

The Reserve on the Eagle River
Board Meeting Minutes
Monday, February 19, 2018 at 6:30PM
Reserve Clubhouse

BOARD MEMBERS PRESENT IN PERSON: Deb Forsline, Linda Guerrette, Eric Goodling and Christine Riker

BOARD MEMBERS NOT PRESENT: Marilee Horan and Jess Frieze

ALSO PRESENT IN PERSON: Sara Thurston McNeill of McNeill Property Management and Kevin Morse of Lever Energy Capital

HOMEOWNERS PRESENT IN PERSON: Brian Forsline (Unit G-201) and Theresa Luling (Unit E-202)

I. Roll Call. With four of six Board Members present, a quorum was established. Deb Forsline called the meeting to order shortly after 6:30PM.

II. Lever Energy Capital Presentation. Kevin Morse traveled to Edwards from Evergreen to present the Board with funding options for the solar energy project that the Board has been investigating. Kevin explained that after the Board contacted Walking Mountains Science Center for some information, they were referred to Adam Palmer, the sustainability coordinator for Eagle County. Adam then contacted Kevin to see if he had any financing options for this project that could work for The Reserve.

Kevin's power point presentation explained his background and affiliation with Lever Energy Capital, a public benefit corporation. He determined that one of the local banks, ANB would be willing to loan the association the funds to purchase the solar array (and related elements) at an estimated cost of \$230,050 at an amortized interest rate of 6% for 20 years. Because they are willing to loan the funds for this period of time, the association will essentially be able to cash flow the project. Kevin noted that another local bank, Alpine Bank would also be willing to loan the funds to the association, but would require a 10-year payback period at 6.5% interest. The Alpine Bank loan not be workable given the amount of power the project would generate (estimated to be between \$18,000 and \$24,300 per year).

He explained that the solar project could work for The Reserve given the following:

- ANB provides The Reserve a 20-year fixed rate loan
- The Reserve uses loan funds to prepay a third party solar investor for the power produced

- The third party investor uses funds from The Reserve plus its own equity to build the solar array
- The solar array produces electricity, which is fed directly into the Holy Cross Energy grid
- Holy Cross pays The Reserve monthly credits on its electricity bill for the power produced
- The Reserve makes monthly payments to ANB for the life of the loan

The Board discussed some other considerations with Kevin, including the costs for annual operations and maintenance of the array, insurance for array, and reserving funds for the eventual replacement of the panels (which come with a 25-year warranty). The Board would like the ability to add additional panels to the array over time and sell power to The Reserve homeowners or other members of the community at large (through credits from Holy Cross Energy). Kevin explained that his financing and construction program would serve the original portion of the project; if additional arrays were added at some point in the future, a separate entity may need to be formed that could lease the land from The Reserve and then apply for financing and construction, as needed.

After detailed discussion, there was a MOTION: TO MOVE FORWARD WITH AN INDICATION OF INTEREST AGREEMENT WITH LEVER ENERGY CAPITAL AND MICRO GRID ENERGY. The motion was seconded and passed with three Directors voting FOR the motion (Erik Goodling abstained from voting). The final engineering specifications, estimated costs and term sheets for financing will be provided to the Board prior to any approval of the solar project.

Homeowners can get a copy of Kevin Morse's power point presentation by contacting management.

- III. Review and Approval of the Minutes of January 15, 2018, Board Meeting. These minutes were drafted and circulated to all Board members for review and comment via email prior to the meeting. Some changes were incorporated and then recirculated to the Board. There being no further suggested changes, there was a MOTION: TO APPROVE THE MINUTES OF THE JANUARY 15, 2018, BOARD OF DIRECTORS MEETING AS PRESENTED. The motion was seconded and approved unanimously.
- IV. Homeowner Forum: Theresa Luling requested that the Board approve the formation of a committee to explore the feasibility of the construction of garages at some point in the future. She volunteered to serve on such on a committee. The Board did not see any reason not to approve the re-formation of a Garage Committee.

V. Amended & Restated Bylaws. The final version of this document was circulated to all Board members, posted on the website and all owners were notified of the pending vote to adopt in the meeting Agenda. There being no further suggested changes, there was a MOTION: TO ADOPT THE AMENDED & RESTATED BYLAWS OF THE RESERVE ON THE EAGLE RIVER CONDOMINIUM ASSOCIATION. The motion was duly seconded and carried unanimously.

VI. Financial Review Kay Cheney, bookkeeper, prepared the January 31, 2018, financial reports and Sara McNeill presented them to the Board with the caveat that these reports are preliminary; some expenses from January were clearly not represented in the Profit & Loss Statement. There is a capital expense of \$2500 for excavation for sewer line cleanouts that needs to be reclassified to 2017.

According to the preliminary January 2018 Balance Sheet, the association has \$69,409.84 in the regular checking account and \$180,409.86 in the liquid asset replacement account. Assets, liabilities and equity total \$289,844.07 including \$19,682.04 in prepaid insurance premiums and \$13,575.32 in accounts receivable. The balance in the Replacement Reserve Account is \$152,243.07.

Sara reviewed the updated list of owners who are in arrears. There was consensus to turn one delinquent account over to Hindman Sanchez for collection since the owner has been behind for over one year with no communication to management.

VII. Manager's Report. Mike Skellion, maintenance manager, submitted the following report to the Board via email prior to the meeting:

- The Clubhouse toilets are being replaced today.
- There have been numerous drain line back-ups over the past couple of months. Unfortunately, most occur or are reported after normal business hours and end up costing twice as much to repair. We try to schedule repairs on the following business day if the chance for damage is minimal.
- Upon inspection of the pool mechanical room, I detected a leak that occurs only during the backwash cycle on the pool filter. I repaired it today.
- The leak from Unit H-202 into H-102 is being handled by the owner of Unit H-202. I investigated it and discovered the cause to be a compromised overflow gasket in a bathtub. It occurred only once, was caught early, and there was no damage to the lower level unit.
- The speed hump in front of Building C has been peeled up a couple of times by the plow contractor (even with reminders from me that it was recently installed). They have replaced it and seems OK for now.

Dan requested that the Board consider the updated lighting proposal from A-Phase Electric. This is the contractor that installed the "test case" lights on Building C and in the parking island across from Building C. The test case does not appear to

be a success since the lights are on much more than necessary, even during daylight hours (apparently the motion detection devices are not working) and the lights are much brighter than desired. The Board requested that the lighting contractor fix these issues prior to the Board considering any further work with him.

Sara presented a brief Rules & Regulations update to the Board. In the past month, Jennie Lewis has ticketed several vehicles parked at The Reserve without the required parking stickers. Since no contact has been made to management, and these vehicles are gone before the next site visit, Jennie assumes that they belong to temporary guests of residents or to short term renters. It was duly noted that short term renters' vehicles must display valid parking permits in their vehicles. Jennie would like more direction from the Board of Directors on what residents are allowed to store in interior common hallways.

The Board requested that management install a clip on one end of the chain that crosses the back lot where the trailers are parked. In this manner, trailer owners can unhook and re-hook, as needed.

- VIII. Committee Reports. Deb Forsline reported on the progress of the Governing Documents Revision Committee. The Bylaws have now been adopted and the comprehensive Amended & Restated Rules and Regulations document is expected from legal counsel by the end of the week. Once circulated to the Board, the Directors will need to carefully review and return any comments or proposed changes to Deb.

Management continues work with the Committee to review all invoices from Goodman Wallace to make sure there is no double billing for services included in the Governing Documents Revision contract.

- IX. Old / New Business There was no old or new business to discuss.

- X. Adjournment. There being no further business to come before the Board, the meeting adjourned at approximately 8:10pm.

Respectfully submitted,

Secretary to the Meeting