

**MOUNTAIN SIDE  
COMBINED BOARDS OF DIRECTORS MEETING  
MAY 11, 2013**

**MINUTES**

1. **Call to Order.** The meeting was called to order by President Bill Meek at 8:00 a.m.
2. **Affirmation of Attendance and Quorum.**
  - A. Board members in attendance were Bill Meek, Herb Allen, EJ Gibson, Pete Pfeiffle, Steve Smith, and Art Burger. Bob Lembke, Don Cacace, and Scott Ponds were not in attendance. A quorum was established for the Condo Association but not the HOA Association.
  - B. Representing Mountain Managers was Phil Wells
  - C. Also in attendance were: Corkie Ramey (160-J), Joelle Miller (206-G, 279-E, 317-D), Amy Picket-Williams (325A), and a 3<sup>rd</sup> owner whose name/unit number were not on the tape of the meeting.
3. **Owner Forum.**
  - A. Corkie Ramey spoke about the need to get moving on landscaping/tree planting, problems with recycling, parking, and garage issues.

Garbage is constantly being tossed in with recycling materials. All owners are reminded to keep household garbage separate from the recyclables and to dispose of items in the proper container, Owners are asked to notify renters of the issue.

Parking issues were discussed. There is an owner in J building with 2 units and his tenants have been constantly blocking visitor parking spaces in the garage. One has stopped and the second moved out but left a vehicle there for a full month. This was reported to Mountain Managers.

Vandalism was talked about. Corkie had two slashed tires a couple of days ago. A police report was filed and Mountain Managers will be notified on Monday. Corkie's parking space is in a back corner that is dimly lit. (The Board is still working on better lighting for garages). She asked if her parking space could be moved to another location. It was noted that there is one unassigned space to the immediate right of the visitor space and Corkie will be reassigned to this space. Mountain Managers will take care of renumbering the parking spot.
  - B. An owner stated the Board is doing a great job and the HOA is very well run. He noted that when he first moved to Mountain Side in 2003, laundry facilities were open 24 hours. He appreciated being able to do laundry early in the morning before the start of his work day. He asked if it would be possible to have 24 hour laundry again. No one remembered getting notices stating the laundry room would be closed at night – it just started being locked about 7 years ago following a theft of some laundry that was left overnight.
  - C. Joelle Miller spoke at length about code violation issues. She talked about unit entry, the arrogance of the previous Resident Manager, being "falsely accused" regarding an alleged bathroom in the loft, the lack of pictures that were supposed to have been taken, Mountain Managers record keeping, inconsistency of enforcement on code violations, inconsistencies on inspections, lack of transparency, arbitrary rulings, etc.

Many of these issues have been addressed in the past but there was additional discussion on some of Joelle's comments.

Bill agreed that while decisions in the past may have been somewhat lax, the current Board is trying to be as fair and equal to everyone as possible. The Board has talked with Mountain Managers and staff members and tried to set up a system for unit entry and owner notification when unit access is needed. Employees are to knock loudly and if the unit is entered, a card is to be left noting that someone was in the unit, the date and the reason.

Joelle had raised a question of some units being allowed to have an additional loft bathroom while others were denied. It was explained that when units were originally constructed, the developer allowed extra bathrooms in some units. There is at least one unit that installed an additional bathroom (not during original construction). The work was properly permitted and approved by the HOA (The owner provided copies of the approval, permits, etc. during the code violation inspections). There isn't much that can be done about baths that were approved by previous management and/or the developer and the Town. The Board has consistently denied requests since that time. Owners with additional bathrooms have not paid additional dues and this will be looked at.

Joelle asked if the Board had access to Mountain Managers' records since she felt she was not given all information requested. It was explained that Mountain Managers keeps records for 7 years. There may be some documents on file for longer periods, but legally, records do not have to be kept longer than 7 years. Mountain Managers has done its best to provide all records requested by Joelle and the Board. They have also worked to provide Mountain Side with a reliable Resident Manager and the Board is continuing to work hard to try and straighten out past errors and get things right. This will take time and is an ongoing project.

It was noted that Joelle's unit did not have an additional bathroom and this has ceased to be an issue. Joelle pointed out that Amy (325A) had to do a lot of work and spend a considerable amount of money to get her unit up to code. She was not the original owner and purchased the unit unaware that there were code violations.

It was explained to Joelle that it is not Mountain Managers' policy to enter units except for emergency situations or to do owner requested security checks. If her unit was entered, the resident manager did it on his own. There was one situation where Will was invited into one of Joelle's units to help with a malfunctioning washer/dryer. The washer/dryer installation had not been approved and therefore, Will went into Joelle's other two units to see if washer/dryers had been installed in those as well. (One unit did not have washer/dryer.) With regards to the pictures that were taken, on the day Will took pictures, Joelle denied access to her units. Phil was unaware of this until after he had stated he had pictures. When Will was questioned, he did not state, "there is a bathroom"; he said there was a "bathroom being remodeled." Joelle provided pictures showing where the bath used to be and Will may have thought a bathroom was being put in. That was a mistake and it was rectified. Joelle understood that mistakes happen but stated that was all the more reason to have 2 people enter units (that is not always possible). With the exception of weekly security checks, Mountain Managers always tries to notify owners when unit access is needed. Code violation inspections were requested by the Board and owners were notified prior to the inspection date.

Joelle also questioned notification to owners following unit access. She had a leak at one time and stated she was never notified that someone went into the unit to look at the situation and she was not notified when repair work was done. Clean up was not done and this was reported to Mountain Managers. This should not have occurred and all Mountain Managers' employees have been explicitly told that no one is to enter units without owner notification unless an emergency exists.

- C. Amy spoke about the process she went through. The Town had trouble locating records dealing with the back loft space and it took over a year to get everything done. It also cost \$35,000 to complete the project to the proper specifications. Other owners should not have to spend as much time and money since Amy has already done all the background research, etc. at substantial cost. It was noted that the Architect mentioned that some of the work done in Amy's unit was "DIY" and not done properly. Amy understood that this increased the cost since some work had to be re-done. She felt that any additional dues amounts for additional bathrooms/square footage should not be passed on to owners who have completed the permit process until all owners have gone through the same procedure. Bill noted that there have been too many changes since the way dues assessments were originally set and this will be looked at. The space is a limited common element. Amy can use it as she wants but when the unit is sold, it cannot be listed as a bedroom. Amy noted that she objected to the repeated e-mails checking on the permit process while she was working towards completion.

Amy also stated that she had faxed her "no smoking" ballot response but it was not recorded on the summary provided in the meeting packet. There were two others in attendance who also stated their ballots were not recorded.

The spacing on the deck railing pickets was brought up. Amy noted it's not just an issue with deck pickets but the walkways as well. Options will be discussed later in the meeting.

Owners were thanked for bringing issues to the Board's attention and Bill reiterated that the Board is working on consistency and clarification.

4. **Approval of Minutes from the 2/9/13 Board Meeting.** Steve Smith asked that the minutes be revised to reflect that he and Bill had left the meeting prior to the vote being taken on unit entry rules. It was noted in the minutes that Bill would have to leave before the end of the meeting and discussion on the Rules and Regulations revisions was moved up on the agenda so Bill could be present. He was still there when the vote was taken. The minutes will be revised to reflect that Steve left the meeting prior to the vote. A motion was made, seconded, and passed to approve the minutes with the noted correction.

5. **Financial Report.** Herb reviewed financials for both Associations.

Clubhouse: The clubhouse was a little over on expenses mainly due to repair and maintenance and hot tub chemicals (hot tub chemicals seem to be improving). There were no delinquencies and no MCR expenditures to date.

Condos: Condos were over budget (\$28,000) on expenses – most is insurance reimbursable expense which was partially offset by the insurance credit. Repair and maintenance was over by \$18,000 ("F" building chimney work and "G" building stairway landing repair). No delinquencies and no MCR activity yet.

It was noted that both MCR's have been revised but EJ stated they have not yet been finalized. No significant increases for the clubhouse are anticipated and while it will be close, the clubhouse should be OK. The next few years show fairly small expenditures and reserves will be able to be rebuilt providing no unforeseen situations arise. The condos are in very good shape. EJ noted that painting bids are coming in higher than budgeted. The low bid (Sunshine) was \$39,000 compared to the \$30,300 budgeted. It was noted that buildings that face the sun have faded much too quickly and a solution needs to be found. Before the contract is awarded, Sunshine will be asked to come to the complex and let the HOA know what can be done.

6. **Old Business.**

- A. Fence restrictions – HOA: Tabled – Scott was not in attendance.
- B. Comcast re-wire: Comcast will do a home run to each unit that will split off to other TV locations (bedrooms). Signals in the secondary locations will be better than they are now but not as good as the primary location. The Board is supposed to meet with Comcast via conference call on Monday to finalize how they are going to gain access through the chases and exactly what they are going to do. The current wiring will be updated with cable that is capable of providing HD, etc. The HOA is not contracting for Xfinity/internet/phone service, etc. They will continue to provide cable TV and owners can contract separately for any upgrades. There are currently no HD boxes in units. One owner noted that you can obtain the boxes from Comcast now if desired. Comcast will provide 2 free boxes. Owners will need the HOA account number (this can be obtained from Mountain Managers). Comcast should be installing the boxes when the re-wiring is redone – this will be confirmed. The HOA added the cost of the re-wire to the Comcast contract instead of paying the entire amount in one lump sum. This raised the monthly rate and any annual increases (consistently 5-6%) are based on the new monthly amount.
- C. Clubhouse renovation: EJ noted that everything is torn apart but the Town has not yet come through with the permit. Before the Building Department would review drawings, they insisted that the Planning Department review them. The Planning Department took umbrage with the exterior light fixtures. Even though these were not part of the renovation plans, the exterior light fixtures on the west and south side of the building were required to be changed to conform to the dark sky requirement. Fixtures were found, the budget was “tweaked” and plans were re-submitted to the Planning Department. The plans were finally approved a week ago and signed off for Building department approval. Right now, we're still waiting on the Building Department to approve before we can proceed (hopefully in the next few days). The original estimate was to have everything done by Memorial Day. The contractor is confident the work can be completed by mid June.
- D. No Smoking questionnaire: 3 owners noted that their responses were not recorded. Owners offered various suggestions/comments on their questionnaires. Bill suggested developing 3 options for the September Annual meeting to be sent out with the meeting notice. This would be an agenda item. It was noted that enforcement will be difficult. Steve Smith and Pete Pfeiffle volunteered to draft 3 options for consideration.

- E. Deck railings. EJ stated that due to the picket spacing, no further action was taken on removing chicken wire that some owners had installed. The Board agrees that owners need to be allowed to erect some kind of safety barrier but chicken wire is not the answer. Fencing material (galvanized welding wire) is inexpensive as is plastic fencing material (black or dark green). This costs about \$1.00 per linear foot (about \$14 to do a deck). It's available in the garden portion of places like Lowes and Home Depot and costs about \$31.00 for a 50' roll (enough to do 3 decks).

Replacing all pickets would be expensive. Adding additional pickets between existing ones would result in almost a solid looking fence. The Board is continuing to look at options but for now, the fencing material (galvanized/vinyl coated) is approved for owners to use. It will need to be attached with zip ties/wire so it's removable for painting. Owners will be notified prior to painting dates.

- F. Access bridge to lake: EJ stated there was a bridge in place while lake work was being done but it has been removed. The bridge belonged to Ted Johnson. If he will give permission to re-use the bridge, it will still be problematic to put it back since boom trucks can't get into the space. The bridge would need to be disassembled, moved, and reassembled. Handrails would also need to be installed. Art noted that United Water District has already spent a considerable amount of money on the lake project and the bridge should be an HOA expense. Bills Ranch Lake Group is pushing to get more people to join and contribute and therefore be granted lake access. Bill thought it was part of the agreement that non Mountain Side people would not be allowed use of the lake. Art stated those who contributed towards dredging were granted lake access. EJ stated that plans for the bridge would need to be submitted for consideration.
- G. Flood insurance – F building: The quote from Farmers Insurance was \$4,192. Apparently the units are not in the flood plain but the garage is. According to Baseline, if you stand in the garage and look out, it's pretty obvious the garage is lower than the creek bed and Baseline did not think we could get it removed from the flood plain. Bill strongly disagreed. He had his engineers look at the plans/drawings and they feel it's not in the flood plain. He feels it's very unfair for either the HOA or owners to pay for unneeded flood insurance. At the February Board meeting the Board approved Baseline's proposal to file for a change to the flood plain. Bill asked Mountain Managers to find out exactly what Baseline did and where the HOA stands.
- H. Joelle Miller's letter: Most of these issues have been covered in previous discussions and no further discussion took place. A motion was made, seconded and passed to file the letter in a "received" file.
- I. Dryer vent cleaning will begin in 2014.

7. **New Business.**

- A. Painting estimates: Previously discussed – Sunshine was the low bid at \$39,000. Before awarding the bid they will be asked to address the fading issue.
- B. Non-owner use of the clubhouse: A letter was received from Cathy Johnson stating when she and Ted bought the home on the private cul-de-sac off Hunter Circle, the previous owner (Laurie and Richard Evans) stated they paid a yearly fee of \$50-\$75 for use of the clubhouse. Cathy requested a similar agreement. None of the Board members were aware that anyone had ever paid for use of the clubhouse. Other

requests have always been denied. Due to liability issues, the clubhouse should be for Mountain Side owners, guests and renters. Mountain Managers was asked to look back and see if there is any accounting or other documentation reflecting payment for clubhouse use. The Johnsons bought their unit in 2006. Finding any documentation that goes back prior to 2006 is unlikely. Bill volunteered to contact Dick Malmgren to see if he has any recollection of such an agreement. (Subsequent to the meeting, Mountain Managers could not locate any record of a non-owner being granted access to the clubhouse.)

- C. Committees: Bill explained that a previous Board President (Laura Hansen) set up requirements for standing committees back in 2001. These were as follows:

ACC: Director of Structures/Grounds (HOA and Condo) and one member at large (HOA and Condo) – 3 members per committee.

Planning: President, Director of Finance (HOA and Condo), and two members at large

Rules, Bylaws, Covenants: Director of Homeowner/Community Relations (HOA and Condo) and one member at large.

Website: Director of Homeowner/Community Relations (HOA and Condo)

At that time, all Board members had titles corresponding to the committee requirements. The planning committee was responsible for meeting and deciding on money requirements for the next year. They then took their recommendations to the Director(s) of structures/grounds to figure out the budget. This has not been actively in place for a long time. About ten years ago, long range plans were developed for both HOA's (MCR's). The MCR's are reviewed annually for content and quarterly for budgetary purposes. The Board works together on budgetary requirements. There is still an ACC but no committee for Rules/Bylaws, etc. The ACC is currently comprised of Bill, EJ, and Dick Malmgren. Any owner may appeal an ACC decision to the entire Board. Bill suggested eliminating standing committees and retaining what is not in place. He will send all of Laura's information to the Board for review and a decision will be made at the August meeting.

- D. Condo freeze alarm options: It was noted that Allied Security offered the only really viable option (low temperature system in boiler/furnace rooms). The cost would be \$4,072 for equipment and installation and then \$39.95 per month per building for the monitoring cost. \$15,000 was spent this year (insurance deductibles) on freeze ups. If the system prevents one freeze, it will pay for itself. The three freeze ups that occurred were all for different reasons but low temperature systems would have alerted us that the temperature was dropping and allowed time to get the furnace working or get water flowing until it could be repaired. In theory, this can prevent freezes. The system can call more than one number – at least the Resident Manager and Mountain Managers' emergency number. Bill would like someone from Allied to come to a meeting and give a presentation/demonstration. Mountain Managers will try to arrange this for the August Board meeting.
- E. Hot water out of cold taps: Lyn Pierce (322H) had an issue with this. Heater temperatures are kept high to try and keep the temperature in the chases high enough to prevent immediate freezing in case of furnace failure. It was thought that there are

thermostats on the heaters but these are kept at a very high setting to keep the chases hot. If the alarm system is installed, the heat will not have to be kept so high. Mountain Managers will check on whether or not the heaters have thermostats. With warmer weather, the heaters can be turned down and that should help with the hot water coming out of cold water taps.

- F. Guaranteed replacement cost endorsement through Farmers Insurance: When Mountain Managers had one blanket policy covering all of its HOA's there was \$300,000,000 in total coverage to draw on. Farmers cancelled all blanket policies and each HOA now has an individual policy (BOP). There is an endorsement for up to 150% of the rebuild cost as long as the buildings are insured to value. Phil was also able to get Farmers to include a guaranteed replacement cost endorsement at no additional cost to the HOA. The insurance appraisal is still a good idea to make sure the HOA is not over or under insured. It is the Board's responsibility to know the replacement cost. Insurance companies push values up each year and over time, this can result in being over insured. It is recommended that an insurance appraisal be done now and then every 5 to 8 years. Questions were asked about what happens if a building is partially damaged/condemned. Would insurance pay only for damage and not the demo/rebuild? The policy covers this and has always covered any necessary code upgrades. The endorsement does not affect the primary policy. EJ would like reassurances on the upgrades since they seem to be excluded on the guaranteed replacement cost endorsement. Phil stated he could show the Board the policy but they requested a memo from Farmers specifically stating that upgrades are covered in spite of the wording in the endorsement.
- B. Procedures for entering units: Bill read his proposed revisions to the unit entry rules. As presented, these were as follows:
1. In case of emergency enter the unit immediately, leave a note or form that you have been there and write a work order for that activity.
  2. In very cold weather operations management may enter the unit to turn on the water valves to keep the pipes from freezing; same written procedure as 1.
  3. When an owner makes a legitimate inquiry about a violation of the covenants or rules, we will send a letter to the owner, give them 2 to 3 days to choose if they want to be present during the inspection and the same written procedures as 1.
  4. Annual inspections shall be done in the Spring or early Summer. A 24 hour notice must be written and delivered to the owner prior to entering; same written procedures as 1.
  5. General inspections of flue, fireplace, etc. If the companies doing the inspections are doing it building by building the owners must have advance notice – 24 hours; same written procedures as 1.
  6. Leaks will follow under the category of an emergency. If the leak is not severe such as a sky light, then 24 hour notice must be given; same written procedures as 1.
  7. Painting and staining of the building. Every owner must be posted on their door when staining and painting will occur. It will be their responsibility to remove items from the deck or pay the management company to do that for them; same written procedure as 1.

EJ questioned payment to the management company for moving deck items. Owners are asked to clear most items; they are not asked to move wood piles or gas grills. It's unreasonable to ask owners to move these items – the painters will generally move items from one side to the other while staining. Bill noted that removal of any deck safety barrier must be done prior to painting and this is to be added to #7.

EJ felt that some of these items were separate and not part of unit entry procedures (i.e. painting and staining). It was explained that if management needs to clear decks, they would have to enter units to do so. Items 4 and 5 were redundant and a motion to remove #4 was made, seconded, and passed. After discussion, a motion was made, seconded, and passed to approve the new unit entry rules.

- C. Food for annual meeting: Bonnie Q was used last year. All seemed to enjoy the food however, food ran out and there were no vegetarian options. Food was ordered for at least 30 more people than there were RSVP's for. Unfortunately, non-responders do show up (so do renters) and many people take a great deal of food! Mountain Managers was asked to check into vegetarian options. If none are available, some of the sides may be able to be vegetarian.

- D. Walk Around Schedule:

June:	EJ
July:	Pete
August:	Bill

- E. Website: Art (with help from Don) has been working on updating the site. The site is now up and running but there are still some updates to be made. The website is mountainsidecolorado.com (not.org). Joelle Miller has a mountainside.org site. Joelle explained that the existing website hadn't been updated since 2006 and she created a new one so owners had information. Board members took exception to the cards Joelle left at each unit. They felt the cards left the impression that her website was officially an HOA website and it is not. Solicitations are prohibited and while others also do this, Mountain Managers removes flyers, cards, etc. when they are spotted. There will be a link to the Mountain Managers' website on Mountain Sides' web page. All HOA governing documents, financials, etc are on this site. Information is password protected since only owners should have access to certain information. No password is required to access information on Joelle's site.

Painting: E and A buildings are scheduled for this year. Updates will be posted on the Mountain Side website. Dues and assessment history is currently being updated and will be posted. Atis is no longer the Resident Manager. He is still employed with Mountain Managers but has been moved to Breckenridge properties. Luis is the new Resident Manager. This information is also being updated for the website.

8. **Owner Forum.** Amy asked about deck railings and when decisions would be finalized. It was noted that the fencing materials were approved at this meeting so owners can make sure their decks are safe. EJ will be obtaining cost estimates for replacing/adding pickets and more information should be available for the September meeting. There is no requirement for the HOA to do anything but the Board is aware of owner's safety concerns and is addressing the

issue. It was felt that the front of the building is not as serious an issue as decks since children/pets should not be out there without supervision. Amy stated that she always supervises but when carrying luggage, etc. it's difficult to juggle children at the same time. Bill noted that some owners have had negative comments about spending money on railing issues when money is needed for other projects. It has been pointed out to him that owners bought their units knowing what they looked like. Whatever is decided must fit into the MCR budget constraints. Owners were cautioned not to replace/add pickets on their own since this would make their decks look different from all others. Right now, the fencing material is the only approved barrier. The Board will continue to look at options for the front walks and stairwells.

9. **Schedule the Next Board Meeting:** The next Board meeting will be on August 17, 2013, 8:00 a.m. at the clubhouse.
10. **Additional Discussion Items:**
  - A. Questions were asked on replacing windows. ACC approval is needed and the windows must be the same color/type as others. The ACC form should be submitted to Susan at Mountain Managers. Susan can provide names of contractors who are familiar with the window requirements.
  - B. Art stated he'd like to get the bridge installed in the next month or so. The clubhouse budget has no money. Bill reiterated that a proposal and funding options need to be presented to the Board. Herb stated some money could be made available if the existing bridge could be used but there is not enough to build a new one. Art will call Ted about using his bridge.
11. **Adjournment.** There being no further business, a motion was made and seconded to adjourn the meeting at 11:15 a.m.

Respectfully submitted:

Judy Freese, Recording Secretary (minutes prepared from a tape recording of the meeting).

**APPROVED:**

Approved via e-mail

6-24-13

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Bill Meek, President

Date