

**WOODEN CANOE
BOARD OF DIRECTORS MEETING
DECEMBER 11, 2009**

MINUTES

1. **Call to Order.** The meeting was called to order at 3:03 p.m.
2. **Affirmation of Attendance and Quorum.** All Board members were in attendance (Jim Hafemeister, Pat Wallace, Jack Schiller, Charles Williams, and Dodie Davies). A quorum was established.

Also in attendance were Phil and Karen Sanderman (555WD) and Betsy Burton (560 NC). Betsy was attending on behalf of the DRC.

Representing Mountain Managers were Phil Wells, Susan Witkowski, and Judy Freese (via phone).

Prior to beginning the meeting, Phil Sanderman was invited to speak about his concerns with moving the bridge and increased pedestrian traffic on his property.

Mr. Sanderman presented a survey of his property prepared in 2001. This clearly shows where the bridge was located. He had been traveling in Canada and out of e-mail/cell phone contact when it was decided to move the bridge. It was already done when they got back to the area. He feels he should have been offered the opportunity to give his input before the bridge was moved. There are now substantially more people walking through his property due to the relocation of the bridge/path. Ideally, he'd like to see the bridge moved back to its original position and the logs blocking the trail removed. Since this isn't likely to happen he would like to put up a split rail fence and signage clearly defining the path. It was noted that if fence approval is granted, this would open the door for other owners to erect fences. Betsy Burton stated that the DRC has consistently denied all previous fence requests. The few fences that are in existence were installed by developer Jeff Temple and have been allowed to remain but no additional fences have been permitted. It was suggested that perhaps just one or two sections of fencing (architectural corners) could be put up with explicit signage directing people where to walk. Jim stated that we should do the best job possible to delineate paths and keep people off personal property. Betsy still objected to a fence and would rather see landscaping done instead. Phil Sanderman felt that signs alone would not do the job and he wants a barrier to deter people and animals (dogs). He purchased his lot with the bridge indicated elsewhere. It was noted that there are easements on either side and the current plan actually works better than before for the majority of people.

After more discussion, the Sanderman's were told to go ahead and submit formal plans for the fence (it's his right to do so). He also asked about liability issues and whether or not the HOA had an insurance rider to protect owners. Phil will check but believes the policy covers the HOA but not owners. Mr. Sanderman is an attorney and felt that since the bridge is a common element, owners could be named in any lawsuit involving injury, etc. Phil will check on common easement coverage.

A motion was made, seconded, and passed to have the DRC, landscaping committee, and the Board look into the best way to clearly delineate the paths and deter pedestrians from walking across personal property. Mountain Managers should have house plans from way back showing existing fences, etc. A copy of the DRC Guidelines is posted on the website. With regards to dogs on the paths (and getting onto owner's property), there is a leash law in Frisco. Owners have the right to lodge complaints with the city – this is not really an HOA issue.

Betsy Burton was in attendance to discuss solar panels. The HOA cannot prevent installation but she would like some guidelines. One owner has already installed panels and there is another proposal pending. The DRC has been asking that all panels stay on the house and follow the slope of the roof. Panels should be parallel to the roof and the framing should match the color of the roof. Whether or not keeping panels parallel to the roof would be enforceable was briefly discussed. Solar companies want to pitch panels to catch as much sun as possible. It was suggested that panels should conform to the roof line as much as possible with a minor amount of tilt allowed. After discussion, it was resolved that Betsy would draft up an addition to the DRC Guidelines for Board approval.

Before Betsy left the meeting, snowplowing was discussed. It seems the use of the red trucks has been resolved, however if owners notice plowing is inadequate (not wide enough) or the wrong equipment is being used, they are asked to call Mountain Managers right away so they can follow up with the plow company. This will also be brought up at the annual meeting.

At this time the Sanderman's and Betsy left the meeting and the Board returned to the regular agenda.

3. **Minutes from the 9/18/09 Board Meeting.** A motion was made, seconded, and passed unanimously to approve the minutes as written.
4. **Repair and Maintenance Report.** Phil reviewed the report and read through each item. There were a total of 7 items covering the period from 9/09 through 10/09. Included were sending a letter to lot 43 (feeding wildlife), sending a letter to 520 NC (kids throwing rocks in pond), researching title to 520 NC (Both Mary Moser and Vincent Vukonich are on the deed), checking insurance (\$20,000 per occurrence for building coverage including pond pumping equipment and dumpster enclosure), checking what was spent on supplies for the Board, and reimbursing Pat Wallace for pond expenses.

Pat noted that there is a new contractor for the pumps. The pump in pond #1 failed after only 2 years due to a faulty design. There were 2 pumps running into one pipe. The pumps were too close together causing the 2nd pump to run inefficiently. Pond #1 will be changed to a single, larger and better pump. Pond #2 only has one pump and it is still working after 12 years. The new contractor (Clear Water) is more expensive but provides a higher quality product. Labor charges are less than previously charged. Clear Water recommends systematically pulling pumps every couple of years for routine maintenance and inspection. This is generally done annually but since the ponds are shut down for half the year, every couple of years should be sufficient. Pond #2 will be left alone until the pump fails.

Discussion took place on the cord that Pat found in the wet well wrapped around the impeller which stopped the pump (probably in October). Phil said the cord looked like a heater cord but when the heaters were pulled, all cords were intact. Where the cord came from has not been determined. An insurance claim has been filed. The pump cost will probably come in at close to \$10,000 (the HOA has a \$5,000 deductible). Pat will also be adding a lock to the covers.

5. **Financial Report.**

- A. October financials were looked at along with the year-to-date figures. Dues were ahead of budget by \$7,099 due to prepayment by some owners. All delinquent accounts have been brought current except for 510P and 530K. With the exception of water (pond #1) and supplies, all expense items were close to or below budget. Phil was asked what the grounds expense (\$317) was for. He will check and forward information to the Board. Year-to-date, the HOA is \$7,744 ahead of budget on expenses.

The balance in the checking account was \$11,315.93 and the money market account balance was \$38,566.86.

- B. 2010 Budget was reviewed. This was discussed at the last meeting with approval being held off until some numbers were finalized. The management fee was reduced by \$3,600 in accordance with the new management agreement. This amount has been put into pond maintenance since someone else will be paid to do this work.

Pat noted that he had done a comparison and found a competitive management company with much lower labor costs (to be discussed later). He also noted that lack of follow up has resulted in shoddy work in the past. Phil stated that he is using the same people that Eric did and unless he hears that something is wrong he doesn't know what needs to be changed. It was stated that Eric failed to do drive throughs at the complex and didn't follow up very well. More supervision and follow are needed. Phil said Mountain Managers has a maintenance supervisor and Phil personally drives through the complex about once per week. He is gradually making changes (having the guys work in pairs, etc.) and the Board should see improvement.

A motion was made, seconded, and passed to approve the 2010 budget.

- C. MCR: Pond pumps are listed in 2017 at \$39,000. This is probably high but Phil doesn't know exactly what is included (this was done by Eric). Pond replacement is on the MCR at \$125,000 but is more that 10 years out and does not show yet.

Phil explained the MCR format – useful life, remaining life, cost of replacement, funding, etc. Jim stated that the Association started accumulating reserves 3 years ago (none previously). The HOA is now putting over \$11,000 into reserves each year. The ponds have eaten up quite a bit of the reserves. Phil explained that they would need to contribute \$25,000 a year to reserves for 100% funding (no one is 100% funded) and the HOA is currently putting in about 50% which is very good. With current funding, the closing balance 10 years out is still in the plus column. How projects are funded was discussed. Jim used the dumpster enclosure as an example – this will cost \$30,000 and would totally deplete reserves. It will be better to pay part of the cost from reserves and assess the rest. The Board is discussing this and it will be talked about at the annual meeting.

Pat stated that he would personally pay for one half of the dumpster enclosure cost (\$15,000) but only if the entire project is done. There are currently two proposals – one to fix what we have and change the roof (\$20,000) and one for a total rebuild (\$30,000).

A motion was made, seconded and passed to approve the MCR.

6. **Old Business**

A. Chip seal information was obtained. This is expensive (\$3.50 per square yard versus \$.92 for seal coat). There is also a \$2,500 charge to come up to Summit County. A-1 also told Phil that they could not chip seal at Wooden Canoe since the equipment is designed to operate efficiently in straight lines. Wooden Canoe's cul de sacs would be a problem. Jim doesn't believe this is true based on his experience in Colorado Springs and would like to see more investigation done. He feels the money continually put towards seal coating could be better spent on a better, longer lasting product. Seal coating is mostly cosmetic but does offer a little protection to asphalt. Crack filling is necessary and should be done on a regular basis.

B. Staining posts and perimeter fence: Susan had obtained a bid but was unsure if the fence went all around the property (it's only on 2 sides with a short piece going into the Nordic Center – that section needs repair). The cost would be \$4,900 for the fence and \$650 for the light posts, plus \$745 for the brown highway fence.

The total for fence and post staining would be \$6,295. Water Dance would pay part of this cost but it has not yet been discussed with them. A 2nd bid will be obtained and Water Dance will be asked for their approval.

Dodie stated that the town has approved the berm and this will be done in the spring. Wooden Canoe will not have to do anything with the wall. The front planter needs to be dug out 18" – this is all rock and it's hard going. It would be good to have this completed and the rocks dumped off the hill before the Town does the work on the berm. It would help to have a start date from the down. Dodie will see if this can be obtained.

A motion was made, seconded, and passed to go ahead with this project after the 2nd bid is obtained and pending approval from Water Dance.

C. Tree removal has been completed but there is still some chipping left to be done. The stacked lumber is being left for Denver Water Board. The total was \$8,000 with Wooden Canoe paying half. Full payment has not yet been made per Roy Goodwin (Water Dance Board member).

D. Prohibiting short term rentals was researched and this cannot be done. The Covenants state all owners have the right to lease the premises provided owners are liable for any violations to the governing documents. To change this would require an amendment to the Covenants (67% approval vote needed) and it would never pass.

7. **New Business**

- A. The Trail License Agreement was talked about. Phil stated that Denver Water Board wants both Water Dance and Wooden Canoe to look at this, mark it up with changes and return to them for revision. There was no agreement originally (this is new). Water Dance feels the entire agreement is for the benefit of Denver Water Board and voted to ignore it until the Water Board requests further action. The Board agreed with this position and will do nothing at this time.
- B. Parking: In accordance with the Rules and Regulations, no overnight parking is permitted in the cul de sacs. The HOA can ticket and tow but the Board wants to target habitual offenders and not the occasional overnight guest. Phil cautioned about "selective enforcement" and suggested revising the Rules and Regulations to reflect a maximum time for parking on the street (48 hours). The Rules will specifically state that street parking is prohibited for regular parking and is intended to be used only on a short term basis by owner guests and renters. Mountain Managers will prepare a revision to the Rules and forward to the Board for approval.
- C. Management Agreement: At the Board's request, a new management agreement was prepared eliminating some of the pond duties. Pat did a comparison on labor costs by contacting another management company (Summit Resort Group). They charge considerably less per hour than Mountain Managers. Phil stated their rate was at the barely break even point and he could not match it. Without comparing charges line item by line item it is difficult to see if they are making that up somewhere else in their fees. He also noted that he had already given Wooden Canoe a huge break on the management fee. The fee was reduced by \$300 per month. Pond duties are not performed monthly throughout the year and the fee should have been reduced by about \$300 per year. The \$3,600 in reduced management fees is the best he can offer. He also explained that labor is not charged for items covered in the management agreement. This would be for special projects only and Wooden Canoe could bid out any job and go with someone else if a less expensive price was found. He noted that the \$40 per hour charge was for one man and a truck. If a five man crew were working on the same job the hourly fee would be substantially less. Billing is generally dependent on the job.

After further discussion it was decided to retain Mountain Managers. A motion was made, seconded, and passed to accept the management agreement. The agreement was signed by Jim Hafemeister and will go into effect 1/1/10.

- D. The dumpster door code is due to be changed in January. The Board requested that "2010" not be used as the new code and decided on "1910". Notices will be sent to all owners with the annual meeting notice.
- E. Trash removal was talked about. Timberline Trash would charge the same amount as the current company. Phil said that the HOA is locked into their current contract until 2011. Phil will be re-bidding all trash contracts in the next year.

- F. Plans for the new dumpster enclosure were discussed. Pat noted that the slope of the current enclosure causes water to collect and ice to form. As noted earlier, he has obtained 2 proposals – one would use what is already there, add more concrete and change the roof (\$20,000). The preferred proposal would include total demolition of the current enclosure and building a new structure (\$30,000). With either proposal an additional 4” of concrete above what’s there will be needed to correct the slope. In addition there would be a 10’ concrete apron in front that would be rated for greater weight. It was noted that in order to give the trash trucks room to back up, 18’ would probably be needed. The new enclosure would include storage behind the dumpsters for pond equipment, etc. Pat reiterated that he would personally pay the first \$15,000 if the \$30,000 proposal is accepted. This would leave \$15,000 to be financed by the HOA. Phil stated that reserves are low and there are additional expenses coming up (\$10,000 for the new pump). The most fiscally responsible way to fund the new enclosure would be to assess for the entire \$15,000 and leave reserves in tact. The new enclosure and funding will be discussed at the upcoming annual meeting. The Board is currently reviewing funding options. It could be accomplished by a one time lump sum assessment or dues could be raised to increase reserves and avoid assessments. After discussion the Board resolved to continue the policy of no assessments whenever possible. A motion was made, seconded, and passed to raise dues \$15.00 per unit per month effective 2/1/10. (This was subsequently changed at the 1/2/10 Board meeting to be effective 4/1/10). Notice will be sent to owners with these minutes. Mountain Managers will check on whether or not dues coupons have already been ordered. (They were ordered in December. The dues increase notice will inform owners that coupon books will not be ordered and they should amend the dues amount on their coupons). The budget will be revised to reflect the new dues amount (and new effective date).
- E. There will be two vacancies on the Board – the terms for Jim and Jack are expiring. Both agreed previously to run for re-election and will be listed on the ballot as declared candidates.
8. **The Next Board Meeting** (already scheduled) will be January 1, 2010 at 2:30 p.m. The annual meeting follows at 4:00 p.m.
9. **Adjournment.** There being no further business, the meeting was adjourned at 5:40 p.m.

Respectfully submitted:

Judy Freese, Recording Secretary

APPROVED:

Approved at the 1/2/10 Board Meeting (signed copy on file)

Jim Hafemeister, President

