

**LAKE FOREST CONDOMINIUMS  
BOARD OF DIRECTORS MEETING  
December 12, 2023**

**I. CALL TO ORDER**

The Lake Forest Board of Directors Meeting was called to order at 4:13 p.m. via zoom.

Board Members Participating Were:

Thane De Puey, President 301E

Skip Hale, Director 101C

Keith Willy, Director 203F

Bob Seibert, Treasurer 303F

Pete Shaub, Director 101A

Sally Delong, Vice President 103B

Owners Participating Were:

B 104 Doug Smith    B 204 Steve Gross

B 201 Anne Marie Heneghan and Douglas Weigand

B 301 Roger Maupin

E 202 Cindi Lowe

E 302 Carmen Quenzer

F 203 Carmen Quenzer

B 304 Phillip Yancey

E 206 Paul Mc Quay

E 304 Sue Sorensen

F 206 Lisa Kosloski

The representative of Summit Resort Group was Kevin Lovett.

**II. MEETING NOTICE**

It was confirmed that the meeting was properly noticed.

**III. MEETING MINUTES**

It was noted that the minutes from the November 9, 2023, Board of Directors meeting were reviewed. Upon review Bob moved to approve, Keith seconds and the motion passed.

**IV. ADOPTION OF PROPOSED AGENDA**

The proposed agenda was adopted with the addition of the B 304/204/104 fire sprinkler head failure discussion items.

**V. ACTIONS VIA EMAIL**

Thane moved to ratify the following actions completed via email, Bob seconds and the motion passed.

11-30-23 Contact Kinder Restoration for response to B 304/204/104 leak, approved.

11-28-23 Notify Kinser insurance of the B 304/204/104 leak, approved.

11-17-23 Unit A 101 concrete slab crack repair by HOA, not approved.

11-17-23 Parking rule revision, approved.

**VI. COMMITTEE REPORTS**

Maintenance Committee: Keith reported on the following:

-Fire Sprinkler Suppression System Inspection; Keith noted that the HOA is working with Johnson Controls to complete the annual fire sprinkler system inspection. The inspection is expected to be completed by the end of 2023.

- 2024 Projects; Keith noted the following projected planned for 2024:
  - Dryer vent cleaning schedule for Spring 2024
  - Unit inspections, planned for Spring
  - Snow retention area between buildings B and C will be repaired
  - Addressing the recent fire sprinkler head failure in the B 304/204/104-unit stack

B 304/ 204/ 104 Fire Sprinkler head failure; Thane reviewed the recent fire sprinkler head failure in the B 304/204/104 stack that has caused significant water damage to the 3 units. The fire sprinkler head that failed was a head in the recently installed new fire sprinkler system in this stack. Dry out and water extraction has been completed. It was noted that screws in a drainpipe and a nail in a plumbing line were found during the demolition, domestic water is turned off to that side of the stairwell and repairs will be addressed by the renovation contractor. Next, Unit Owners are working to line up contractors to complete the unit repairs. It was noted that the individual Unit Owners will pick the contractor doing repairs in their unit, however the HOA would like to be privy to who is selected, and the HOA would like to review the contracts.

#### Insurance

Thane moved to have the HOA self-fund for the restoration and repair to units B 304/ 204 /104 at an unspecified amount, using existing reserves; Pete seconds and the motion passed unanimously. This decision was made in efforts to increase the likelihood that the HOA will be able to obtain HOA insurance in the future. It was noted that from discussion with the current insurance agent, this loss on the HOA insurance claims history would likely prevent the HOA from obtaining insurance in the future. It was noted that the estimated cost for the tear out, water extraction and dry out is approximately \$65,000 with a 10% discount for prompt payment. The cost of unit repairs is unknown and further discussion amongst the Board and Owners affected will take place to determine the level of repair funding Plans to replenish reserve funds will also be discussed.

#### Attorney/ Legal Action

Discussion with an HOA attorney as well as a construction defect attorney has taken place. Options for legal action against the company that installed the fire sprinkler system as well as the manufacturer of the fire sprinkler head are being reviewed. Additionally, a forensics company, AEI, has provided a proposal to investigate and determine the cause of the failure. Upon discussion, Thane moved to accept the proposal from AEI to conduct the investigation at a cost of \$5500; Pete seconds and the motion passed. It was noted that until the investigation is completed, legal claims cannot proceed. The construction defect attorney noted that while the HOA is heading in the right direction, getting a judgement against the installation company may be difficult due to language in the agreement and the fact that the sprinkler head manufacturing company is located out of state will complicate proceedings. Discussion is planned with the Board and affected Owners about funding the repairs and how the Owners' insurance will come into play.

The following questions/ Owner comments were made:

- Are the kitchen cabinets salvageable? And is the HOA planning to cover replacement of the cabinets? Response: this cannot be answered at this time. The Board needs to

investigate and discuss, and the Board would like to wait until information comes back from AEI and the attorney. Kitchen cabinets were stored in a bedroom in each unit. Kinder Restoration indicated that the cabinets did not seem to be damaged from the water. Further inspection might be necessary.

-Will mold/ moisture testing be done prior to construction? Response: the Board will reach out to Kinder Restoration to address.

-What is the anticipated schedule/ timeline, when will the Board give Owner's direction on getting started on repairs? Response: The Board would like to give directions in approximately two weeks.

-Will the electrical be inspected? Response: The electrical will be addressed if deemed necessary and the Board will reach out to Kinder Restoration for an opinion.

-A question was raised on individual Owner insurance. It was noted that the HOA does not want to see subrogation against the HOA policy as this will negatively impact the likelihood of the HOA obtaining insurance in the future. The strategy for the HOA to self-fund for the loss was reiterated to avoid individual unit Owner insurance companies to subrogate against the HOA.

-Was there glycol in the system? Response: This is under investigation.

-Should all of the new sprinkler heads in all 3 units be inspected? Response: yes.

#### Unit electric bills

It was noted that drying equipment has been running in the units using additional electricity. Upon discussion, Thane moved to have the HOA pay for the additional electricity cost for each unit for November and December 2023; Pete seconds and the motion passed. The motion was modified by Sally to pay the difference in price from the Owners' 2022 bills to the 2023 December and January XCEL bills. That modified motion passed.

#### Future Insurability

While efforts are being made to self-fund and not make claims on the HOA policy, it was recognized that there are no guarantees on the future insurability of the Association.

#### Poz Lok Committee

It was noted that the Poz Lok Committee continues activity and research. The possibility of installing a "dry system" will be investigated.

## **VII. OWNERS FORUM**

All Owners were given the opportunity to speak during Owners Forum.

It was noted that the snow removal has been very good thus far this year. The Board has requested increased clearing of the parking lot drains as well as around vehicles and alongside the garages.

It was noted that the property is in good condition and the garage clean up is going well.

**VIII. NEW BUSINESS**

There were no New Business items discussed.

**IX. NEXT BOARD MEETING DATE**

The next Board of Directors Meeting will be held on December 23, 2023, at 4:00 pm.

**X. ADJOURNMENT**

At 5:48 p.m. the meeting adjourned.

Approved: \_\_\_\_\_12-29-23\_\_\_\_\_