

OWL CREEK HOMES ASSOCIATION, INC
ANNUAL OWNERS MEETING

December 29, 2020

1. CALL TO ORDER AND CERTIFYING PROXIES

Mr. Romanski, called the meeting to order at 3:05 PM via Zoom call. Barton Craig and Mike George of Snowmass Lodging Company were also present. John Wilkinson of the Aspen Agency was also present.

<u>Members Present</u>	<u>Unit #</u>
Lohmiller	01
Rapaport	03
Pinnell	06
Burkhardt	09
Warren	08
Divjak	11
Romanski	16
Toren	17
David Downing	18
Sanchez	21
Hanafin	23
Schmitt	24
Schlesinger	27
Schaepe	26
Hodson	28
Bradering/Kalouria	30
Burgher	31
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<u>Members Present by Proxy</u>	<u>Unit #</u>
Anderson	02
Davis	19
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TOTAL	(19 /31=61%)

Verification of the signed proxies established that the required quorum of 33% of Owl Creek owners was achieved.

2. PROOF OF NOTICE OF MEETING

Mr. Craig presented proof of notice of the meeting.

Insurance Presentation by John Wilkinson

Mr. Romanski noted the HOA is considering changing insurance carriers. Previously, only the Cincinnati Company would offer the HOA a policy. As a result of the switch to Cedar Roofs, the HOA now has a second underwriter, Allianz, to offer the HOA a policy. Mr. Wilkinson will discuss the differences between the two proposals.

HOA Insurance Policy and carriers

Mr. Wilkinson noted that Travelers, CAU and Chubb were all also contacted but declined to offer coverage, which left Allianz and Cincinnati as possible carriers. Both are top-end insurance carriers. The two major differences between the policies are that the limit on Water & Sewer damage with the Cincinnati policy is \$100,000 while the Allianz policy offers the full \$76 million in coverage for the same damage. Allianz also covers outdoor landscaping for \$100,000 versus \$5,000 for Cincinnati. The Allianz premium is \$3,400 higher overall for this additional coverage. Mr. Romanski also noted that the HOA is hiring an insurance appraiser to confirm the replacement cost of the property, which is currently at \$76 million. Mr. Romanski asked the homeowners if they agreed with switching to Allianz with the additional coverages and small extra premium. Homeowners agreed. Mr. Wilkinson also discussed adding International Terrorism coverage, for which he will follow up with the Board. The approximate cost is \$2,500.

Recommendations on Homeowners Insurance

Mr. Wilkinson reminded homeowners they are responsible for insuring from the interior walls-in, as well as any improvements. He said a rule of thumb would be \$250-350 per square foot, plus furnishings and possessions. Other coverages homeowners should consider are loss of rental income and liability coverages. The exact coverage would be at the discretion of each homeowner and their insurance agent. John offered to review each homeowners individual policy if they contacted him. His telephone number is 970-379-4310

3. READING AND/OR DISPOSAL OF UNAPPROVED MINUTES

Mr. Romanski made a motion to waive reading the minutes of the Annual Meeting of December 27, 2019. Mr. Divjak seconded, and the motion was approved by voice vote. .

4. REPORT OF OFFICERS

Mr. Craig noted that the Association expects to end the 2020 year with approximately \$659,000 in its Reserve Fund, which is held in bank accounts and short-term CDARS through Alpine Bank.

The Proposed Budget has been prepared with the assumption that the Association expects to end the 2020 year with an estimated budget deficit of \$3,055. Per instructions from the Board, any budget deficit has been built into the 2021 budget. If the Homeowners Association ends the year with a surplus, it will be transferred to the Reserve Fund. Any surplus or deficit from costs allocated by Phase will carry forward to the 2021 Budget for each Phase.

The exact amount of the operating fund surplus/deficit will not be known until all 2020 expenses are paid in mid-January.

5. ELECTION OF DIRECTORS

The Board position of Mrs. Hanafin, who was appointed to fill the position of Mr. Andrews, is for re-election.

Mr. Divjak made a motion to nominate Mrs. Hanafin to serve another three- year term on the Board. Mrs. Hodson seconded, which was unanimously approved by the members.

6. UNFINISHED BUSINESS

Special Projects Update

Mr. Romanski provided a summary of progress on 2020 Special Projects of Roofs, Painting, Deck railing replacement.

Mr. Romanski noted that the roof project (as well as gutters and heat tape) was completed in July, ahead of schedule and on budget. Exterior painting has been completed on all homes, on schedule and on budget. He noted that EIFS repairs have resulted in some areas that will need to be repainted next spring and summer.

7. Deck railing replacement is slightly behind schedule, as the plan was for 9 homes to receive complete deck railing replacement in 2020. Only one home received all new deck railings, 7 additional homes have new deck railings on the front of each unit (front porch, media deck and guest master deck). The delays are all related to rot of the deck substructure due to deficiencies of the original construction. The cost of the railing project is expected to increase from \$750,000 to approximately \$1.1 million. However, savings in the Roofing and Painting projects will allow the HOA to cover this additional expense from the original Special

Assessment. The project is expected to be completed in the fall of 2021, the original proposed date. Mr. Romanski noted that the cost of the stone caps and EIFS repairs will be approximately \$110,000 and \$250,000 respectively and is being allocated from the Reserve Fund, as they were not part of the 2019 Special Assessment.

Additional Proposed New Projects

Flagstone Patio and walkway repairs-completed in all units for a cost of \$58,000 and charged to the Reserve Fund. Future repairs and sealing will be done on a regular maintenance basis.

EIFS/Stucco Repairs-approved for 2020-21 are ongoing and in process and to be finished in 2021.

New Stone Cap installations-approved for 2020-21 are ongoing and in process. The final cost will be approximately \$110,000 and will be paid by the Reserve Fund.

Mr. Romanski noted that the parapet wall caps off the guest master bedroom decks in all homes were constructed of wood and also not properly waterproofed. This was a design and construction failure. The HOA has replaced these wooden caps with Colorado Buff flagstone (to match the existing flagstone) and properly waterproofed. The HOA is also in the process of repairing any damage to the parapet walls as a result of this original design flaw. This work has been suspended for the winter but will continue next spring and summer until all areas have new flagstone caps and any damage to the parapet walls has been repaired.

Hot tub decks and privacy fences replacement-approved for 2021-completion scheduled for 2021. The two projects will cost about \$250,000 total and will be allocated from the Reserve Fund, although it has not been sent out for bid yet. Composite materials will be used, which will be maintenance free once installed. The color will be very similar to the new exterior wood trim color. A mock-up of a new privacy fence will be constructed between 916 & 917 Burnt Mountain Drive in the spring for viewing by homeowners.

Mr. Warren noted a concern about the heat in the summer of composite materials on a hot tub deck. Mr. Romanski commented that it is a very similar material to the new deck railings, which are actually cooler than the old wood railings and assumes the new hot

tub decks will be the same. He noted that materials will be chosen with this concern in mind.

8. New Business

Future Proposed New Projects

Replacement of concrete balcony decks—projected to begin 2022 or 2023. Design and engineering work will begin in 2021. This will be a 2-year construction project.

This project will be necessary due to the cracking and flaking of concrete, which is now 22-24 years old. Concrete was not the best design choice and the Board is looking into other options for replacement. The snowmelt system and waterproof membrane under the concrete have an expected life of 25 years, so these elements will be replaced at the same time that the concrete is replaced. The Board is investigating alternatives such as pavers placed on short pedestals (3 inches). Among the advantages of this type of system is the ability to access the snowmelt system without demolishing concrete, and also to replace individual pavers if damaged over time, rather than demolishing an entire deck. The new pavers would be same size as the existing stamped concrete. The preliminary estimate is \$58,000 per home for all of this work. The Board will begin engineering study in 2021 with a plan to start work in 2022 and finish in 2023. Although a large project, most homeowners present agreed this is an important project and expressed support for this plan.

Driveway repairs for individual units—not scheduled yet but anticipated to begin in 2022.

Reserve Fund Analysis and Discussion

Current State of Reserve Fund and Rationale

The HOA currently expects to end 2020 with a Reserve Fund balance of \$659,000, with \$139,392 in contributions budgeted for 2021. All remaining EIFS repairs and Flagstone cap work will be charged to the Reserve Fund. The HOA last independent reserve Fund study was performed in 2012. The HOA operates under the rationale that it is **not** funding the Reserve on an amortized

replacement cost basis and that Special Assessments will supplement the Reserve Fund when necessary for large capital projects, as was the case with the 2019 Special Assessment.

Mr. Hodson has been working with the Board on this matter and made some comments. The expected balance of the Reserve Fund after all currently approved projects are completed will be approximately 240,000 at the end of 2021. Mr. Hodson suggested a Reserve Fund balance in the \$400,000-500,000 range would be appropriate, especially given all of the projects already completed.

2021 Budget Review and Ratification

Mr. Craig presented the homeowners with the board approved 2021 budget proposal. The 2021 Budget was prepared with the assumption that the HOA will end the year with a deficit of approximately \$3.055 to budget. The proposed budget has an increase in assessments of between 4.5-5%.

While most line items in the budget are either the same as the prior year, or include small inflationary increases, two line items do have larger proposed increases—Water and Grounds. Irrigation water usage was up substantially over the prior year in 2020 due to an early spring and dry summer. While conditions may change in 2021 and reduce water use, the budget has been prepared assuming the same usage, as well as a 5% rate increase from Snowmass Water and Sanitation. The budget for Grounds has remained flat since 2014 and costs have risen slightly each year, due to maturing landscaping and cost increases for labor and flowers.

Mr. Craig asked any owners present if they had any questions or comments on the proposed budget.

Mr. Warren and Mr. Divjak noted that the grounds are over watered.

Mr. Sanchez made a motion to approve the budget as presented. Mr. Divjak seconded. The budget was approved by voice vote.

Solar Panel Discussion-A homeowner has requested a discussion of potential solar panel on an Owl Creek Home roofs or property. This same request came from another homeowner a few years ago and the Board declined that request based on various issues. The Board reiterates its

concerns and solar panel installation is not allowed at the Owl Creek Homes. The original rationale report is available for any homeowners that request it.

Window and Door Replacements

The HOA has no remaining warranty on any doors or windows and they are replaced at HOA expense on an as-needed basis.

Snowmelt boilers-are replaced as necessary

Bart to Prepare list of HOA maintenance items and maintenance schedules The Board will work with Management to create maintenance schedules for many HOA elements. To be completed 2/15/2021.

Ongoing effort to reduce irrigation water usage-Mr. Divjak is conducting an investigation in process

Possible HOA member participation in Board Meetings 2 additional times per year-

Homeowner Project Committee Participation-Mr. Romanski encouraged any interested homeowners to contact him. As the Board has switched to Zoom Board meetings, homeowners can be easily invited to attend virtually. While not all Board meetings will be open to all homeowners, the Board plans to invite homeowners to some Board meetings.

9. ADJOURNMENT

Mr. Schlesinger moved for adjournment. Mrs. Pinnell seconded, and the motion was carried. The meeting was adjourned at 4:45 P.M.

Respectfully submitted,

Connie Hodson, Secretary-Treasurer