

**Water Dance Homeowners Association
Owner Annual Meeting Minutes
July 6th, 2024**

Call to Order

The meeting was called to order by the Board President, Tom Manteuffel, at 9:04 AM at the Senior Center at the Summit County Community Center, 83 Nancy's Place, Frisco. A quorum was met with 6 Board Members in attendance, and more than 9 owners were present and/or represented by proxy.

Directors Present

Tom Manteuffel, David Manwaring, Mark Bishop, Michelle Hodges, Tina Pittman Wagers and Dick Joyce.

Owners Represented by Proxy

Unit	Name	Proxy to:
435A Hammerstone Ln	John Trachte	David Manwaring
480D Hammerstone Ln	Barbara Christensen	David Manwaring
435B Hammerstone Ln	Rolo Cuadrado	Donna Leavitt
445A Hammerstone Ln	Matt Fatheree	Donna Leavitt
490A Water Dance Ct	Cynthia Derdeyn	Donna Leavitt
460C Hammerstone Ln	Nancy Wahl	Donna Leavitt
465A Hammerstone Ln	Lu Ann Beemen	Donna Leavitt
490B Water Dance Ct	Leslie Andrews	Donna Leavitt
495A Water Dance Ct	Claudette Vail	Donna Leavitt
495B Hammerstone Ln	Meghan Ashley	Donna Leavitt
450C Hammerstone Ln	James Epstein	Tom Manteuffel

Owners Present

Unit	Owner
410 Hammerstone Ln	Chris and Ron Boller
460B Hammerstone Ln	Craig Anderson
445B Hammerstone Ln	John and Jodi Gawf
480A Hammerstone Ln	Steve Hultgren
435C Hammerstone Ln	Gary Cumbey
480C Hammerstone Ln	Deanna Pearson
495A Hammerstone Ln	Donna Leavitt
465B Hammerstone Ln	Dennis Clay
490C Hammerstone Ln	Ken Wagers

Approval of Previous Annual Meeting Minutes held on July 3rd, 2023

Tom noted that Annual Meeting Minutes from last year are not ready for approval and will be approved at a later date.

2024 Election of Board Members

Next item was the election for this year. 2 seats were available. Mark Bishop was running for reelection and Donna Leavitt was a candidate for a seat held by Michelle Hodges, who was not running for reelection. Ballots were given to the homeowners and proxy holders in attendance.

The Board introduced themselves starting with Tom Manteuffel, President, Mark Bishop, Treasurer, Tina Pittman-Wagers, David Manwaring, Vice President, and Dick Joyce. Michelle Hodges also noted that she has served her two-year term and will not be running for reelection. Finally, Ken Wagers introduced himself as a representative of the Water Dance HOA on the Water Dance Master Board, along with Mark Bishop.

Ballots were collected and counted by Michelle Hodges, the Board secretary.

Annual Board Report

Tom Manteuffel explained the change of ownership at Buffalo Mountain Managers. Francisco Ortiz and Rex Campbell are the new owners. The new Community Area Manager (CAM) for Water Dance is Oscar Ortiz. Jack Williams is the Director of HOAs for the company. Miguel Garcia was also introduced as the Manager on site.

Tom shared that he started as member of the Design Review Committee (DRC) but we've recently discovered that positions on the Board and DRC need to be filled by different people. Fortunately, new DRC volunteers have been identified: Jim Epstein, David Wahl and Steve Hultgren volunteered and were appointed to the DRC. The Board expressed gratitude for their work on this committee. Tom also explained the new process for applications: applications should be submitted on the Buffalo Mountain Managers website, where DRC guidelines can also be found. Tom also noted that the HOA website is undergoing some reorganization that will make it easier for homeowners to navigate.

Finally, Tom explained that the Board is working with Altitude Law to clarify wording related to the HOA insurance policy. Owners were reminded that the HOA holds an insurance policy for components of the HOA property that the HOA is generally responsible for the exterior of the buildings, and owners hold their own homeowner policies to cover interior furnishings/fixtures etc. However, previous iterations of the HOA guidelines related to insurance coverage have been vague. The Board would like to make the guidelines clearer, aligned with our insurance policy, and easier for homeowners to understand. Each owner should have enough insurance to cover their units as damage to their unit may affect their neighbors.

Good governance policies are being reviewed to make sure the HOA is in compliance.

Ron Boller asked if a proof of insurance needs to be sent to the HOA. Tom Manteuffel replied that was a good question. Currently, this is not required but we should consider making this a requirement. Tom also reminded attendees that Jim Epstein did a great job securing a new insurance policy in Sept of 2022 within an increasingly challenging environment for such policies: many companies no longer want to insure properties that have higher fire risks, like ours. Though we did find an insurance company to cover the HOA (Cincinnati), the policy is expensive and contributed to a dues increase in July 2023.

David Manwaring added that HO6 is the insurance that covers the owner's personal belongings.

Financial Report

Mark reviewed the year-to-date financials. The financials are in good shape, and we are running favorable to the budget. A few things working in our favor are snow removal and maintenance. We also had unanticipated tax expenses because our reserve account had considerable income in 2023.

The HOA absorbed the rear light installation expense, originally included in the reserve budget.

Mark discussed the 2024 budget. Since assuming Treasurer duties in January 2023, he has learned that our Bylaws call for a zero-based budget (no planned surplus) and that this is also a best practice for HOAs. The budget was revised, approved, and ratified in May to align with this practice. This was done with an increase in dues. On a positive note, we increased our annual contribution to the reserve account from approximately \$50,000 to \$70,000. We also increased the budget for legal expenses to accommodate the reviews Tom discussed. The HOA's most significant expenses are insurance, management fees, and Master Board association maintenance.

Mark reviewed a one-page summary of the reserve account over the next ten years that was included in the owners' packet. He noted that the reserves covered this year's painting expenses without a special assessment. The cost of the light and signs project is being split with Wooden Canoe incurring 59% and Water Dance incurring 41% of the total costs. The Water Dance board elected to cover 50% of the WD cost from the reserve and 50% from a special assessment. The special assessment of \$857 per unit is due Aug 31, 2024.

The new Town of Frisco requirements around recycling will entail expanding the current trash enclosure. We have budgeted for that item and have asked Ortiz Construction (owned by Francisco Ortiz) to provide an estimate of the cost for planning purposes.

In 2027, we plan to repave the roads in Water Dance. The budgeted cost of the project is \$225,000. The entire expense can't be paid from the reserve, so a special assessment

will be needed to cover a portion of the costs. The board has not made a final decision on how this project will be funded; however, we will keep homeowners informed as we get closer to that project. The current projection contemplates a special assessment of \$100,000 or \$2,632 per unit. Not all projects can be fully funded from the reserve account, and it has been the board strategy for many years not to be fully funded for all anticipated expenses.

Chris Boller asked about the timing of the resurfacing for the main road as the city came and marked the road. Oscar Ortiz replied that this is a Town of Frisco project. It is our understanding that the town may patch some sections of the road, but repaving the road will not take place until sometime in the future.

Mark pointed out that the reserve study conducted last year calls for substantial projects outside of the ten-year window, including a roof replacement in 2036, which is expected to cost approximately \$1.25 million, and siding replacement in the mid-2040s, which is expected to cost roughly \$3.5 million. Due to its size and expense, the siding project is likely to be carried out over several years.

Finally, Mark noted that the Master Board may conduct a reserve study this year, focusing on expenses related to the ponds.

Repairs and Maintenance

David Manwaring spoke about the painting project that is nearly complete. Last fall the property was 1 year overdue for painting and there were several areas that needed attention. This year, the Board chose a contractor who submitted the lowest bid for the job, and also used a higher quality paint (called "Duration"). The cost of painting was \$130k and includes 36 months warranty. David also said the painter could do interior work if there is any interest from the owners.

Donna Leavitt was wondering about the color scheme for the property which will be provided by the painting contractor and posted to the BMM website.

Tom Manteuffel also mentioned the new rear lights and address signs for our units, which were installed this year.

Tom also mentioned the new recycling requirement from the Town of Frisco. Prior to the town-mandated services, the Board is planning to start collecting recycling. This will help us see what the neighborhood usage of recycling bins would be, and more accurately predict what level of recycling services is most appropriate for our neighborhood.

Mark Bishop said BMM will provide a proposal for necessary maintenance of the roads and driveways, but that major work will be deferred until the repaving project in 2027.

Water Dance Master Update

Tom Manteuffel explained that the Board elects two representatives from Water Dance to sit on the Master Board. Currently, they are Mark Bishop and Ken Wagers.

Mark Bishop explained the structure of the Master Board, which has the responsibility of managing the Association, consisting of the common areas of Water Dance and Wooden Canoe. Mark Bishop also clarified that the Master *Association* has existed since the beginning of the community. Tom mentioned that the Master *Board*, which is the governing body of the Association, was dormant until 2017. Before that, there were no formal meetings or minutes that were recorded/preserved. Financially, Wooden Canoe is responsible for 59% of Common Expenses and Water Dance is responsible for 41%.

Mark Bishop gave a few updates on the Master Board activity. The entry island was resurfaced as part of the original assessment for the new entryway project. The new rock matches the new entry installed a couple of years ago.

Another project coming this year is the continuation of landscaping on the west side of Water Dance Dr, which started last year. This year's project will include some beautification of the area in addition to continued improvement of drainage.

Fence rails and posts along the recreational path are being replaced and repainted. Previously, fence repairs were undertaken every seven years or so. The Master Board is now allocating \$5K a year to maintain fencing and privacy walls. The fences are quite old and now require routine maintenance.

Finally, the project to replace 30-year-old streetlights and signs is underway and should be completed by the end of July. As previously discussed, a \$857 per unit assessment for that project is due Aug 31, 2024. Ken Wagers delineated the costs of the project, including \$80K for signage from House of Signs, \$53K for installation and removal of new concrete, \$8K for electrical and \$14K for project management. (We saved 5% by paying the contractors directly). The signs resemble Town of Frisco signs, are consistent with the new entryway signage and also have resulted in the discovery and removal of rotting posts from the neighborhood.

Tom Manteuffel expressed concern about our contributions to the Master Association for upkeep of water features in the neighborhood. He notes that our WD share of the water feature maintenance is \$23,500 or \$258/year for each household. His research has revealed that the ponds are in Wooden Canoe easement areas, which, by definition is a Common Area. Since they are entirely in Wooden Canoe footprint they are also, by definition, a Wooden Canoe Common Area, as defined in Section 2.35 of the Master Declaration. The ponds have become more expensive to maintain partly because they are likely leaking. This summer, we are on track to use possibly 800,000 gallons of water at a cost of \$5.39/KGal.

Should we choose to repair the ponds, the cost will likely be over \$500,000 or ~\$5,000 per owner. These expenses, in his opinion, should belong to Wooden Canoe.

Mark Bishop added that part of the problem is that the ponds must be partially drained in the fall and that water usage has increased. He added that the Master Board has been discussing the cost of pond maintenance and noted that the Master Board initially considered pond replacement in 2014. He shared his concern that this is environmentally unsustainable and that, in the current climate, the Town of Frisco could challenge or restrict the water used for the ponds and streams.

New Business

It was requested that meetings be held at times that are more accessible for residents (i.e. evenings or weekends) and that minutes be shared. The Board expressed appreciation for this suggest.

Tom Manteuffel announced that Mark Bishop has been reelected and Donna Leavitt has been elected as new Board Member.

Meeting was adjourned at 10:05 AM