

HIGHLAND GREENS LODGE

Q&A SESSION

Thursday, May 26th, 2022, at 10:00 am MST.

HGL Board of Directors

- Anne Mead – President
- Steeve Piper – Treasurer
- Bret Muller – Secretary
- Zephyr Wazallann – Member at Large

Alpine Edge Representatives

- Steven Frumess – General Manager
- Jessica Martin – HOA Administrator
- Kimberlyn Bryant – HOA Administrator

GoToMeeting Access Instructions

Please join my meeting from your computer, tablet, or smartphone.

<https://meet.goto.com/AlpineEdgeHOAManagement/highland-greens-lodge-sm>

You can also dial in using your phone.

United States: [+1 \(646\) 749-3122](tel:+16467493122)

Access Code: 432-476-381

I. Welcome

a. Establish Quorum

A quorum was met between a combination of homeowners present at the meeting and those represented via proxy. The meeting was also attended by the Alpine Edge Management team listed above. Anne Mead motioned to call the meeting to order at 10:08 am; Chris Blum seconded and was unanimously approved by the owners.

b. Introduction of Board and Management Team

Steven introduced the purpose of the meeting, which was to discuss the reallocation of funds from the hot tub project to the repairs in the mechanical room. This is important not to have another water loss, which will drive up insurance.

[Not included in Meeting: The best methods of communication for owners are via email at HOA@AEPropertyManagement.com or phone at 970-453-2334.]

II. GoToMeeting Protocol

- #### a. Confirm Notice of Meeting Delivery

III. Special Assessment Funds

- #### a. Discuss plan for Reserve projects

Steven introduced Devon, a representative from PSI, who addressed the owners and presented the current issues with the mechanical room. Devon informed the owners

that he has been doing the maintenance on the boiler room for six years, so he is very familiar with the equipment there. There are issues with the boilers, piping, and the system's layout. Vibrations are happening throughout the system that shouldn't be, which causes extreme wear and tear on the equipment. Another issue PSI has is that parts for the repairs are being discontinued or becoming increasingly difficult to come by. These issues must be repaired before winter. If the building loses a boiler, it could take months for repairs, making the building uninhabitable.

IV. Q&A Session

Chris Blum asked for clarification on which water loss issue was being referenced. Anne verified that there are two plumbing systems, and PSI does not handle the Fire Suppression System leak. The water loss referred to has strictly to do with the mechanical room, i.e., the heating system.

Chris asked how many circulation pumps there were and how they worked. Devon confirmed there is one circulation pump to keep hot water at the top of the domestic water stack; other pumps push the water through the building. A lot of the vibrations are occurring in the pump for the Fan coil and the pumps into the boiler, which are due to age. Devon broke down how the boilers and fan coil works for the owners.

Chris asked if this was a total tear-out and replacement or if some parts could be retained. Devon said he would only retain the domestic water heaters and the snowmelt. This will be a piping project combined with a new heating plant. The boilers are the area PSI is most concerned with. Joi with PSI explained to the owners that this process would need to begin quickly to get the boilers and other parts.

Mike Wade stated that the pipes were replaced with lines with a smaller diameter and asked if that was efficient for the boiler or part of the problem. Devon said the engineer is looking into the piping size to determine why that was done but said all of these issues would be addressed in redesigning the mechanical room. Mike was under the impression the Association was not using the snowmelt. Devon said that was the case, but they restarted it this past winter. Anne explained why the snowmelt was turned back on instead of continuing to use salt.

Mike asked what the offset was between the hot tub project and the redesign of the mechanical room. Steven said that the Association still needs to obtain a bid and reminded owners the purpose of the meeting was to inform owners of the importance of getting this done.

Josh Sutherland asked if there would be another meeting to better inform the owners of the details of the reallocation of the funds. Steven said there would be a Special Meeting for

homeowners. Anne spoke with David Furman, the Association's attorney, who said there are certain legalities that the Association has to complete. Once the Board receives the bid from PSI, a new budget will need to be drafted and presented to the homeowners. The Board requested that the proposal is submitted by June 15th. The owners need 14 days' notice before the Special meeting can be held but would like the meeting to happen in June.

Caren Press asked what would become of the hot tub area. Anne informed her that one issue with the hot tubs is that with the inflation of parts and labor, the bid price for the hot tubs went up 30%, or another \$200K. The Association has spent \$50K on the mechanical room, which has depleted the Capital Reserve fund. Anne also spoke to the GC for the hot tub projects, who was still in the permitting phase, and said they were unsure if they would get the green light for this year. Anne expressed the importance of rebuilding the Capital Reserve fund and informed owners if they didn't, the Association would have to start dipping into the Operating Reserves to fix things. The Board discussed demoing the hot tub area, but the construction would be expensive.

Walt Lemanski asked how much has been spent on the hot tub project and how much was left after the second Special Assessment payments that have been made. Anne said the payments had not been touched, and they have been using the Capital Reserves spending approx. \$43K and still owe the GC for work they paid out of pocket. The GC suggested halting the permit process until a plan is worked out, so there are no more out-of-pocket costs.

Anne and Chris asked Devon for a rough estimate for replacing the two boilers. He explained that he did not have hard figures but estimated it would cost around \$500K. There was a question as to the total cost of the hot tub project. Anne informed the owners that the assessment was \$710K which included a payback of \$40K that was already spent. The collection is \$710,500, and Anne believes to be fully funded, \$900K should be in the account. Right now, the Association is about 10% funded. Thomas Loudon asked if the remaining two assessments would be paused, and Anne replied that they probably wouldn't be due to needing three assessments to pay for the mechanical room. Likely, there will be a fourth assessment to act as a cushion in case anything else happens.

Chris Neugebauer asked Devon for an estimate on how long the heating system would be down if everything were in place to begin the project and if there was a way to hold off until next year. There was concern about the small window of time before winter to complete the project. Devon said everything would be down for two months, but there are temporary solutions for the building to have hot water. He said there is a chance that the boilers could make it through the winter but could not guarantee anything. The goal would be to begin in the middle of July or the beginning of August.

Caren asked if there would be considerable periods with no heat or water. Devon said there would be no radiant heat, but the water would only be off for approximately two days. Anne clarified that fireplaces would still be able to be used.

Thomas Loudon asked if there would be a vote on the reallocation of funds. Anne informed him that since the owners voted to approve this year's budget with the funds allocated to the hot tub project, the Board will have to create a new budget reallocating the funds to the mechanical room project and present it to the owners for a vote.

Anne reminded the owners that they requested the bid from PSI be submitted by June 15th with hopes of a Special Meeting held at the end of June.

Jordan Flage asked if the owners would have to revote on the hot tub project in the future. Anne informed him that the initial vote to approve the hot tub project was legally binding. To undo it, the Association would have to contact an attorney. She believes to undo the binding contract, the Association would need 100% of the owners to vote to approve it. Some owners would like to have research done on the legalities behind changing the budget and what that means for the hot tub project. The hot tub project would not be a part of the new budget due to no money or resources to begin the project this year.

Paula Blum asked if they should continue to pay the assessments. Anne said owners should continue to pay them and should have already paid \$7250, equaling a total of \$325,250 that is supposed to be in that account right now. The Association would need the final two assessment payments if the mechanical room were around \$500K. The fourth payment would not be due until Oct. 1st.

Josh asked if the Board was capable of changing the scope of work surrounding the hot tub project. Anne said she would have to contact the attorney to find out.

V. Adjournment

A motion was made to adjourn by Chris Blum, which Anne Mead seconded. The meeting was adjourned at 11:11 am.