

THE HOMESTEAD AT SNOWMASS BOARD MEETING

August 8th, 2023

I. CALL TO ORDER

Colin Heggie, President of the Association, called the meeting to order at 1:31 pm Mountain Time. Board members present via Zoom conference call and in-person at Homestead #5 were Colin Heggie, Marilyn Seltzer, Malo Harrison, Scott Kallick and Heather Burcher. Barton Craig of Snowmass Lodging Company was also present.

II. PROOF OF NOTICE OF MEETING

Mr. Craig presented proof of notice of the meeting, which was via email.

III. READING AND APPROVAL OF THE MINUTES

Mr. Kallick made a motion to waive the reading of the Board Meeting Minutes of May 2nd, 2023 and approve them as written. Mrs. Burcher seconded, and the motion was passed unanimously via voice vote.

IV. UNFINISHED BUSINESS

Q2 Financial Results and Impact

Mr. Craig summarized that the Homestead HOA is \$14,749 over budget through Q2, an amount slightly less than the deficit after Q1. Per reports provided by management to the Board, the HOA is over budget by \$4,447 in Gas, \$1,879 in Grounds, \$9,921 in snow removal and \$3,140 in insurance. The HOA is under budget Spa expenses by \$2,912.

Mr. Heggie asked Mr. Craig if the balance sheet provided to the Board through June 2023 reflected the actual year-end numbers for 2022. Mr. Craig said he was confident that 2022 year-end numbers are reflected in the balance sheet but will reconfirm with Mike George and report back to Mr. Heggie.

Q3 Assessment payments and AppFolio

All Homeowners have paid the Q3 assessments and AppFolio is online and online payment options are available to homeowners.

Crawlspace Plumbing Status and Action Plan

Mountainside Plumbing completed plumbing upgrades in 3 units in May and currently there are two homes that still need this work (units 6 and 11). This work will

be completed in the fall for an estimated expense of \$10,000. This expense will be charged to the Reserve Fund.

Stucco Repair Review

Mr. Heggie and Mr. Craig walked the complex in the early summer with a stucco contractor. The worst damage typically occurs on the chimney chases on the sides of buildings and along ground level near sprinklers. There are numerous areas that have cosmetic and microcracks on the rear of the buildings and on patio decks under window frames. The risk of water seepage is quite low in most of these areas both because of the small size and some of the areas are also protected by overhangs from direct moisture. These areas must be reinspected annually but are not in need of immediate repair.

For the chimney chase repairs, the options are to simply perform a patch of the cracked area, and the alternative is the re-stucco the entire chimney chase for aesthetic reasons, so that a patch is not noticeable. The cost to do an entire wall is substantially more expensive. The cost to reapply stucco to these entire areas is \$2,000 per building. After discussion, the Board decided to schedule the contractor to patch the crack on the size of the chimney chase on the size of #8, a repair low the ground on the side of #7 and another patch low to the ground off #10. After these patches are done, the Board will assess whether patching is viable from an aesthetic point of view and schedule other similar repairs either as patches or full reapplication of stucco.

This expense will be paid from the R&M of the Operating Budget.

Boiler Mechanical Engineer Report/Action Plan Discussion

The HOA currently still has only one bid for boiler replacement, which is \$98,000 per building. Management is still soliciting additional bids from Mountainside Plumbing. Mr. Heggie restated the need for additional bids. The mechanical engineer recommended replacing the boiler based on their age and recommended replacement with high efficiency boilers. It is not in his scope to assess the actual condition of the current boilers. The HOA plumber has stated multiples times his opinion that boilers likely have several years of useful life left. Of course, he is not able to guarantee that opinion.

Management has confirmed from the TOSV that high efficiency boilers are not required by code as replacement for the existing boilers. This fact led to a discussion with the plumber about the pros and cons of the switch to high efficiency boilers. The bullet points from that discussion are below.

-The extra cost of retrofitting the required venting for high efficiency boilers at Homestead is not prohibitive, as the boilers are on the sides of buildings so the additional cost to create the venting would be approximately \$2,000-4,000 per building.

-The cost of a new high efficiency boiler itself is double to triple the cost of replacing it with the same type as the existing boiler. Labor would also be higher but not by nearly that magnitude. A quick estimate would be that if the cost of a high efficiency boiler installation in a building is \$98,000 that atmospheric boiler installation (similar to the existing boilers) would be closer to \$60,000 per building.

-What are the benefits of high efficiency boilers?

The actual savings in natural gas costs by switching to high efficiency boilers have many variables, including usage and the unit cost for natural gas. Real world performance can also vary. The estimate is that Return on Investment for the extra cost for high efficiency boilers vs replacing with existing boiler type is 10 +years. A new high efficiency boiler will come with an expected lifespan of 20-30 years, so it will save the HOA money in the long term.

- Plumber's perspective

The plumber's recommendation is that it is not a value proposition to replace an existing working boiler with a high efficiency boiler. In the case of The Homestead, while there are no guarantees, our vendor feels the existing boilers likely have several years or more of use left.

According to our vendor, the risk for the HOA in keeping the existing boilers until some or all of them fail is quite manageable for the following reasons. Keeping in mind that if one or two boilers did fail in the future due to age, that would likely accelerate the Board's decision to replace all the remaining boilers. Each building has two boilers and if one fails, for the vast majority of the year the remaining boiler could heat the building to a safe temperature while repairs are made, even in winter. The caveat would be if it happened to be the coldest days of winter (substantially below zero) or both boilers failed at the same time (extremely unlikely). This is even more true in the 3-unit blocks, as there is even more excess capacity in the system in the 3-unit blocks. He further stated that replacement parts and replacement boilers historically are readily available and that a boiler replacement in most circumstances could be done in 2-4 days. Of course, that could change in the future and should be factored into decisions, but that has been the case historically.

Analyze glycol-Approximately \$10,000 per building could be saved if glycol is reused when boiler replacement is done. The HOA plumber feels the glycol is in good condition and can be reused but will send out a sample for testing to confirm this opinion. Mr. Craig will schedule this work with our current vendor.

Approximately \$10,000 per building could be saved in the 3-unit blocks by changing the specification to a smaller boiler. The current quote is for the same BTU

rated boilers that currently exist in all buildings. A smaller size could be used in the 3-unit buildings and still provide extra capacity.

-Funding for Boiler Replacement

Mrs. Harrison reminded the Board that there are two options for paying for this project: Build up the Reserves over time in the Reserve Fund or Special Assessment. The Board discussed both options and Mr. Heggie noted his preference for a Reserve Fund balance higher than is current. Mr. Kallick reminded the Board that \$42,000 of the 2023 Reserve Fund assessment is allocated specifically for boiler replacement.

Review and address rust on structural steel

Review with the HOA painter resulted in approval for primer and paint touch up for rusted areas of the steel for an approximate cost of \$750-1,500 plus materials. This work will occur in the fall and be billed to the R&M budget.

Earthwise Aspen Tree Review

MC Landscaping removed the large dying Pine tree behind the spa area in May. Management forward to the Board the assessment of trees at the Homestead by Earthwise. The recommendations included removal of 2 additional pine trees at the back of the complex and one aspen tree in the front. Further, they recommended spraying willow scale and spruce bud scale on all Aspen trees and select Spruce trees for a cost of \$4,970. Further, they cautioned that the holiday lights that were installed 4 years ago have become too tight on the trees and recommend removing and re-stringing these lights. This is an expected problem that has occurred in the past. The lights have a typical lifespan of 5-7 years but sometimes must be removed sooner due to the growth of the trees. The estimated expense for this work prior to winter is \$5,000. The Earthwise report does not state that this work needs to be done this year but it something that should be checked annually. The Board discussed potential budgeting for and scheduling this expense in 2024. The Board decided to turn the Holiday lights off for the summer and only run the holidays lights during the holiday season.

After discussion, the Board decided to direct Mr. Craig to contact Earthwise to schedule the willow scale and bud scale spraying ASAP. The Board also decided to not to remove the two pines noted by Earthwise until 2024.

Spa Boiler Heat Exchanger

Management was notified a week ago that the newly replaced heat exchanger on the newly installed boiler had failed for a second time. Once again, there will be no cost to the HOA as it is under warranty. The vendor states that it is possible that Ph levels in

the spa could be the root cause of the issues. Management will continue to follow up with the spa vendor on the heat exchanger replacement and the cause.

V. NEW BUSINESS

VI. **Adjournment**

Mrs. Harrison made a motion to adjourn. Mr. Kallick seconded the motion, and the meeting was adjourned at 3:11 pm.

Respectfully,

Malo Harrison, Secretary