

ANACONDA CONDOMINIUM ASSOCIATION
MINUTES OF ANNUAL MEETING
September 4, 2009

The meeting was called to order at 12:00 P.M. by President Dick McKay.

Roll Call and Certification of Proxies:

Owners Present:

Gary & Debbie Schwartkopf - #103
Donna Wolford - #104
Dick McKay - #105
James Dickinson - #106
Ben Broughton - #107
Chris Wold - #202,208
Jim Culichia - #203
Joy Reinke - # 205
Stan & Sandi Sprinkle - #207
Lee Rosenbaum - #210
Bobby Woodward - #211
Sarah Wheatly - #305
Duncan Roberts - #305

Proxies represented the units below:

Warneke - #204, Faherty - #206, Wilson - #209, Maland - #301

Others Present: Deb Sviridova - Resident Manager and
Tom Malmgren – Carbonate Property Management

Introductions of the membership were made. Combining those in attendance and the submitted proxies, a quorum was met. The meeting was held in the Anaconda Meeting Room, Building 2, first floor, Copper Mountain, Colorado.

Prior Meeting Minutes

Ben Broughton moved that the minutes of the 2008 annual meeting be approved as written and distributed. Seconded by Lee Rosenbaum, and motion carried.

Report of Officers

Dick McKay introduced Gary Rodgers, president of Copper Mountain, who stopped by to answer any questions the membership may have. The first question was about the rumored sale of Copper Mountain. Gary responded, there is no secret the company has been working on refinancing. At this time he has no updates, but if something does happen he will let everyone know. Asked about new improvements he stated most improvements have been made to the snowmaking system and finishing of the wetland areas. Dick McKay asked about their experience with the heated sidewalk area in the Center Village. The Village Company is responsible for this area but there are no major problems that he is aware of. Stan Sprinkle asked about parking. Gary said there will be no parking on Copper Road this season. They hope to have the expansion of the Corn Lot started before the season begins. Also at Union Creek they will add more drop off area and a pay lot. Dick asked about a stop sign by Wheeler Place. Gary stated they will not be adding a stop sign but they have been working with bus drivers and will

continue to monitor it. Ben Broughton stated it has been a definite improvement. The golf course is having a good season, the new pricing worked well. Gary announced the other events of the weekend, the Fireman's Breakfast, State of Resort, Artist Pavilion, and live music. The free music will be played at Burning Stones Plaza where all the other summer events are held.

Report of Officers

Dick McKay reported there will be a presentation on the parking lot and roofing system. The board hired Craig Abrahamson P.E. from Clear Creek Technical Services, who described some major issues we face. In addition to parking lot problems, we also have roofing and drainage issues and the roof issues will need to be addressed before the parking lot. We had an in depth analysis of construction cost of various options compared against snow removal costs, and the best way to handle the parking lot reconstruction.

Craig Abrahamson's Presentation: The Board engaged us to look at some parking lot issues last spring. The biggest issue is when the first construction was done on Anaconda all buildings were constructed within 6 to 8 inches of the same ground elevation. This does not create enough vertical drop for water runoff, creating an ice issue. The really bad spots for ice accumulation are on the north sides of buildings 2 and 1. A couple of units have shed roofs that drain in to the parking area and they get little to no sun creating ice accumulations in front of the garages at those locations. So we started to look at the core issues; slope and drainage into the parking lot. We need to establish positive drainage away from the buildings and out of the parking area. He showed a map of the parking area, stating the asphalt lot is 5 to 10 years past its useful life, and needs to be replaced, and what options are available for snow and ice removal. The priority was to develop an adequate way to move the water away from the buildings. With less than 1 percent slope, the challenge is keeping the water flowing and keep it from freezing. The only solution is to heat the primary drainage area, which is what we are most concerned about. We would construct a 330 foot concrete drainage pan, repave the lot, create some slope with the drainage pan away from the buildings, into the public way at the entrance, or to some dry wells using radiant snowmelt systems, common up here. We looked at several different systems with the Board and chose the radiant system. The two options for replacement are asphalt or concrete. Concrete is a little more expensive but still reasonable. Concrete is more flexible to work around buildings, etc. Concrete will last a little longer depending on how you treat the surface. A big snow loading bucket machine, and mag. chloride are very hard on any surface. Heating the entire area is good to extend the life of the hard surface so it would not be icy and the water flows off or evaporates, and it's much quieter with no backup alarms and snow movement machine noise. Option A is to install a concrete drain pan, re-grade and repave the balance of the parking area using asphalt. In this scenario we would only heat drain pans, the construction cost would be \$160,000 and the snow removal cost would be the same as today, about \$10,200 which would include the required mechanical removal costs and the energy to heat the pan. Option B is to install concrete drain pans, re-grade and replace the lot with concrete or asphalt and heat the entire area. The construction cost is \$260,000 with annually operating costs to heat the lot of \$10,500, which would be total operating cost ... the additional gas costs to heat the entire lot would be offset by the elimination of plowing costs. The hydronic heat system is very cost effective if it is only used when its snows. The system would be monitored by sensors and would have a manual override. While the initial construction costs are far higher for the totally

heated parking area, there would be no more operation of large equipment in the parking area with its associated noise early in the morning, no damage to the parking lot surface caused by the snowplows, and no pedestrian danger from slipping on the ice. The entire parking lot would be free and clear of ice just as your hot tub is with its heated surface.

Meeting with the Board, there are other issues such as the north side where the drainage is coming off of the front of the building. We would like to run gutters and downspouts to the side without coming into contact with the parking lot surfaces and into dry wells, which are circular holes in the ground, similar to an empty septic tank, filled with sand and rock to allow the melted water to subside into the surrounding sub-surface. The dry wells would serve two purposes: 1) get rid of immediate drainage from roof melting using electric bylin panels (the type we presently employ) which bring the water down in a controlled way using a heated gutter system, 2) provide more areas to dispose of the water and thus allow re-grading with a better slope for the drain pans around the parking lot.

Dick McKay stated another option is to drain directly to the street. But there is not much of a grade to work with and will this really get rid of the water? The problem is water coming from the roofs. We spend over \$7,000 a year to remove snow from the roofs. Snow gets built up and we have water going off the building and onto the flat roofs. We will be looking at solutions for that issue this winter.

Craig stated gutters protect siding and move water in a purposeful way. We also need to protect doorways and flashings by the walls. Presently there are no gutters and water drains down the walls. Probably the best way to start is with buildings 1 and 2 with the dry well and gutter scenarios. The whole roof was repaired 10 years ago with a rubber underlining which is easily damaged with people climbing on it. Lee Rosenbaum stated there is a sticker shock with the huge numbers and we need to get a 3 year plan together. The plan for this winter should be to place some gutters and redirect the water and monitor the ice dams to identify the problems. Discussion was held on the heating the whole lot, the benefits of noise reduction, no ice or snow, and parking lot will last longer. Discussion continued about the ice problems and roof problems. Duncan Roberts noted the safety and possible law suits. The Board feels the roof and its drainage problems need to get addressed first. Dick McKay stated that by next year's meeting we should have the ability to present a better plan. Craig left.

Lee Rosenbaum reviewed the siding project. The lawsuit has been settled with Hardie and Travis Construction. The resolution is they are ripping off the old siding. They are going to do a proper moisture prevention and put up new siding, and they will re-warranty it for 15 years once up. The good news is that it is free to us except for litigation and some other minor costs. We have a solid paint color. We do have to pay for painting of the trim, which is needed. The crew installing it has worked with Hardie Board many times and knows the product. The Association has paid an additional \$15,000 for upgrades and additional siding for replacement. Tom has also lined up to put plywood where golf balls hit. With the help of Lee we were able to save money on the litigation, as he and Jim Culichia represented the HOA. The Owner's expressed their sincere appreciation to Lee and Jim for all of the hard work.

Dick discussed the cost of all of the projects, he added one advantage is we can do the roofs first and see what works and what doesn't. Stan Sprinkle stated we initially thought it would be the parking lot first. Stan handed out some examples of the cost of Option A and Option B (see Attachment) for the parking lot. We would like to keep the roof improvements at \$25,000 per building. We are looking at doing a multi-year assessment and will be probably looking at a \$100,000 special assessment to get the roof project going this coming spring.

There are four big issues to deal with: 1) Parking lot, 2) Roof issues & drainage, 3) Hand rails, and 4) The vertical metal on the four building, which is coming apart. The first bid for railings was \$78,000 ... we are not doing this. We hope to pay for railing and vertical metal out of dues. A 25% dues increase would raise \$46,000 a year, so we thought it would be better to do a regular dues increase of 3%, and do a special assessment for the roof and parking lot. We do not have a handle on if this will take two, three or four years. We want to let everyone know what is going on and be prepared. It's hard to take but we have to take care of our delayed maintenance.

Managing Agent

Tom Malmgren reviewed the busy year. The gentleman running the website has passed away. The website at this point is not updated but we are working on this. All the past Board Minutes are posted on the website. Please feel free to email the Board with questions. All has gone well. The siding is currently being replaced.

Deb has been working hard on the buildings and he thanked her for her efforts. Upgrades occurred in the laundry area, restrooms and the sauna. If you have specific questions please let Tom know. Deb mentioned the work on the hot tub sand filter and jet switch.

Tom Malmgren reviewed the new state law that carbon monoxide detector must be in any rental unit or unit for sale. They have to be within 15 feet of sleeping areas. They are a good idea regardless. It is up each owner to purchase them.

Treasurer Report

Stan Sprinkle stated everyone got the June 30th financial report. We are under budget on electric and gas costs: the electric has been down significantly. Deb has been keeping the hallway temps down and we have new light bulbs. We may have an equity surplus of \$40,000 for the year. If we have buildup in capital reserve, Stan recommends keeping for any overage for the projects. We are set for a 3% of dues increase, assessment for the rest. If we can operate efficiently the excess will be put in the Capital Reserve.

Stan Sprinkle made the motion to approve the two IRS Resolutions that 1) carry the excess membership income collected over expenses to the following fiscal year and 2) the excess amount collected for Capital Replacement not utilized shall be set aside for future repairs and replacements. Seconded by Gary Schwartzkopf. Unanimous.

Tom Malmgren mentioned other associations close their hot tubs after Labor Day until the ski mountain opens and closes at the end of the season until summer season opens. This could save

on operational cost. This was just suggesting what others do. The owners expressed no interest in doing this.

Election of Officers

Dick McKay stated of the board before you, four are willing to continue. Ben Broughton is not interested in running again. Dick nominated Donna Wolford. James Dickerson stated Ben has done a good job and contributed from the perspective of living here. James volunteered himself. The rules for board election were reviewed. Both Donna and James each give a brief resume. The following were elected to the board: Dick McKay, Lee Rosenbaum, Stan Sprinkle, Jim Culichia, and Donna Wolford.

Tom reminded everyone of the Firemen's Pancake Breakfast, State of the Resort meeting and the POLA meeting. Tonight Carbonate is hosting a reception at the new home at 112 Master Drive and there is an Art Exhibit in the Pavilion.

The new parking passes were handed out to those present; the rest will be mailed with minutes. Only the new permits will be acknowledged by Deb. If you have bikes in the garage that are not being used please remove them; the board will discuss this issue.

Adjournment:

The meeting was adjourned at 2:30 PM.

Respectfully Submitted,

Accepted,



Thomas J. Malmgren, Managing Agent

Richard W. McKay, President