

MINUTES OF THE BOARD MEETING
OF THE ANCHORAGE WEST ASSOCIATION

May 6, 2011

At a meeting of the Board of Directors of the Anchorage West Association, duly and regularly called and held at 1:00 pm on Friday, May 6, 2011, there were present in person: Directors Al White and Jim Sebben and from Summit Resort Group Kevin Lovett, Peter Schutz, Deb Borel and Mark Williams. Chris Durkin, Melissa Barrett and Dale Hill participated via telephone. A quorum was present.

1. **Owners Forum** – The meeting was advertised and welcomed owners to participate. No owners, other than board members, were present.
2. **Minutes** – Jim Sebben made a motion to approve the minutes from the 1-21-11 Board meeting; Al White seconded and the motion carried.
3. **Financials** – Kevin Lovett gave the following financial report:
Financial Report as of April 30, 2011
April 30, 2011 close financials report \$7,271.68 in Operating and \$45,004.38 in reserves.

April financials report \$7005 over budget YTD.

Areas of significant overage/ underage include:

- ❑ 502 Gas \$3445 over
- ❑ 515 Bldg maintenance \$1001 under
- ❑ 516 Boiler R & M \$5661 over
 - Reclassification of expenses approved at last meeting completed
 - Summary of Boiler R & M expenses
 - ❑ Quarterly maintenance service - \$7250
 - ❑ Boiler Repairs, non reserve - \$2202
 - ❑ Zone valve related expenses - \$2179
 - ❑ Leaks - \$936
 - ❑ Freeze ups - \$1990
- ❑ 555 Legal Fees \$1087 over
- ❑ 570 Property taxes \$1624 under (budget vs. actual timing issue)
- ❑ 635 Contingency \$881 under

All reserve contributions have been made to date.

All owners are current on dues.

Proposed 2011-12 Operating Budget – the Board and Management reviewed the proposed 2011-12 operating budget.

Revenue changes from 2010-11 to 2011 -12 include:

- ❑ 400 Dues Income- three levels of dues were discussed ranging from 2.7% to 5.2% (increase occurs in August 2011)
- ❑ 415 Laundry Income – decrease to \$0 per new agreement
- ❑ 435 Interest Operating – decrease to \$24 per actuals
- ❑ 440 Interest Reserve – decrease to \$180 per actuals

Expense changes from 2010-11 to 2011-12 include:

- ❑ 501 Management fee – increase of \$244 annual
- ❑ 502 Gas Expense – increase \$1338 annual or 3.32%. A favorable rate lock was negotiated however transport fees increased
- ❑ 503 Electricity – increase \$583 annual, 6.7% inc.
- ❑ 516 Boiler Heat R & M – increase, \$2900 annual. This will allow for the quarterly inspections and an additional \$4800 for items such as non-reserve boiler repairs, zone valve work, leaks, freeze ups
- ❑ 520 Cable TV– increase, \$1200 annual, 5.25% per Comcast contract
- ❑ 565 Insurance – increase \$504 annual, based on premium
- ❑ 580 Office Expense – decrease, \$110 annual
- ❑ 635 Contingency – decrease, \$961 annual

Overall expense increase of \$5698 or 2.1%

Dues – Current dues are \$470 per unit per month. The Board discussed the three levels of possible dues increase to cover the overall expense increase.

- ❑ Chris Durkin made a motion to present the following three options to homeowners regarding dues increase at the 2011 Annual Owner Meeting; Dale seconded and the motion carried.
 1. Increase dues 2.7% to \$485 per month which will balance the budget and \$0 will be contributed to the contingency fund.
 2. Increase dues 4.2% to \$490 per month which will balance the budget and contribute approximately \$3000 to the contingency fund.
 3. Increase dues 5.2% to \$495 per month which will balance the budget and contribute approximately \$6000 to the contingency fund.
- ❑ SRG will modify the cover letter of annual meeting notice to reflect the three options. It was noted that as the members consider the options it should be pointed out that with options 2 and 3 the budget will have some cushion which hopefully will reduce the likelihood another dues increase in the next year or two; with option 1 there is a strong likelihood that another dues increase will be needed in the near future

4. Managing Agents Report – The Following items were reviewed:

Completed items

- ❑ Letter to Owners sent
- ❑ Hot Tub cover installed

Report Items

- ❑ Roof Stains - \$1100 to clean
 - ❑ Roof pipe boots - \$750 to inspect and reseal all roof pipe boots
- Al made a motion to inspect and re-seal all roof pipe boots and not clean roof. Melissa seconded and the motion carried.
- ❑ Hot Tub resurface, patching, leak
 - Leak – Leak investigation \$1000-\$1500
 - Resurfacing Options
 - ❑ Option 1- Clean surface, fill cracks replace bottom covers with VGBA compliant covers, replace missing jets, install skimmer cover - \$1650
 - ❑ Option 2- Items in option 1 plus priming and painting the surface - \$2800

Jim made a motion to spend up to \$1,500 to investigate the hot tub leak, see how much to repair, and then evaluate what the next steps will be. Dale seconded and the motion carried.

□ Landscaping

- Discussed landscaping and bids in three areas:
 - Sod Install at lower North building
 - Sod Install at front upper building
 - Lawn and irrigation repair in front of boat lot

Since some bids were pending, SRG will email to board when received and vote will take place via email.

- Lower north bldg tree – tree has some brown limb sections and some new growth. Overall issue with tree is that it is “crowded” by roof eave and bldg. Also has spots of “witches broom”. Due to location and size of tree in comparison to bldg, tree will die over time. Removal of trees is on hold, but dead limbs will be trimmed out.
- Spring Clean up items underway to include:
 - Rake lawns
 - Sweep parking lots
 - Touch up painting, white walls

□ Boiler items

- Zone valve / bldg heat supply pressure project – A number of zone valves in the buildings are experiencing “blow by” of heating water when the zone valves are “closed”. Basically, a unit thermostat is “off” yet hot water is still flowing through the zone; this does 2 things – it is heating the unit when unnecessary and it is burning out the zone valve motors causing the need to replace zone valves prematurely (at least 10 zone valves replaced this past year). The basic problem causing this issue is that the differential bypass valves are undersized. Having a properly sized and set bypass is crucial as there is necessary balance with having enough flow for heating water to reach the outer zones of the building (i.e. end units) while not having too much pressure to blow past the zones closest to the boiler rooms (i.e. the units closest to the boiler rooms).
 - Steps to Correct the Problem
- The first step is to check bldg pressure by working in boiler rooms and checking flow in each unit. This has been completed on the upper building. It is time consuming. Also should do either the Lower North or Lower South building (these buildings are the same, so we should expect the same results – they are however different than the upper building). The cost to complete the flow testing on a lower building is \$1400. This testing will determine the desired pressure of heating water to reach the various zones; this is critical in determining:

A – what is needed regarding the differential bypass?

B – what is needed regarding unit zone valves

A. Differential Bypass - The existing bypass valves are undersized. (upper building bypass has been removed and system is working fine without the bypass in upper building; note that the differential bypass is more critical in larger buildings than in smaller buildings). Once pressure and flow tests are completed on lower building we will know what needs to happen with press differential bypass with lower building.

Options with the lower building differential bypasses are:

- Simple removal
- Put in proper size differential bypass – approx \$2,000 per building
- Put in a variable speed pump, but this will range between \$3,500 and \$5,000

B. Zone valves - once desired pressure is known, we will know what zone valve assembly is needed (maybe just actuator, maybe valve body needs replaced) – possibility of only needing to put in higher pressure zone valves in zones closest to boiler rooms. Actuators are approx \$50 each as are valve bodies. Could replace with new style on “as burn out” basis. We purchase about a box of 10 each year now.

Al made a motion to buy the strongest zone valve actuator that is compatible with the existing zone valve bodies and replace with them when old ones burn out, to determine if that fixes the issue. Additional testing will not be completed at this time. Melissa seconded and the motion carried. The owner of unit 136 will be informed that his thermostat is not compatible with normally open zone valves and he is to replace his thermostat.

- Water makeup auto fill addition to lower buildings (upper bldg has been installed)
 - Board unanimously approved to add water make up to lower North and South buildings. This is better for system than manual filling – approximately \$500 per building.
- Denver Water – Kevin has a call into the local water board representative for approval to mow the grass along lake.
- Snow plow damage – last month’s payment is being held until following damage is repaired:
 - Damage to fence
 - Damage to concrete curb – approximately \$550 to repair.

5. Old Business

A. Fence/ Lighting Project

- Attorney does not recommend taking further action toward pursuing Bailey Builders
- Recommended money be spent fixing the fence
- BBB claim will be filed
- Discussed options for fence repair. Priority areas are as follows:
 - Between upper building and boat lot
 - Between road and boat lot-structural-Steve Kelly is preparing cost estimate to install mid span blocks on pavers

B. Contracting – the Board discussed future agreements with contractors and agreed that any contracts over \$7500 will receive attorney review. Attorneys can check to find out if the contractor has had any suits filed against them. All contracts will be prepared by the Board and SRG management following the basic format provided by our attorney adapted to the specific project. The contract will be between AWA and the contractor with SRG the contract manager and point of contact. The Board may appoint, via meeting minutes, Board members to also be points of contact in addition to SRG. Anytime a contract is signed by a board member, it is to be signed “Anchorage West Association by _____, _____ (board position held)”.

6. New Business

A. 2011 Projects

- Boat lot concrete replacement at dumpster area – Kevin presented options and bid for replacing concrete at dumpster area as follows:
 - 4 squares –
 - Co Cutting and Coring - \$4800
 - Ten Mile concrete - \$5375
 - 6 squares –

- Co cutting and Coring - \$7200
- Ten Mile concrete - \$7175

Chris made a motion to lay 6 squares and have bollards placed after priorities have been set for spending. Dale seconded and the motion carried.

- Boat lot asphalt work – crack seal, seal coat and restripe
 - Apeak - \$1568 to clean (including cleaning concrete) crack seal, sealcoat and stripe
 - Jet black -\$1350 to crack seal and sealcoat (no striping)

Work will not begin until after the annual meeting.

- Painting
 - Reviewed Peak Paint bid for painting of fascia, upper eaves and other items.
 - Lower N Building chimney cap replace - \$1450 for cap (Turner Morris), \$105 to etch and paint with hi-temp paint (Peak Paint)
- Landscaping – discussed above

Prioritizing of all Projects – Updated bids will be received on all capital plan items and SRG will prepare an email listing all projects with costs and the Board will review and prioritize; projects to include:

- Hot Tub leak investigation
 - Hot tub surface options 1 and 2
- Roof Pipes/boots
- Lower North Bldg Chimney Cap
- Painting
- Asphalt
- Concrete
- Boiler auto fill
- Fence
- Landscape items

B. 2011 Annual Owner Meeting, picnic

Meeting date - Saturday July 16, 2011
 Official notice to be sent June 16, 2011
 Town Hall and Park have been reserved
 Picnic – Pug Ryan’s will cater

C. Pool opening date will be in mid June and the heat will be at normal levels by July 4.

7. Next Meeting Date – the Next Board meeting will be the annual meeting on July 16.

8. Adjournment – with no further business, Al made a motion to adjourn. Jim seconded and the motion carried.

Approved by: _____
 Board Member Approval

 Date