MINUTES KINGS ROW HOMEOWNERS ASSOCIATION BOARD OF DIRECTORS

September 19, 2018 Bell/Ashton Residence, 435 Kings Row, North 7 pm

Board Members present: Julie Hazard, Jo Ashton, Carolyn Dahlgren, Sauron Chapman

Bookkeeper, Krystle Beattie, and Manager, Keith Edquist, were not present.

Opening and Minutes

1. Julie called the meeting to order at 7:05 p.m.

2. The Minutes from the August 15, 2018 meeting were approved as amended, with Julie to check the numbers on the domestic water ballot. Carolyn made the Motion to approve; Jo provided the second; all were in favor.

*Assignment: Julie to correct numbers and upload to website*.

2018 and 2019 Budgets

In order to discuss agenda items 3, 4, and 5, the Board reviewed Krystle’s “Budget to Actuals” report dated September 9/17/18. Julie reminded the Board of reasons for overages to 2018 budgeted amounts, due to activities after budget adopted, with Third Quarter yet to go:

 BWCD 4,044.60, instead of 3,900.00 – change in rates

 Bookkeeping 3771.00/2,400.00 – more hours for Krystle related to mailings and transition with new Manager.

 Income tax prep 847.50/700.00 – increased professional fee

 MHMMIC 1,899/1300 – maintenance costs charged to shares related to MHMMIC loan servicing

 Office & postage 1,121.63/700 – more mailings

 Web site 646.28/225 – had to pay 3 years ahead (2018, 2019, and 2020 for domain name)

Julie then walked the Board through her first draft of the Proposed 2019 Budget, with and without an HOA Management expense line item. She pointed out similarities and changes between 2018 approved and 2019 proposed:

 Income remains a total of $46,020 (no proposed dues increase)

 Basalt Water Conservancy District fees: up to 4,200 from 3900

 Bookkeeping: up to 3000 from 2400

 Income tax preparation: up to 900 from 700

 MHMMIC: up to 1, 900 from 1,300

 Domestic System Maintenance: up to 13,000 from 12,880

 Website: up to 250 from 225

The Board then focused on 2018 irrigation and domestic water maintenance costs, and, capital expenses during 2018 for the domestic water system:

Regular Irrigation Maintenance was budgeted at $650.00. We had an unexpected leak at Lot 24 that resulted in pooled water in the road right-of-way/borrow ditch in front of the Chase’s (Lot 3). The owners of Lot 24, the Hutter family, have fixed the leak and Patrick Chase and Tom Hazard dug up the main and dealt with the pooled water. To date the costs related to fixing this leak is $506.55, leaving $143 in the budget line item.

Tom Hazard alerted membership to 2018 and 2019 expected expenses at the 2017 Annual Meeting. The Board approved $1560 in 2018 maintenance expenses to be taken out of Irrigation Reserves at the April, 2018 Board meeting, based on Tom’s estimates. Before the Fall is over, we will likely spend $1,350.00, out of approved $1,560, to complete repairs to irrigation system.

Domestic Water System Maintenance is mainly our water operator, EPC. The pump for Well No. 3, our best performing well, had to be replaced. We had the right model on hand, stored in the pump house, and did not have to purchase another pump. We paid EPC $153.00 for an emergency call due to the storage tank reading half full and we paid Samuelson Pump $949 for emergency call, adjusting timing on well #4 and installation of new pump for well #3.

Domestic Water Capital Expense for the new Entry Point was more than the estimate communicated to the membership at the 2017 Annual Meeting. We paid Timberline Excavation $7708 for the dig and EPC $340 and Zancanella $735 or consulting.

Domestic Water Capital Expense related to the water main leak, just above the intersection of Kings Row and the east end of Prince, amounted to approximately $19,000. Timberline Excavation did the repair and EPC was on sight to turn off and on the water supply to the subdivision and also to open fire hydrants for air bubbles in the system. The leak was due to a crack in the PVC and poor original bedding of the line. Timberline’s work included excavation, addition of new isolation valve that will allow partial shut off of the system, cleaning out culvert, and large asphalt patch to the road in accordance with the GARCO permit requirements.

*Assignment: Julie to talk with Krystle about what to expense as capital and what to maintenance, e.g. cost of permit, EPC professional fees.*

Julie explained that EPC had to turn off the fire hydrant just above (east) Lot 49 twice, to deal with air in the system, when Timberline Excavation was working on the main. When the hydrant was opened and closed, the drainage channel in Kings Row South overflowed and pushed water into the garage on Lot 49. The owners reported a loss of $232.00 for replacement of water-damaged items that were stored in the garage. It is not clear what exactly caused the problem. Julie asked the Board to consider reimbursement. Carolyn made a motion to add this amount to the costs of the water main leak, Jo seconded, all voted to reimburse the owners of Lot 49, bringing the cost of the main leak up to $19,080.15.

*Assignment: Board to determine research clogged culverts under driveways subdivision-wide and discuss cost and responsibility with membership. Someone needs to follow up with GARCO R&B to discuss County responsibility for cleaning borrow-ditches/un-surfaced sections of public roads.*

3. 2019 Potential Capital Expenses for the Domestic Water System: Agenda Item 5 Dig at “T”/Isolation Valves, and, at Prince and Kings Row.

The Board turned to discussion of what 2019 domestic water system expenditures from Maintenance Reserves should be presented to the membership. Per the new CCIOA statute, the Proposed Budget will be distributed to the membership in October in preparation for the November Annual Meeting. Three specific needed projects were discussed:

1. Location of “T” in main line running from the water storage tank into Kings Row, North where the main splits and runs to the east and west. We need to install isolation valves, once located, to allow partial isolation in the subdivision for more control of the water system.

 2. Repair of one of 3 isolation valves at north intersection of Kings Row, North and Prince.

 3. Purchase of back up Pump for Well No. 3: Both EPC and Samuelson recommend keeping a pump for Well No. 3 on hand because it is not a model that is easily available. The other pumps can be purchased off-the-shelf. Julie received an estimate from Samuelson Pump, comparing cost of pump for Well No. 3 - $3,123.00 - to cost for the other 2 wells - $2,603.00. If No. 3 goes down we want a quick replacement – like this year – so that we do not have to keep the system turned off for multiple days. The $3,123 estimate will be included, therefore, on page 2 of the 2019 Proposed Budget as a Board recommended expenditure from the Maintenance Reserve.

4. CSV Education: The Board discussed the failure of the Board’s attempt to assign responsibility for CSV maintenance to the Association by means of a proposed Covenant amendment. It is not clear if the membership’s rejection was due to (1) the “Right of Entry,” granting the Association access to curb stop valves, wherever located; or (2) the belief that some lot owners had that the Board intended to turn off water in the event of non-payment of HOA fees if access were granted to the Association; or (3) the formality of requesting an amendment to the Covenants, instead of developing regulations or simply presenting a water system “project” for approval.

In any event, curb stop valve maintenance will be discussed again at the 2018 Annual Meeting, adding to what was presented at the 2017 Annual Meeting. The Association’s Attorney will be present to add information about: (1) State law and regulation, including back flow prevention; (2) the importance of curb-stop valve location and maintenance for the Association as a regulated public water provider; and (3) State law requirements applicable to turning off domestic water, the applicable provision of our Covenants, and the Board Resolution on non-payment.

Julie presented the Board with Timberline Excavation’s estimate for the cost of repairing an individual curb stop valve or adding a valve to a lot that either does not have a curb stop valve or the valve cannot be found. Lizotte estimates $1,836.00 per Lot plus mobilization. The Board decided that it makes sense to include Timberline’s estimate in the Board’s proposed 2019 expenditures from Maintenance Reserves, page 2 of the 2019 Proposed Budget, so the membership can consider the cost of addition/replacement. Carolyn will also be able to report to the membership what she spent in 2017 and 2018 on excavation and parts, hiring a plumber and an excavator to find the main, CSV, and service line in order to get a working CSV on Lot 2.

If the membership decides to expend money from reserves for maintenance and/or replacement/addition, it only makes sense to work on 3 or more CSVs at a time because of the mobilization cost to get the excavation equipment to Kings Row. If the membership decides against a subdivision-wide CSV maintenance and/or replacement program, then individual lot owners need to know what expense they may be looking at if their CSVs do not work or are not to be found.

5. Management Expense (No. 3 on Agenda, continued): The Board discussed the cost of professional management after looking at actual 2018 expenditures and the 2019 Proposed Budget for the domestic water system. The Board determined that we need management help, primarily, for Covenant enforcement; the State mandated back flow prevention program, and management of water systems projects. The Board discussed the difference between property management and Association management, laid out in the Scope of Services in the existing management contract; different tasks involved in each; and the skills needed for each set of responsibilities.

In the end, the Board decided that the $800.00 per month expense for management and hourly fees for project management are too steep for our budget. The value added by a management contractor is not great enough. The money that we have in both the operating bank account and the reserve funds needs to be spent directly. Having a Manager has not reduced the number of volunteer hours required of the Board, especially the Board President, and we continue to need Krystle’s administrative support. It appears that we will do better to hire services on an as-needed basis, throughout the year, rather than having a contractor on a year-to-year basis.

Carolyn made a motion to terminate our contract with Edquist Management on a without–cause basis and present the 2019 Proposed Budget to the membership without a line item for management expense. Jo seconded the Motion and the vote was unanimous.

*Assignments: Carolyn will draft a termination letter in accordance with the contract. Julie will final the letter and review with lawyer, if necessary, mail the letter, and call Keith. Julie and Carolyn will meet with Keith*.

6. Additional Business/New Business:

a. John McDermott and CSV Location Project: John delivered his map of the main gate valves and curb stop valves he found over the last two years. The Board decided to halt any further work until after the Annual Meeting.

*Assignment: Julie to review the map and coordinate flagging of the remaining valves.*

b. Potential Addition of Pump House “lean to”: Preservation and organization of Association paper files has been an issue for years. Paper and electronic files have been lost over the years. Files have moved from home to home and, most recently, were stored in the Pump House. Now most are in three large file drawers in Carolyn’s house and in Julie’s garage. Julie found a pre-fab wooden 6’x6’ shed with a sloped roof that could be placed against the Pump House and installed without a concrete floor. It is available with a 4’ wide door that would allow us to place files drawers inside the unit and keep the shed locked. The cost is under $2,000.00. This expenditure will be presented on page 2 of the Proposed Budget.

c. 2 ARC applications: (1) Brief discussion of change in ownership of Lot 9 (Turner to Kathleen Cooper, Antonia Cooper’s mother) and new owner’s responsibility to complete Board approved changes to the house; and (2) Tom and Julie Hazards’ street view berm project was reviewed and replacing existing fence with fencing similar to Susan Cuseo’s. The Board approved with the ARC’s recommendations.

*Assignments: Carolyn to send record of Kathleen’s involvement in the Cooper/Turner ARC application process and Julie to talk with the Association’s lawyer and communicate with new owner. Julie will distribute ARC/Board forms*.

d. Right to be Heard Resolution: Tabled until October meeting.

e. Dig and CSV RE-location in N-S utility main Lots 2 (Dahlgren) and 25 (Keefe): Carolyn will report at next meeting.

f. Approval of new ARC application form and storage of ARC records: Jo re-typed ARC forms after the ARC discussed and amended. The Board approved the new version as the “official” attachments to the Board’s ARC Resolution. ARC records will move from Dave and Jo’s house to Julie and Tom’s garage.

*Assignments: Julie to change 3 sets of plans to “2” and upload to website. Carolyn to see if an amendment is needed to the Board Resolution.*

g. 8-1-1 Association Liability Issue and Insurance Coverage: The Board does not yet have all information needed to provide Adam Sahnow with an answer to his question on liability if his name is placed on 8-1-1 contact forms. The Board can appoint Adam as a committee-of-one to make sure he is covered under our liability insurance. But, insurance coverage does not answer the question of whether he could be sued personally if he presents incomplete or inaccurate Association information to a potential excavator. At this point in time, we have a good idea of irrigation infrastructure location but no map of the domestic system. This topic must be discussed at the Annual Meeting, along with other water issues.

h. Update on Covenant Re-Write: Carolyn is still working on and will get a readable first-draft done before Annual Meeting. She hopes to have feedback on the draft from the re-write committee.

i. Date for Annual Meeting: Jo will contact School House to see if Saturday, Nov. 10, is available. Nov. 17 is back up date.

j. Capital Improvement /Full Replacement Water System Plan: Jo and Sauron think we should develop a capital plan for full replacement of our domestic water system on the assumption that its useful life is coming to an end. Sauron will talk with his professional associates about predictions for system life, considering what we learned about pipe and bedding during the main leak repair, and cost of replacement. The Board will continue to discuss whether it is best to replace sections on a schedule or on an as-needed basis. This matter will be discussed at the Annual Meeting if we have enough information.

k. HOA Fee Payment: The Board reviewed Krystle’s “Customer Balance Summary.” Two lot owners are more than 2 quarters behind. No need to contact until November.

l. EPC and Tom Hazard discussed information regarding types of BFPD to be uploaded onto the Kings Row website.

*Julie to follow through with uploading information.*

7. Board Meeting Date: The next Board meeting will be at Julie’s house on October 17 at 7 pm. The agenda will be primarily preparation for the November meeting.

8. Close: Julie closed the meeting at 9:40.

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