

Blue River Run
Board Meeting Minutes
September 28, 2022

I. Call to Order

The meeting was called to order at 2:34PM. Mike Mueller, John Dunlap, Mark Burgeson, Wiebe Gortmaker and Dianne Chisholm were present in person at Summit Resort Group conference room. Attending by phone conference call were MaryKay Kelley, and Allen Kvidera. Kelly Schneweis and Shane Carr were representing SRG.

Owners Present: No owners were present.

II. Roof Discussion

The Limited Amendment to borrow funds passed with more than 67% of the ownership in approval. The Board was presented the Addendum to Application for Community Association Banking Quick Term Loan, Proposed Resolution approving Roofing Contract, Resolution re loan from CIT, and the MCM Capital Reserve Plan documents for review and discussion.

There was a comment from Dianne about an article explaining a possible decrease in lumber rates. There was a question should the Board consider holding off until 2024 to begin the roof replacement project? If the project is pushed to 2024 it could be too late and future lumber rates are unknown. The trend is that prices do not generally go down. The lumber rate decrease would benefit the OSB repairs, however that is also closely aligned with fuel rates and there is not much variance with fuel rates lately.

Mark wanted better understanding of the interest associated with the loan. The loan amortization schedule is for 7 years and is expected to accumulate roughly \$60K in interest. Mark stated the Board needs to consider other maintenance items such as irrigation repairs that should be factored into the review.

The Special Assessment option was discussed. The estimated amount of the special assessment if levied today would be roughly \$4,300 for 81 townhome properties.

The goal today is to move forward and execute the proposed Northwest Roofing Contract.

The Board reviewed the MCM Capital Reserve Plan document which included the loan estimated expenditures. Historically the reserve contribution increases 3% annually. The Operating Budget fluctuates based on market rates and contractual agreements.

The loan amount recommended by Mike is near \$650,000 which would be paid for from the Reserve Fund of the Association if approved. The Board reviewed and discussed the loan application. There is a prepayment option and the Board agreed to hold off on prepayments for 12 months which will allow more flexibility with reserve spending and the Board can consider larger loan repayments later. If the loan is approved, it may take 2 weeks for the association to receive funding from the lender.

The roofing contract states \$200,000 would be owed at the signing of the contract, and then an additional \$65,000 would be due to the roofing contractor upon funding of the loan. The loan interest rates are anticipated to increase by October 1, 2022, from the current interest rate of 5.15% and it's in the Boards interest to proceed with the loan to lock in preferred lower interest rates. The adjusted interest rate increase was unknow if the Board delayed application submittal.

NW Roofing estimated the project may take about 3 weeks to complete half of the project. They will completely rip off all shingles and replace with new. The underlayment if rotten or damaged

will be replaced, and if any ice and water shield exist, the contractor may leave and intact and add new over it to complete the seal.

Wiebe moved to approve the Resolution Approving Roofing Contract with NW Roofing as presented. John seconded the motion. There was discussion, and all were in favor and unanimously approved the resolution and the motion carried. There was discussion which included comfortability with the contractor. NW Roofing is a reputable company which provides quality product. NW Roofing will store materials at their expense until the commencement of the project.

The Board discussed the Resolution re loan from CIT. It was suggested to add an addendum to clarify the assessments for the loan are only for the Townhomes which excludes Legend Lake properties in the language of the loan terms. This language may not be applicable on the loan application.

Mike moves to segregate out 1% of the current reserve fund into a new bank account and delegate those funds specifically to Legend Lake Properties and to be maintained going forward. This estimated amount is roughly \$6,100. Also stated this will be an annually contribution split from legend late in October. Wiebe seconded the motion. After discussion about clarification, all were in favor, and none were opposed, and the motion carried. The Legend Lake Reserve fund will be split out into a separate account.

MaryKay and Allen would like to impose an end date stipulation to encourage NW Roofing contractor to complete project before September 15th. The Board discussed and it may be challenging to proceed with this stipulation.

Mike moves to approve the Resolution re Loan from CIT as presented. John seconded the motion. After discussion all were in favor and the motion carried.

The next steps are to sign the NW Roofing contract before September 30th before the deadlines and write a check for \$200,000. Dianne signed the NW Roofing contract and SRG will email to contractor.

The Board agreed on shingle colors. The Slate color will be for the Sage Townhomes and the Shakewood color was selected for the Tan Townhomes. It was noted the Shakewood color for the Tan Townhomes is the exact color that is existing.

III. Painting Discussion

The Board discussed exterior painting. The Board agreed to proceed with priming the siding first with one coat and then apply paint. The goal is to not have exposed wood for the winter season. The contractor will work on one building at a time and complete touch up painting to also include the belly band, ledges, window frames, and other areas in need. It was noted the contractor is only able to work on weekends weather permitting. We are nearing cooler temperatures and there is a possibility not all buildings will be completed. The contractor provides frequent updates and has proven to be responsive and provides quality work. SRG will notify painting contractor of the specifications. There was a comment the Sage townhomes may be in worse shape and painting will vary between buildings.

IV. Traffic

Mark informed the Board of his outreach to CDOT and the City about traffic and noise on HWY 9. He received a response and CDOT is analyzing the concerns from Lake Dillon Dr. to Hamilton Creek. This is preliminary, but the goal is to either add a stop light or a round-a-bout at the Smith Ranch entrance near the Kum and Go for easier access, to slow down traffic, and noise reduction. This will be on the next meeting Agenda to discuss further.

V. Next Meeting Date

The next Board meeting will be October 12, 2022, at 2PM.

VI. Adjournment

The meeting was adjourned at 4:32 pm. Dianne moved for adjournment. Wiebe seconded, and all were in favor, and none opposed, and the motion carried.

Board Member Approval: _____ Date: _____