea and the Beach Club.

Mrs. Lizanne Plá informed about an illumination problem in front of Fairlakes III. Two light poles are out of service. Mr. Maldonado took note and will report it to the electrical contractor that checks and repairs the luminaries.

IV. REVIEW OF OLD BUSINESS

A. Beach Erosion Committee

Mr. Julio Bagué informed that the Beach Erosion committee has been restructured with the following membership: Luis Muñiz, Peter Palermo, Raúl Rivera, Frank Torres, Tony Vázquez, Tony Maldonado, Rita Molinelli, Jaime Morgan, Julio Bagué, Rafael Santos Del Valle and Luis Rodríguez. The committee met on May 9, 2008 to discuss new possible alternatives to deal with the beach erosion and the nourishment of sand to the beach areas. An assessment will be conducted to determine the viability of having sand pumped from the ocean to the beach. This will require assessing the location of the sand, its quality and amounts available. The committee will also consider potential contractors, cost estimates and permit requirements for these alternatives. The committee will continue to look at other possible alternatives to protect the beach from further erosion and to refurbish or nourish the beach with new sand.

B. Children's Park

Mr. Antonio Maldonado reported that work at the new children's park behind the Tennis Center is in progress. Work consists of site preparation and paving of parking and construction areas. Once paving is complete, installation of equipment should start.

Project also contemplates the installation of fences around playground equipment areas, landscaping and the installation of benches and trashcans.

C. Marbella Park Negotiations

Mr. Julio Bagué reported that negotiations were concluded with the Marbella Club and an agreement was reached in all areas of negotiation. However, Mr. Bagué added that, unfortunately, after nearly one year of negotiations with PDMPI no agreement has been reached and it seems that over time the positions have become more diverging. A case pre-trial is scheduled in July and PHA has instructed its attorneys to proceed with the case. Based on the latest positions presented by PDMPI, although informal conversations will continue, it seems that PHA can no longer continue to negotiate a possible settlement within terms acceptable to PHA.

D. Beach Access

The temporary beach access between Solarea and the Beach Club is operational and is being opened during weekends. There is ample golf cart parking at the end. However, there is insufficient space along the access path for two carts to pass or for a single golf cart to turnaround. The Solarea Project Engineer has been appraised of these problems. It has been suggested to them that the access path be widened at the middle to allow for carts to pass each other and provide sufficient space for a cart to turn around.

Regarding the access between Solarea and the Crescent Beach there has been no change. Work at the turn around circle at the end is not complete and neither is the landscaping. The proposed golf cart parking area at the small parcel at the entrance to this access is waiting for approval from Crescent Beach to connect a drainage tube from the parcel to a drainage point behind the Crescent Beach fence. PHA is considering other alternatives to deal with the drainage problem.

Mr. Joseph Maqueda pointed out that the turn around circle at the end of the Solarea/Crescent Beach beach easement is insufficient for a 3-seat golf cart to turn around. The turning radius of this circle needs to be corrected. Mr. Julio Bagué indicated that there is a commitment from the developer to widen this area to fix the problem and there is enough room to implement required modifications.

E. Other Old Business

1. PHA Building

Mr. Carlos García inquired into his suggestion to name the PHA Building after Mr. Agustín Cabrer, first PHA President. Mr. Servando Díaz replied that PHA has this item under consideration.

2. Recycling

PHA has requested an expansion of the Recycling Program to all areas within Palmas del Mar. The municipality has advised that currently it has limited resources to expand the program but it will evaluate PHA's request in July once they receive an additional truck that has been ordered for the program. Currently Palmas program covers Palmas Plantation, Palmas Reales, Villa Franca and Hacienda de Palmas.

3. Green Areas

Mr. José Beauchamp made reference to the negotiations between PDMPI and PHA pertinent to the green area in Surfside that, in his opinion, PHA is giving as a gift to PDMPI. In his view all green areas are supposed to be transferred to PHA and if PHA accepts something less it is giving away something it was supposed to receive. Mr. Beauchamp used the analogy of two pencils to explain his position. He feels that not everyone has seen the area in question and wants to make sure everyone understands what is being talked about. Mr. Beauchamp then passed around photos of an ocean front area he indicated is within the green area in question.

Mr. Julio Bagué clarified that the green area in Surfside that PDMPI is not transferring to PHA has a very small road front of approximately 12 feet. The area appears bigger because there is an empty lot next to the area. Mr. Beauchamp replied that if PDMPI retains that area for their use, access to the entire green area from Surfside will be lost. Mr. Bagué pointed out that access to the area can still be gained through the entrance to the PDMU pump easement next to Surfside 15.

4. PDMPI Maintenance Building

Mr. Luis Lomba inquired into the collection case of PHA versus PDMPI on the PDMPI Maintenance building. This is a case that dates back several years and wanted to know what the outcome of the case was. Mr. Maldonado informed that this case was seen and resolved in the courts of law in favor of PHA. The lawyers representing PHA are in the process of collecting the amounts owed.

5. Harbor Lights Green Areas

Mr. Ricardo Collazo asked if the green area between the Harbor Lakes and Harbor Lights is among the green areas to be transferred from PDMPI to PHA. Mr. Maldonado pointed out that these areas are not part of the transfer being contemplated by PDMPI to PHA. The areas in consideration for transfer are green areas previously transferred to PDMPI by Caribe Canal Company. He understands the green areas in Harborlights are part of that development and PDMPI has not indicated what they intend to do with them. These

Green areas are not part of the Marbella Park settlement negotiations with PDMPI.

V. PHA EXECUTIVE DIRECTORS REPORT

A. Beach Cleaning

The frequency for the cleaning of beach has been limited to three days per week as directed by the Department of Natural Resources (DNR). This is a change in DNR protocol for cleaning of the beach areas in Puerto Rico as an attempt to reduce the level of erosion of the coastal zones. PHA is negotiating with DNR to have the frequency increased to five days a week during the summer months in order to make Palmas beach areas more attractive and more usable to visitors and homeowners. The new frequency will start on the Memorial Day weekend.

PHA is also looking into the possibility of using another type of beach cleaning equipment that allows for the sand to be sifted while removing seaweeds and trash. The problem here is that Palmas does not have a place where to deposit the collected materials as seaweed is not accepted for compost manufacturing at PDMU and neither is accepted at the landfill. Mr. Maldonado and Mr. Encarnación agreed to continue to pursue the possibility of using seaweed for compost manufacturing.

Mr. Maldonado also informed that PHA has filed a formal complaint with DNR regarding sand extraction operations being conducted in the banks of Río Humacao near Palmas del Mar. The sand from the river nourishes the beach area and replenishes it with new sand. However, the sand extraction operation is taking away this source of nourishment thus further adding to the beach erosion problem. A follow-up letter has been sent to DNR on this issue. To date no reply has been received.

B. Coqui Park

PHA has cleaned up approximately 30 feet of the Coquí Park area bordering Beach Village. The ARB is still working with Zalduondo on the renewal of the construction fence around the Palmas Inn parcel.

C. Perimeter Surveillance System

The project for the installation of a camera system to monitor critical perimeter areas around Palmas del Mar was approved by the PHA Board of Directors. PHA is currently working with the banks for the financing of the projects. Once the project starts it takes approximately six weeks for the complete installation.

D. Security Update

1. Refresher Training

Refresher training is on-going in medical emergency response procedures and CPR. Training has been conducted in fire response. Police training on detentions and interventions is being programmed.

2. Police Presence

The State Police has been patrolling at Palmas on a daily basis. Interventions are being conducted with all vehicles leaving Palmas. Also, special interventions are being planned for particular areas such as the Harbor Lakes construction projects. Coordination is being effected for a stronger enforcement of the municipal code.

3. Incidents Review

There were no homicides or sexual aggressions reported. An altercation among guests was reported at Club Cala and was handled by St. James and the Humacao Police. There were five illegal appropriations (hurto) reported in April. Four of these took place in commercial areas and one in a residential area. Fourteen (14) burglaries were reported in April. Four of these took place in Harborside, two in Costa Verde, two in Palmas Reales, two in Villa Franca, one in La Jolla, one in Fairlakes Village, one in Harborside and one in Club Cala. Most residential burglaries involved stolen plasma T.V., laptops, electronic equipment and games. Eight individuals were detained by St. James and two of these arrested by the Police. Two vehicles were reported stolen and one was recovered.

Five rescues were performed by the Beach Patrol bringing to 21 the total of rescues in 2008. This number already exceeds the total number of people rescued in 2007. The Beach Patrol has been provided with a 10-foot emergency rescue board that seems to be working well. Simultaneous rescues have been already performed using the new board.

Security resources have been allocated to deal with the increase in burglaries seen in April. Special emphasis is being given to Harbor Lakes. Also, the Police and the CIC have implemented special patrols and vigilance over areas most affected by burglars. The municipal police has also assigned a patrol to work Palmas at night.

The Police Criminal Investigations Corps (CIC) reported that criminal delinquency in the Humacao regions has increased by 40% and burglaries have increased 111%. The increase in activity in Palmas del Mar is a reflection of what is happening in Puerto Rico and the region in general. The CIC is convinced that the large majority of the burglaries taking place in Palmas are being caused by housekeeping service and maintenance and landscaping personnel working around in homes and neighborhoods. They have already identified suspects and have established a special watch in most sensitive areas. Both the Police and St. James are collaborating in these measures. The CIC also indicated that

several criminals from the Humacao area that were in jail have been released. Typically when this happens the trend in delinquency increases until they are placed again behind bars. He urged, once more, that individual homeowners be more proactive in protecting themselves and in supporting security initiatives and judicial actions when criminals are apprehended. The CIC has given their commitment to continue to work with the community to bring delinquency and criminal activity under control.

PHA has implemented a 100% search of all vehicles carrying garbage, vegetation and concealed equipment out of Palmas. Also, landscaping disposable materials are now required to be taken to PDMU for processing within Palmas. The new procedures have been distributed to all regimes and to landscaping companies and individuals. Also, PDMU has taken steps to be ready to receive the additional traffic. A potential problem is that some landscaping work goes on until 5:00 pm and PDMU closes at 4:00 pm. PDMU has been asked to open until at least 4:30 p.m. Also, there is landscaping work that takes place on Saturdays and PDMU is closed on that day.

4. Summer Contingency Plan

A security summer contingency plan has been developed and will go into effect starting with the Memorial Day weekend. Bicycle patrols and additional security guards have been added to patrol beach and commercial areas such as Palmanova Plaza. Also the municipal police will be working with St. James to enforce the Municipal Code in commercial areas within Palmas del Mar.

Mr. Pedro Sánchez asked if beach areas are being patrolled at night. Mr. Maldonado informed that beach areas are patrolled during the day but not at night as beach areas are off-limits during night hours. Also, should a trend be noted in any area in particular resources will then be reallocated to respond to the situation as is done in other areas in Palmas.

Mr. Carlos García pointed out that people should take advantage of installing alarm systems that are monitored at the PHA Security Dispatch. According to Mr. García this system works very well as the response is almost instantaneous. Everyone should take advantage of this system. This system also works well when used to monitor perimeter sensor alarms. A good example of the efficiency of this system is Palmas Plantation.

Mr. Joseph Maqueda indicated that he had seen the statistics of delinquency reported to the police and it does not match the PHA statistics. Also, he wants to know what specific actions are being taken to deal with the increase of criminal activity since his neighbors are not satisfied with the internal security at Palmas Reales. Mr. Maqueda also reported that here have been additional incidents in Palmas Reales that are not being reported by PHA.

Mr. Maldonado replied that PHA received an annual report from the police covering all criminal activity within Palmas del Mar. This information is reconciled and reported to the community at the Annual Meeting. The report given by Mr. Bagué at the annual meeting as well as the security report distributed at the Annual Meeting addressed any

differences in reported incidents. Mr. Maqueda acknowledged that he did not attend the Annual Meeting and thus was not aware that the information was being updated and presented to the community.

Regarding the actions being taken by PHA Security to deal with the increase in criminal activity, Mr. Maldonado again referred to the security update given above. He restated that the actions being taken by the CIC, the District Police, the Municipal Police and the additional resources and actions that have been implemented through St. James Security. He also pointed out that the Perimeter Surveillance System and other contingency plans implemented are part of the overall PHA response to the situation. The result of these actions is that criminals are being apprehended and suspects are being detained and interrogated by the police. This information is given to the PHA Delegates so that the residents of the communities they represent be informed in detail. That is why it is important to share minutes of the Security and Delegates meeting with the community so they are fully aware of what is being done to cope with delinquency and criminal activity at Palmas. To circulate a copy of the statistics without giving any sort of explanation as to what is being done serves no purpose but to create further concern.

In regard to further incidents in Palmas Reales not shown in the statistics, Mr. Maldonado informed that the Security Director and himself meet with the CIC on a weekly basis to review Palmas incidents and except for those contained in the PHA reports there have been no additional cases reported to PHA or to the police during the month of April. Mr. Maqueda then clarified that he was referring to the house of Lilliam Morales that was found open; however, when investigated it turned out that nothing had happened. He also made reference to unspecified items stolen from his vehicle in Palmas Reales but he did not report it to the police or to PHA Security. This incident, according to Mr. Maqueda, was investigated by Teresa Castro from CNM Security. He thought that Ms. Castro worked for St. James and thus should have reported the incident. Mr. Maldonado pointed out that Ms. Castro does not work for PHA Security. He added that all incidents reported to PHA Security are investigated, documented and included in the PHA statistics. Incidents reported to CNM Security are not necessarily reported to PHA Security and it is not known what CNM does with this information.

Mr. Luis Lomba inquired into the status of the South District Access Control gate. He was informed that this project was still waiting for action by the Municipal Legislature.

E. Community Activities

Mr. Maldonado introduced Mr. José Juan Martínez, Community Activities Coordinator who presented the following report:

The year 2008 at a glance calendar is finished. We've included holidays, new community activities, and related activities that concern us.

A PHA Summer Sports programs for the weekends includes, mountain bike trek, walking trails trek , Kayaks, Volleyball playero, Football Playero, Soccer Playero, Sandcastle

competition, Paletas (beach tennis), limbo dance competition and all the surfing (kite, windsurfing and sand surfing).

A PHA educational activities is up and running with activities like Bird watch (next will be our 3rd reef awareness (by Alfredo Torruella) HCP awareness, Flora and Herpetofauna.

The Teen Center has been remodeled thanks to a donation of new furniture. We've made the Center wireless capable. The Wii by Nintendo has been a major addition. We enjoy virtual boxing, bowling, baseball, golf, tennis, guitar Hero III, Mario Striker charged and Super Mario galaxy games.

Other activities like Walkers and Runners, bike Polo, cheerleading (a proposal is in), Tai Chi (a proposal is in) and a go skate day is in the works.

The PHA Cultural Activities program is ready to go soon. Starting with Cannes Festival movies and the double feature remake of classics.

VI. NEW BUSINESS

Mr. Reynaldo Encarnación reported on the water situation at Palmas and gave a status report on the broken water line coming from Rio Blanco. He also informed the Delegates about PDMU's program for repairing infrastructure throughout Palmas. Some infrastructure, particularly located in green areas and old developments, has not received any maintenance in more than 15 years. Information is being sent to the community about this program. He added that security measures are being taken to protect water tanks from vandalism and sabotage. There is a need to protect the Palmas water supply system and PDMU is taking measures accordingly. Mr. Encarnación concluded by pointing out that as Palmas gets deeper into the summer the community needs to take measures such as closing sprinkler systems to insure adequate reserves are maintained. Daily average consumption for Palmas is 500,000 gallons and during peak periods can go up to 700,000 gallons.

Mrs. Mirna Ríos suggested the acquisition of a translation system that is not too expensive for use at the Delegates meetings. She also volunteered to act as translator for the benefit of non-English speaking delegates. She will look into it and forward the information to PHA.

VII. ADJOURN

The Delegates Committee adjourned at 9:20 pm upon a motion by Luis Lomba seconded by Ricardo Collazo.