

MINUTES OF THE BOARD MEETING
OF THE ANCHORAGE WEST ASSOCIATION

January 13, 2007

At a meeting of the Board of Directors of the Anchorage West Association, duly and regularly called and held at 9:00 a.m. on Saturday, January 13, 2007, there were present: Directors James Sebben (via telephone), Bruce Douglas and Ron Pfister from the current Board of Directors. Also present were Kevin Lovett and Peter Schutz for Summit Resort Group.

1. Call to order – 9:05 a.m.
2. Owners Forum – advertised and welcomed owners to participate; no participants attended.
3. Minutes from the October 10, 2006 Board meeting were approved.

3. Financials

Financial Report as of December 31, 2006 close

December 31, 2006 close financials report that we have \$28,807.16 in Operating and \$68,363.63 in Reserves.

December 31, 2006 Profit and Loss statement reports that we are \$9785 under budget in operating expenses. This underage is mainly due to savings in Gas. We are \$12,047 under budget in gas.

Gas – Management was instructed to contact Wasatch Energy (the natural gas provider) to discuss lock in strategies for the spring and to investigate a possible “buyout” of Wasatch Energy by another natural gas provided. The overall goal is to secure (lock in) at a good rate for a long period of time. Management also instructed to track energy savings with new boiler system.

Reserve Account Summary

Current Reserve Balance \$68,363
(as of 12/31/06)

Expected expenses

Breckenridge Mech	\$38,830.86	(20% of original contract)
Triangle Electric	\$5,000	(approximate)
<u>Engineer</u>	<u>\$856</u>	
Total Expenses	\$44,630	

Predicted Reserve Balance
(as of 2/1/07) \$24,485 (includes January reserve contribution)

Predicted Reserve Balance per Capital budgets December 31, 2006 Y/E is \$25,512

Anchorage West is currently working very closely to achieving the desired and predicted Reserve Balance after the large Boiler Replacement project. This is a positive report considering the size of the project and the number of “unknowns” with a project of this size in a building of its age.

Accounts receivable - All owners are paid up on all assessments

Capital Projects Plan review

Summit Resort Group Management provided a dozen possible reserve plans for review in preparation for this meeting. Via email, we have managed to narrow down the plans to six which were presented and discussed at this meeting. The plans presented were as follows:

(please note that all reserve plans have the same expense figures with the same allocated expenses and expenses occur in the same years (this is our “control”). Income is the only variable in the study as various incomes are used and also an example Special Assessment. The only expense that does change is the addition of the large \$150k lakeside window / sliding glass door replacements and this will be noted in the header.)

Also note that the “goal” as previously established is to maintain a minimum of \$30k in reserves. (\$50k minimum in reserves is a better goal)

CURRENT Reserve Plan- the Current reserve plan consists of placing \$16 per unit per month into reserves. With this minimal contribution we have minimal reserve funds and quickly reach a deficit scenario by 2010; the lake side window / door replacement is in no way attainable without a special assessment (with this plan, we will already be looking at a special assessment by 2009/2010 to complete the necessary projects). It is not recommended to continue with this plan.

2B Reserve Plan – Reserve Plan 2B consists of placing \$25 per unit per month into reserves. With this minimal contribution we have minimal reserve funds and quickly reach a deficit by 2011 (2010 is dangerously low). The lake side window / door replacement is in no way attainable without a special assessment (with this plan, we will already be looking at a special assessment by 2009/2010 to complete the necessary projects). It is not recommended to continue with this plan.

2 Reserve Plan- Reserve Plan 2 consists of placing \$50 per unit per month into reserves. With this contribution, we are building reserves and will be able to cover expenses and have a fair amount in the bank for any future unforeseen expense items. The lakeside window and door replacement is still unattainable without a special assessment, but aside from this project we will be able to meet expense goals. This plan is recommended as the minimal recommended contribution for a complex of this size, age and with the projected future projects.

2C Reserve Plan – Reserve Plan 2C consists of placing \$50 per unit per month into reserves. With this contribution, we are building reserves and will be able to cover expenses and have a fair amount in the bank for any future unforeseen expense items. The lakeside window and door replacement will occur with a \$150,000 (\$3191 per unit) in year 2010. This plan is recommended as the minimal recommended contribution for AW coupled with the special assessment to complete the lakeside window and slider replacement.

2D Reserve Plan – Reserve Plan 2D consists of placing \$75 per unit per month into reserves. With this large contribution, we quickly build the reserve fund. The lakeside window and door replacement is not included in this plan (however, it would be possible and this is included in the next 2D plan). While it is great to have a large reserve fund, this plan is not “necessary” unless we really want to build to address the lakeside windows and sliders in future years without a future special assessment. This plan will greatly help us to avoid future special assessments.

2D(1) reserve plan – Reserve Plan 2D(1) with lakeside windows and sliders replacements. Same as above only we have added the lakeside windows and sliders replacement in year 2013 without the need for a special assessment.

Upon review of the above plans, the Board of Directors asks that Kevin Lovett and Jim Sebben work to refine the project list and expenses (including the addition of monies allocated for landscaping improvements) and to vote on the plan for recommendation at the next Board meeting. The capital projects plan that is decided upon at the next Board meeting will be presented to the owners at the annual meeting. At this point, the Board is leaning towards plan 2C which includes placing \$50 per

unit per month towards reserves and handling the lake side sliding glass door and window replacement via special assessment. Board member Dave Lipka may have an additional reserve plan and or strategy that he may present to the board as well.

4. Managing Agents report

Completed items

- Annual fire place / chimney sweeps and inspections
- Railing installed for new steps
- Leak resolution policy mailed and posted on website
- New owner packet
- Installed block off railing between pool and hot tub
- Replacement of "heavy" hot tub cover with lighter cover

Report item – we have received a bid of \$995 for a mid-weight, soft cover that is designed for energy savings and is easy to remove/ replace. The decision was made to continue use of the "soft" light weight hot tub cover during the day and to use the "heavy" more energy efficient cover at nights. The site manager will remove the "heavy" cover in the morning during the opening of the hot tub and put the "heavy" cover on at night during the closing of the hot tub. The Board would like management to investigate the possibility of creating a rack or holder to store the "heavy" hot tub cover during the day. The "heavy" cover will only be utilized during the colder winter months and will not be used during the warmer summer months.

- New owner packet – complete
- Parking and hose rules mailers sent

Pending items

- Replace Roof Vent caps – Mike Day to provide specs; hold off until boiler replacement project fully complete
- Gas meter covers – Hold off until boiler replacement project complete: possible summer project

Report Items

- Concrete step install – 1 year warranty received
- ACH –(Auto dues payment) – currently 12 owners are on ACH. Owners are not required to be on ACH; no monetary incentive for owners to be on ACH with exception of the following: Save postage, do not have to write check, no additional fees associated with ACH (as there are with some other auto – on line bill paying). Advantage to association for owners on ACH is possibly receiving dues "quicker" than if a hand written check is sent in. No charge to Association for ACH.
- Dumpster – Current monthly expense for 6 yrd dumpster, one pick up per week is \$121.59. Cost to upgrade to an 8 yrd. Dumpster, 1 pick up per week, is \$142.30. Do not recommend going with 8 yrd and decreasing pick up service. The decision was made to continue to use the 6 yrd dumpster and Management was instructed to solicit bids to install a "fence" around the dumpster enclosing it.
- Breckenridge Mechanical maintenance program – Breck Mech proposes to inspect all 3 boiler rooms 4 times annually for \$1940 per year. The agreement to this routine maintenance program will also extend our warranty by 6 mos. Management instructed to work with Roy Topping on this proposal before acceptance.
- High speed internet – Management and the Board discussed the possibility of going with the Comcast "Transport only" program for supplying high speed internet to the complex. This would increase the

monthly fee for internet usage by approximately \$400 per month. Bruce Douglas moved to propose the "Transport Only" program to the owners at the 2007 annual owner meeting.

5. Old Business

-Boiler install status:

Upper bldg. complete- Additional controller (for duty cycle of pumps) install pending and Mike Day final inspection pending (we have passed the County inspection)

Lower N. bldg complete – Additional controller (for duty cycle of pumps) install pending and Mike Day final inspection pending (we have passed the County inspection)

Lower S. bldg – Additional controller (for duty cycle of pumps) install pending and Mike Day final inspection pending (we have passed the County inspection)

Re-plumbing hot tub – complete

Re-plumbing of pool – pending

Replacement of snow melt system heater at pool / hot tub area with heater from pool / hot tub – pending – approx. \$2k to complete

Management instructed to receive an official written letter of approval (sign off) on the boiler replacement project from the designing Engineer, Mike Day, before final payment is made to Breckenridge Mechanical, Triangle Electric and the Engineer.

-Asbestos remediation – if 5 or more owners grouped together and hired Colorado Environmental services, they would receive a 10% discount on the cost to remediate their units. The decision was made to report this option to the owners at the annual meeting. Note that this is not an Association sponsored program and the Association will not be coordinating the project, paying for the project or assuming any liability for any portion of this project.

-Units with washers and dryers- Discussion item, how to proceed in allowing installs dryer venting installations. (this is in reference to those units that do not have existing dryer venting runs to internal building venting as some units were originally built with this) At the 10-7-06 board meeting the decision was made to not allow owners to vent new dryers to the exterior of the building. The recommendation to inquiring owners was to use an internal dryer venting system as recommended by local appliance companies. Since, we have found out through further investigations that the internal dryer venting systems are not up to code in Summit County unless the appropriate type of dryer is used (there is one dryer on the market that the Summit County bldg. dept. has ok'd to be in use with the internal dryer venting system; however, this dryer is more expensive in comparison with other dryers). After discussion of the Board, the following options exist:

1. Owners (and tenants / guests) may utilize the Association provided laundry facilities.
2. Allow owners to install proper, up to code and manufacturer specifications venting from their units to an approved exterior location on the building. The Board has determined that the approved exterior building location for a vent to be located is on the units porch located on the lakeside of the unit. Management instructed to create a policy highlighting the following:

-Unit owners must provide a written request to the Association (through Property Management) asking permission to install a new dryer vent to the outside of the building. Work can not begin until the Association has granted permission.

-Unit owners must pull a permit and meet Summit County Bldg. code and manufacturers specifications.

-The day-lighted end of the vent must be located on the unit's porch in which the dryer vent is to be installed.

-The unit owner requesting the dryer vent installation must sign a liability waiver assuming all responsibility for maintenance (including the requirement of a professional annual cleaning of the vent) and damage occurring as a result of the newly installed

dryer vent from install to present and future damage to the unit, neighboring units and the association. The waiver will release the Association from any responsibility of the vent and place all responsibility and liability for the vent on the current owner of the unit. Owners of the unit are required to represent this responsibility of maintenance and liability to any and all potential future owners of said unit.

3. Owners also have the option of purchasing a dryer that is designed to accept an internally vented dryer vent as approved by the Summit County Building Department

6. New Business

-Pool / hot tub area snow melt boiler – This boiler is emanating an odor of natural gas after combustion. We have had HILCO, Breckenridge Mechanical (2 x's) and XCEL Energy (2 x's) on site to investigate. All report that the amount of "gas" is minimal to zero and not any danger and that we are only smelling the odor of the combustion of the gas. All report that the snowmelt boiler is working as it should and the odor is common to this type of boiler. They also report that the location of the boiler adds to the smell as the boiler is "enclosed" by the building and the hot tub / pool wall; all state that if the boiler were in an open field, we would not notice the smell as it would be more easily dispersed.

Options:

1. Turn off snow melt boiler
2. Retrofit the exhaust cap to accept a vertical vent duct to move the exhaust to the top of the building. Breckenridge Mech and Mike day warn that this duct will create a "mass of cold air in the duct that will cause a backdraft down the duct and will possibly cause the snowmelt boiler to malfunction / misfire". We would also see a large duct attached to the side of the building- possibly unsightly? Estimated cost \$1500.
3. Move the snow melt boiler to another area inside of the pool/ hot tub enclosed area (closer to the lake side). Expense here would be the piping run, electrical run and installation of another pump; approx. \$2000.
4. Move the snow melt boiler to another area outside of the pool/ hot tub enclosed area (closer to the lake side). Expense here would be the piping run, electrical run, pump and the pad to set the boiler on; approx. \$2800.
5. Connect the snow melt system to the new boiler system in the boiler room of the South bldg. and remove the exterior snow melt boiler from the pool / hot tub area all together. Expenses here would be 2 pumps, heat exchanger, glycol system, plumbing run; approx. \$3500 (does not include any trenching to bury piping run).

Note: previous discussions took place to replace the existing snow melt boiler with the old pool boiler; the pool boiler has a similar design causing a possible similar gas odor issue. We have also found out that this boiler is designed for indoor use and if installed outside, we may need to construct an enclosure.

Discussions resulted in the following: continue to use the existing snow melt boiler; "live with" the smell and to solicit complete bids to power the snow melt system from the new boiler in the lower south building and remove the exterior snow melt boiler all together.

-Managers Unit – Options of "trading" the managers unit (which is a 3 bedroom unit) with another unit (either a 2 bedroom on site, the office (which could be converted into a studio unit) or another unit off site) took place. The idea here is to sell the 3 bedroom unit and purchase another unit and place the surplus into reserves to be used for an owner approved project. This would of course be voted on by the members. Management instructed to do the following:

- find out the price difference between a 2 and 3 bedroom at AW

- Find out if there are any 2 bedrooms on the market
- Explore the legal possibilities of selling the managers unit and purchasing another unit either on or off site
- Explore the possibilities of the Town approving the conversion of the office to a studio unit

7. Next Meeting Date – The next Anchorage West Board meeting is tentatively set for the second Saturday in April.

8. Adjournment – with no further business, the meeting adjourned at 12:30 am.