

**LAKE FOREST CONDOMINIUMS  
BOARD OF DIRECTORS MEETING  
March 10, 2022**

**I. CALL TO ORDER**

The Lake Forest Board of Directors Meeting was called to order at 5:00 p.m. via zoom. It was noted that this meeting was called as a special meeting to discuss the B Building Fire Sprinkler issues.

Board Members Participating Were:

Skip Hale, President, 101C  
Patti Tofe, Treasurer, 302B  
Ron Crist, 104C  
William Gibson, A 304

Dennis Murphy, 203C  
Douglas Weigand, Secretary, 201B  
Pete Shaub, A 101

Owners Participating Were:

Steve and Maddie Mishkind, D104  
Jay Wurts, 305F  
Marty Tarabocchia, 301B  
Sally Delong, B103  
Leslie O'Kane, C304

John Melquist, B203  
Steve Gross, 204B  
Leanne De Puey, E301  
Doug and Jilayne Smith, B104

Lake Forest HOA Insurance Agent Steve Deraddo was in attendance.

Representing Summit Resort Group was Kevin Lovett.

**II. MEETING NOTICE**

It was confirmed that the meeting was properly noticed.

**III. B BUILDING FIRE SPRINKLER**

During a recent inspection of the 3<sup>rd</sup> floor unit attics a leak from the fire sprinkler system was found in unit B 304 attic. The leak is believed to have been due to pipe freeze. The leak resulted in damage to unit B 304 as well as a broken elbow on the fire sprinkler line. The B Building has the Poz-Loc fire sprinkler system which is an obsolete system and due to unique parts, which are unavailable, the system is unable to be repaired. The leak has rendered this section of fire sprinkler system serving units B 304, B 204 and B 104 ineffective. This has resulted in the Fire Marshall mandate that until the fire sprinkler system protection has been restored to proper working order, either the units must be under fire watch (which includes frequent checking of the units (every ½ hour 24-7) at a cost of \$100 per hour until the system is repaired) or these 3 affected units cannot be occupied. Due to financial constraints the decision has been made that the units will not be occupied. Due to the fact that the existing system cannot be repaired, the installation of a new fire sprinkler system to serve this stack is required.

An Insurance Claim has been filed for this loss. Expenses associated with this claim include water damage to unit B 304 as well as replacement of the Fire Sprinkler System serving this stack of 3 units. Discussion of the insurance claim to include individual Unit Owner coverages was discussed. It was noted that the HOA insurance does not cover "loss of use" of the units for

the Owners affected. The Owners present that were affected by the loss reported that since there was no actual physical damage to their units, that loss of use coverage is not triggered on their individual insurance policies. It was noted that "loss assessment" coverage on the HOA policy may be triggered which would provide HOA monthly dues coverage for the individual unit Owners affected (the HOA insurance would essentially pay the affected unit Owners dues during the time period that they cannot occupy the unit). The HOA has a \$10,000 deductible; it was noted that per CCIOA, the HOA can assess the deductible expense to those units that benefit from the repairs. The possibility of the HOA Insurance covering the installation of the new required fire sprinkler system was discussed. Steve Deraddo was not sure if the HOA insurance would cover the costs associated with the installation of the new required fire sprinkler system. Steve stated that he is going to bat for the HOA and will work with the adjuster to try and find coverage. If the installation costs for the new system are not covered by insurance, future discussion will take place with regard to funding. Funding options discussed to cover the cost of the new system installation included having the HOA pay for the new system installation out of existing reserves, or by special assessment to all of the Lake Forest Owners or funded by assessment to only those units benefiting from the new system installation. Dennis noted that if the HOA pays for the repairs, the payment method/ amount would be in accordance with what the HOA insurance would pay if it were a covered claim (meaning any costs associated with above regular level finishes would be passed on to the Owner). The question was raised, if the HOA begins installation of the new fire sprinkler system prior to the insurance company finalizing decision on coverage, would this jeopardize claim possibilities? Steve Deraddo will look into this. Steve Deraddo will also investigate any possible "loss of use" coverages on the HOA policy that may help the displaced Unit Owners; Unit Owners displaced will be kept apprised as to the status. Steve asked the displaced Owners to please send him copy of the formal denial letter on the individual Unit Owners claim submission.

Installation of new fire sprinkler system to serve the B 304, B 204, B 104 stack was discussed. Western States Fire Protection presented a proposal to install a new Fire Sprinkler system for the B 304, 204, 104 stack at an expense of \$41,000. Excellent Construction presented a ballpark cost estimate of \$114,000 (not a "hard" proposal) to complete the drywall removal, replacement and finishing work required to allow for the pipes to be installed behind the drywall. The possibility of installing the new fire sprinkler lines in an "exposed" manner (meaning, not behind the drywall) was discussed. Upon discussion, the majority to include Unit Owners affected preferred the piping to be installed behind the drywall. In light of the emergency situation and in efforts to get the displaced Unit Owners back in their units as soon as possible, Pete moved to accept the proposal from WSFP as well as proceeding with Excellent Construction (with the fine tuning of the proposal from Excellent Construction) for the drywall preparation, repair and finishing; Dennis seconds. Owner comments were received to include:

- Owner affected states that in the instance that the decision is made to pass the cost of the work along to the affected Owners that he would like to preserve the right to complete the repairs himself or with his chosen contractor; Dennis noted that the Owner would need to submit a completed Architectural Improvement and Remodeling Form

for review by the Maintenance Committee and Board and would need to receive approval prior to beginning the work.

-Owner affected stated that he will need assurance that the Contractor will do good workmanship as his unit was recently remodeled.

-Owner affected expressed concern re the time frame to complete the work.

Upon review, the Board voted on the motion and the motion passed. It was noted that it is expected to take 4 months to complete the installation of the new fire sprinkler system.

Funding options will be discussed at the next Board meeting.

#### **IV. POZ-LOC FIRE SPRINKLER SYSTEM INSTALLED IN OTHER BUILDINGS**

It was noted that the POZ-Loc Fire Sprinkler System exists in Buildings A,B,E and F (Buildings C and D are a PVC system). The Board will hold future discussions on plans to address the systems on these buildings.

#### **V. D BUILDING PIPE FREEZE LOSS D 302**

The also recent D Building Pipe Freeze Loss was discussed. A claim has been filed for this pipe freeze up and flood that occurred. The Insurance Adjuster and Contractor are working to finalize repair numbers. The possibility of assessing the \$10,000 deductible to the Owners benefiting from the repairs from the loss was briefly discussed with an unreached conclusion.

#### **VI. ATTICS**

A survey of all 3<sup>rd</sup> floor unit attic spaces to include review of domestic water and fire sprinkler pipes was completed and report distributed to Board members. Every unit attic space has some pipes in un-climate controlled space. Options to correct were discussed to include wrapping pipes in heat tape, rerouting potable water lines and “tenting” lines. Estimates for options are being prepared. Pete noted that discrepancies in units were found during the inspections and recommended addressing. Skip noted that he will prepare a letter to be sent to all Owners noting discrepancies type items and reminding all Owners to address these types of items.

#### **VII. PROPERTY MANAGEMENT**

Summit Property Maintenance has submitted letter of resignation. SPM’s last day will be the end of April 2022. Summit Resort Group provided a proposal to do the nightly hot tub lock ups for \$750 per month. Skip moved to accept this proposal. It was noted that if this is accepted, since the current agreement with SPM includes the nightly lock up, that this amount be deducted from SPM’s monthly fee. The motion was not seconded... It was noted that SRG has provided a cost proposal to assume full management of the complex. Board members will work to solicit additional proposals and options.

#### **VIII. OWNER FORUM**

Owners were offered the opportunity for comment. The following comments were stated:

An Owner asked, “why can’t the broken fire sprinkler elbow just be replaced” and also asked “if the break is only on the elbow on the 3<sup>rd</sup> floor, by can’t the system be rerouted to exclude the 3<sup>rd</sup> floor”. Response, the elbow and all fire sprinkler piping are the “Poz-Loc” system which as previously stated is unique, obsolete and unable to be replaced; since there are no compatible

plumbing pieces that will work with the system, the “simple” repair and rerouting are not possible.

An Owner stated that he has concern of the possibility of the “exposed” fire sprinkler system plumbing install in the buildings and he would prefer having the new fire sprinkler lines run “in” the walls as they exist now.

An Owner noted that he has a water heater that has a slow leak and that he has turned the water off to the water heater and is exploring replacement. He noted that he has trouble with the pilot blowing out on the water heater; a few additional Owners noted the same issue. The Owner would like to possibly install a power vented unit which would require a vent to be installed on the outside of the building. The Owner was instructed to fill out and submit the Architectural Improvement and Remodeling Request form and obtain approval prior to pursuing.

An Owner noted that they recently had an XCEL energy audit completed on their unit.

An Owner asked how the B building fire sprinkler leak was discovered; it was noted that the leak was discovered during the attic inspection.

An Owner recommended using a restoration company from Denver to complete the drywall prep and repair work in the B Building.

An Owner recommended a communication be sent to all Owners informing them of the Poz-Loc fire sprinkler system and the future potential system needs.

Two Owners thanked the Board for the work done on the B Building Fire Sprinkler system issue and requested continued communication.

**IX. NEW BUSINESS**

There were no New Business items discussed.

**X. NEXT BOARD MEETING DATE**

The next Board Meeting will be held on Tuesday April 26, 2022, at 5:30 pm via zoom.

**XI. ADJOURNMENT**

At 7:00 p.m. the meeting adjourned.

Approved: \_\_\_\_4-2-22 \_\_\_\_\_