

**CRESTED MOUNTAIN NORTH HOMEOWNER ASSOCIATION
ANNUAL MEMBER MEETING
Wednesday, November 16, 2022 – 2:00 P.M.
VIA ZOOM**

Present: Rosalind Cross (J1, J2) 5.98%/4.58%
Julia Gearhart (K1) 5.49%
Carl and Melissa Stewart (L4) 6.79%
Lisa Schneider (J6) 4.58%
Bryan Orsborn (L6) 6.79%
Bill Eggert (L8) 6.54%
Anne Chang (L3) 6.79%
Jody Savin (L9) 6.66%
Matt Russell (L2) 5.69%
Rob Harper, Toad Property Management
Joe Robinson, Toad Property Management

Proxy to Stewarts: Brett Shomaker (L7) 6.66%

The meeting was called to order at 2:14 p.m. Melissa Stewart took the roll call, confirmed a quorum with 66.55% of owners of an undivided interest in the G.C.E. present. Joe confirmed notice of the meeting went out by email on November 1, 2022.

Julia Gearhart made a motion to approve the minutes of the November 10, 2021 meeting. Lisa Schneider seconded the motion and it was unanimously approved.

Melissa Stewart explained that another new heat exchanger had been installed in the L Building boiler system. Due to high levels of iron the entire system had recently been flushed but recent readings indicated the iron content was still too high. At the present time the new (third) heat exchanger was installed but not operational. Until a water treatment specialist could recommend how to proceed the new heat exchanger was not being used. Just one heat exchanger was being used and considerable efforts were being made to solve the issues.

Rosalind Cross said despite new glycol and distilled water being added to the system the readings still had a high iron content. Rosalind stressed the iron content was just in the heating system and not the regular water supply. Melissa Stewart said if a solution could not be obtained prior to the Christmas season the new heat exchanger would be used regardless of the risk of possibly corroding a new heat exchanger. Rosalind Cross said it might be necessary to once again flush the heat system and the specialists involved had stated the heat could be set at 70 or 75. Joe Robinson said the heat system was functioning at the present time and the experts thought one heat exchanger might be sufficient to meet current needs.

Bill Eggert said the Mt. Crested Butte Water & Sanitation District reports did not have any record of iron readings in drinking water and the iron would just be in the heat system. Melissa Stewart said Controlled Hydronics had been working hard to solve the issue and Melissa said she felt confident that Controlled Hydronics would come up with a solution. Rosalind Cross said legal counsel were following up with the professionals who worked on the boiler system to find out if the correct glycol or the pot feeder system had been used.

Melissa Stewart thanked everyone for their patience and asked owners to alert Toad to any problems with heat or water temperature. Rosalind Cross said work was in progress and changing every day and it was difficult to be able to notify owners with updates. If notice that water or heat had to be turned off was provided by the specialists the owners would be notified immediately. Concern was expressed about unit

rentals being disrupted during the winter and the possibility of disgruntled renters taking legal action. It was generally agreed property managers worked together in finding other accommodation if necessary due to unforeseen interruptions to heat, water or any other issues. Melissa and Rosalind stressed everyone was pushing Controlled Hydronics and other specialists to resolve the situation as quickly as possible.

Joe Robinson agreed to speak to Controlled Hydronics to find out what the turnaround time would be to have the new, unused, heat exchanger fully functional and providing heat and hot water. It was generally agreed a fully functioning system, with more than one heat exchanger, would be necessary to meet the Christmas demand.

Joe said some progress had been made restoring heat to the stairwells but Controlled Hydronics needed to investigate the issues as the heat was not consistent. Joe explained an electrician might be necessary.

Melissa Stewart suggested owners notify Joe, Rosalind and Melissa with any heat concerns as the three individuals were all in regular contact with Controlled Hydronics and needed to be kept in the loop.

Joe Robinson explained Reserve Account funds had been used to pay for the work on the L Building boiler and the Board had been discussing a special assessment to L Building owners to partially reimburse the Reserve Account some of the money paid out over the past couple of years. Joe explained the recent Controlled Hydronics invoice was for approximately \$27,000 and owners would be invoiced on a percentage basis in accordance with the Association governing documents. Melissa Stewart explained the first heat exchanger had not been covered by warranty due to the corrosion caused by the iron in the water. The second heat exchanger was still with Alpha, in Gunnison. Rosalind Cross explained Alpha had worked on the system in the early stages without troubleshooting the entire system. If money could be recovered the L Buildings would be reimbursed. Joe agreed to follow up with Alpha every week until the heat exchanger was returned, if it had not already been returned.

Jody Savin thanked everyone for spending so many hours trying to resolve the issues.

Joe Robinson said SealCo had completed work on the parking lot and the parking stripes were in place and were working well. Pinnacle Construction had completed the work at the back of the L Building and the walkway, including heat, was finished. Joe explained Toad had taken over landscaping during the Summer.

Joe said a Reserve Study had been completed by Rob Felix. Joe explained the Board had worked closely with Felix regarding the timing of projects. Joe reminded owners the Reserve Study was a working document and the timing of projects was an estimate so the Study would be adjusted as the priority of projects became more apparent. Joe explained the Reserve Study had recommended a significant increase in capital assessment to prepare for the future expenses. The 2023 Budget proposed \$17,000 to go to the Reserve Account and a capital assessment of \$20,700 to be divided between all owners based on the square footage of units had been recommended by the Study. Joe explained the Reserve Study could be adjusted by Rob Felix in the future and the Study was a very useful document for planning.

Joe Robinson said bids were being obtained for a new hot tub and the surrounding hot tub deck. The work would be scheduled for 2023. Joe explained a new cover for the existing hot tub had been ordered and would be installed in the next few weeks.

Rosalind Cross said the Board was trying to build up the Reserve over time in preparation for future projects. Rosalind said it was not clear when a special assessment would be necessary as the current expenses for the heat or the priority of projects was not known.

Joe Robinson explained an audit had been completed and no concerns had been raised by the auditor. Rosalind Cross suggested having the audit performed every three years instead of every two years due to the increased cost of the audit. Rosalind said Toad maintained the books and the Board reviewed the

financials carefully. It was agreed to continue discussion in 2023.

Joe explained Lisa Schneider's At Large position on the Board had completed. No volunteers had come forward for the At Large position. Rosalind Cross explained the meeting notice was incorrect for the other terms and said Rosalind Cross and Bill Eggert had terms expiring the same year, Melissa Stewart and Julia Gearhart the next year and in the third year it was just the At Large seat up for election.

Bryan Orsborn volunteered to join the Board for the At Large seat on the Board. It was agreed the Board would elect Bryan at the Board meeting immediately following the Annual Meeting. Lisa Schneider was thanked for her service on the Board.

Joe Robinson said the Association was in a good financial position. Joe explained the Budget had been approved by the Board with a 8.8% operating dues increase and the previously mentioned \$20,700 capital assessment (divided between all owners by the percentage of square footage) which would be shown on future invoices as a separate line item. The increase would be effective from December 1, 2022. Joe explained the Budget was based on year to date actuals and increases due to inflation. Rosalind Cross said every owner now contributed to hot tub expenses.

Lisa Schneider made a motion to ratify the Budget as presented. Bill Eggert seconded the motion and it was unanimously approved.

The 2023 annual meeting was scheduled for Tuesday, November 14, 2023 at 2 p.m. (MT).

All owners were welcome to participate in the Board meeting.

At 3:35 p.m. Bryan Orsborn made a motion to adjourn the meeting. Lisa Schneider seconded the motion and it was unanimously approved.

Prepared by Rob Harper, Toad Property Management