

The Reserve on the Eagle River
Board Meeting Minutes
Monday, July 20, 2015, at 6:30 PM
The Reserve Clubhouse

BOARD MEMBERS PRESENT: Scott Ashburn, Jess Frieze, Deb Forsline, Marilee Horan and Peter Lord

NOT PRESENT: Lauren Immel

ALSO PRESENT: Dan McNeill, Managing Agent and Sara Thurston McNeill, Secretary to the Meeting

OTHER MEMBERS PRESENT: Guerrette (I-203), Hanley (I-103) and Woodell (C-302)

- I. Roll Call. With five of six Board members present, a quorum was established. Jess Frieze welcomed all to the meeting and called it to order shortly after 6:30PM.

- II. Homeowner Forum. The floor was opened to the homeowners that attended to the meeting. Daniel and Frieda Hanley recently purchase their home at The Reserve and requested permission to run a natural gas line to their unit at I-103. After contacting Source Gas, the owners were told the total cost to run the line to their unit would be \$366. Some trenching will need to occur from the main line to the building, and the utility company would be required to mitigate any disturbance to the surrounding landscaping. An irrigation specialist would also need to meet with the trench diggers on site to ensure that the irrigation system would not be damaged. A meter would need to be installed on the side of Building I; the Board would like it to be installed and protected in the same manner as the existing gas meters on Buildings A, B and C.

There was a MOTION: TO APPROVE THE HANLEYS' REQUEST SUBJECT TO WRITTEN CONFIRMATION FROM SOURCE GAS TO MANAGEMENT THAT THE PROJECT WOULD NOT COST THE ASSOCIATION ANY FUNDS, THAT THE UTILITY COMPANY WOULD BE RESPONSIBLE FOR THE FUTURE MAINTENANCE OF THE LINE AND THAT THEY WOULD COVER ANY DAMAGES TO LANDSCAPING ELEMENTS AND THE IRRIGATION SYSTEM. The motion was duly seconded and carried unanimously.

Management will notify all of the owners in Building I to see if they would like to hook up to the natural gas line. It is duly noted that all interior plumbing

associated with running gas to a unit's interior will be covered by the individual owner.

The Hanleys also asked for permission to install a deck railing around the perimeter of their patio. There was consensus to let them do so provided that the railing, pickets and paint color match the existing railings on the rest of the building.

III. Minutes of the June 15, 2015, Board Meeting. These minutes were drafted and circulated to all Board members for review via email. Several changes were incorporated and then they were re-circulated to the Board. There being no further suggested changes, there was a MOTION: TO APPROVE THE MINUTES OF THE JUNE 15, 2015, BOARD OF DIRECTORS MEETING AS PRESENTED. The motion was seconded and carried unanimously.

IV. Financial Review. Kay Cheney, bookkeeper for the association, prepared the current financial reports (as of June 30, 2015) and Jess Frieze presented them to the Board.

According to the Balance Sheet, the association has \$35,785.59 in the regular checking account and \$156,990.92 in the liquid asset replacement account. The balance on the roof loan to Guerrero's Roofing is \$43,513.

The Profit and Loss Statement reveals that the association has total income of \$200,397 through June 2015. Operating Expenses for the first six months of the year total \$199,592. This compares with budgeted expenses of \$187,870; therefore the association is \$11,722 over budget. Cost overruns have been experienced in the Land Design, Snow Plow, Snow Roof, Paint Hallways, Landscaping (due to an extensive mulching project), Common Repair and Maintenance (due to lighting baluster replacement) and Common Electric line items. Savings have been garnered in the Common Repair & Maintenance, Plumbing and General Common Improvements Line items. Millers Creek has reimbursed the association for their share of the 2014-2015 season snow removal costs. Net income for the first five months of the year is \$805.

The 2015 beginning balance in the Replacement Reserve Account was \$92,468.26. Current year funding through Replacement Reserve Assessments totals \$54,341.28. 2015 Capital Expenditures so far total \$39,947.61, \$35,000 of which is for the roofing contract loan payback to Guerrero's Roofing at the rate of \$5,000.00 per month. The other capital expenses include alarm panel work (\$4513.92), Governing Documents Revision work (\$1457), drain work (\$2350.69) and work on the gravel walkways (\$1626). The balance in the Replacement Reserve Account as of June 30, 2015, is \$106,861.93.

There are currently three owners who are more than 60 days behind in the dues payments. Demand letters will be sent to them by management per the Collections Policy.

- V. Manager's Report. Dan McNeill distributed the updated 2015 Projects List to the Board, indicating that many of the items have been completed at this point, including the cleaning of all common hallway carpets, dryer vent cleaning and gutter cleaning. Next week, Jay Livran will start on the partial siding replacement project (four buildings). The siding is already on site and is primed with one coat on both sides and ready to install. The second coat of paint will go on when the building is painted.

Dan then referred to the 2015 Capital Expenses handout. Projects already completed and / or paid for this year include:

- Tree removal at the Clubhouse \$4032
- Pool drain repair \$2351
- Replacement of an alarm panel \$4514
- Roof payments \$60,000
- Governing Documents Revisions \$1457

Under consideration for completion this year are another approximately \$41,000 in capital expenses that include parking lot line painting and crack filling, asphalt walkway replacement, walkway lighting replacement, inspection and replacement of rotten wood posts, sealing of the bridge concrete deck, replacement of the bridge expansion joint, painting of the bridge rails and posts and gutters on the four buildings that will be painted.

There was consensus to move forward with some of the bridge work this year (expansion joint and painting of rails and posts), to have Mike check the bolt fasteners on the bridge prior to any painting work and to try and garner at least one more proposal for bridge expansion joint replacement. The sealant work will be scheduled for first thing next spring, weather conditions permitting, once reserves have been built back up.

After detailed discussion, there was a MOTION: TO APPROVE ALL 2015 CAPITAL PROJECTS AS PRESENTED WITH THE EXCEPTION OF THE BRIDGE SEALANT WORK. The motion was seconded and carried unanimously.

The color chosen for the bridge rail and posts will be dark green to match that of the green buildings at The Reserve. Millers Creek shares in all costs related to bridge work.

Management has received a lot of (negative) feedback from residents regarding the recent spraying of turf areas for broadleaf weeds and the trees for pests.

Moving forward, management recommends treatment of turf areas with ORGANIC ONLY APPLICATIONS (such as Fiesta) and to root inject trees for pests. The association is required per Eagle County regulations to control thistle since it is a noxious weed. The only cost effective method for the eradication of this plant is the traditional application of a chemical herbicide (such as Round Up).

There are currently three open insurance claims. The association is waiting on the liability adjuster for the claim related to a leak in I-104 to provide an explanation of coverage and approval of the repair estimate. The plumbing repairs in G-204 and G-104 are now complete. Interstate Restoration will remove drywall next week and the estimate for repairs will be forwarded to the owner of G-204. The claim related to leak in Building F was denied by the owner's insurance policy. Management is working to get resolution to this matter.

- VI. Committee Reports. The Long Term Landscaping Plan Committee Chair, Linda Guerrette reported that she now has three proposals for the new irrigation system and made a recommendation to the Board to go with the Pristine Landscaping proposal at an estimated cost of \$140,000. She also recommended that the Board consider funding the project (to be done in phases beginning in 2016) by levying a special assessment of approximately \$500 per unit per year for three years. The Board took Linda's recommendations under advisement.

Dan recommended that an irrigation expert be contracted to design the new irrigation system so that comparable bids from several irrigation installers can be garnered.

The new irrigation system will need to be worked into the Capital Improvement Plan. Dan distributed a draft of the Plan to each Board member and asked them to review it and come to the next meeting with suggested changes. He also recommended that the Board hire a reserve specialist to estimate realistic costs for all of the capital projects at The Reserve, including asphalt mill and overlay, all of the other aspects of the Long Term Landscaping Plan, lighting, the Clubhouse, the pool, roofs, drain lines and more. In this manner, the Board can effectively budget and plan for the future.

Deb Forsline distributed a revised Charter and Goal Sheet for the Governing Documents Committee. The number of committee members has been reduced to four in order to more effectively schedule meetings. She also drafted and distributed the FYI Letter #4 to be distributed to all owners via email with the minutes of this meeting. She anticipates that the first draft of the Declaration will be sent by legal counsel to the Committee some time in August.

- VII. Other Business. It is duly noted that the Board voted via email to approve the insurance policy with Peliton Insurance (underwritten by CAU). There are currently three open insurance claims.

The Amended and Restated Collections Policy was circulated to all owners for a 15 day comment period. One change was made per the comments received, incorporated, and approved. It has been posted to the website.

Jess reported that the speed bump lawsuit is still on-going. A court date has been set for March 28, 2016, although the insurance company's legal counsel hopes for a settlement before then.

VIII. Adjournment. There being no further business to come before the Board, the meeting adjourned at approximately 8:15PM.

Respectfully submitted,

Secretary to the Meeting