

**Ponderosa Condominiums Association**  
**Board of Directors Meeting**  
December 12, 2016 • 12:30 p.m. MST  
Skype Meeting

**Call to Order**

President Beverly Ross called the meeting to order at 12:33 p.m.

**Roll Call**

Board members present by Skype call:

Joan Heinz  
Kay Hutchings  
Beverly Ross

Management present by Skype call:

Donna Oros

A quorum was established with 3 of 5 Board members present. Bart Boatright joined the call at 12:37 p.m. and Jim Peay at 12:55 p.m.

**Proof of Notice**

Official notice was provided via email on November 16, 2016.

**Reading and Approval of Minutes**

Kay Hutchings made the following:

**Motion:** To waive the reading of the July 9, 2016 Board of Director meeting minutes and the Actions of the Board of August 16, 2016 and September 24, 2016 and to approve them as submitted.

**Second:** Joan Heinz

**Vote:** Unanimous approval

**Old Business**

Association Management

A part-time office assistant has been hired, and she will begin training this week.

Fireplaces/Natural Gas - REG Report

Based upon a report received from Resource Engineering Group, who was retained by the association to develop a plan to provide natural gas to each unit for gas fireplaces, Alpha Mechanical Solutions provided a rough cost estimate of \$96,000 for the plumbing portion of the project (running gas lines from meters to each fireplace). This cost does not include connecting to the main gas line, 18 meters, repairs to irrigation system, lawn, asphalt, chimney flues and chase upgrades or repairs (as might be required by code), nor does it include the cost of fireplaces or interior modifications. Beverly will ask the plumbing contractor if cost could be decreased if only one meter is connected and one service line is brought to each building and subdivided there. In that configuration, gas service would be shared equally as an association expense. She will also contact Atmos Energy to find out what the connection and meter fees are, in order

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to have complete cost information by the July annual meeting. The consensus was that, based on initial estimates, the cost is prohibitive.

Status of Unit 2C

There is no known change in the status of 2C. It appears the unit could be tied up in court proceedings for quite some time.

TWC Internet

The new internet service in individual units seems to be working well. Time Warner Cable (Spectrum) tech support advises that if a modem is not used for about one month, it will go offline. To reconnect to the internet, the modem must be rebooted by unplugging the power cord, waiting at least a minute, and plugging it in again.

Dumpster

Jim Peay refurbished the dumpster, and it looks much better. It is hoped that the paint and maintenance will prolong its useful life.

**New Business**

Operating Budget

The 2017 Proposed Operating Budget was presented in two scenarios. The first presented the monthly assessments remaining at \$450 per month with a \$12,796 net operating loss for 2017. The second scenario proposed a \$50 per unit per month increase with a \$2,596 yearend operating loss. Two significant areas of increase in expenditures are Internet Expense and Allowance for Doubtful Debt: Internet Expense increased by \$5,400 (\$25 per month per unit). Doubtful Debt represents the potential for Unit 2C's delinquent assessments becoming uncollectible, and must be included as an expense according to the association's auditor.

Beverly Ross made the following:

**Motion:** To increase dues by \$50 per unit per month..

**Second:** Joan Heinz

**Vote:** **Aye:** Joan Heinz, Beverly Ross

**No:** Kay Hutchings, Jim Peay

**Abstain:** Bart Boatright

**Discussion:** The last dues increase was in July 2010. Discussion took place as to whether the budget expenses could be reduced or if capital contributions could be eliminated and allocated to cover operating expenses. The increase in internet costs is a known, but collection of unit 2C's delinquency is an unknown. The motion was withdrawn.

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Bart Boatright made the following:

**Motion:** To increase dues by \$25 per unit per month and approve the operating expenses.

**Second:** Kay Hutchings

**Vote:**     **Aye:** Bart Boatright, Kay Hutching, Jim Peay

**No:** Joan Heinz, Beverly Ross

**Motion Approved**

Capital Budget

The only capital project proposed for 2017 is to crack seal, sealcoat, and re-stripe the parking lots at a cost of \$4,595. Bart asked why the cost of sealcoat varied over the years. It was explained that some years only the cracks are filled, while other years the cracks are filled and the asphalt is sealed and striped.

Joan Heniz made the following:

**Motion:** To approve the 2017 Proposed Capital Budget as submitted.

**Second:** Jim Peay

**Vote:**     Unanimous approval

**Unscheduled Business**

None

**Adjournment**

Jim Peay made the following:

**Motion:** To adjourn the meeting.

**Second:** Bart Boatright

**Vote:**     Unanimous approval

The meeting adjourned at 1:59 p.m.

**Ponderosa Condominiums Association  
2017 Budget Summary**

<b>Operating Income</b>			
Regular Assessments	(\$435 x 18 units x 12 months)	93,960	
Other Income		280	
<b>Total Operating Income</b>			<b>\$ 94,240</b>
<b>Operating Expenses</b>			
Insurance		12,819	
Maintenance:			
Grounds/Landscaping		1,000	
Supplies		1,915	
Management Fee		34,800	
Services by Others:			
Legal/Professional		3,145	
Carpet Cleaning		400	
Chimney Inspection/Repairs		900	
Fire Protection/Security		1,832	
Plumbing Repairs		850	
Stucco Repairs		1,000	
Snow Removal		4,500	
Other Repairs & Services		750	
Utilities:			
Cable TV		5,400	
Electricity		3,800	
Internet		5,413	
Trash		1,740	
Water/Sewer		16,452	
Allowance for Doubtful Debt		5,220	
<b>Total Operating Expenses</b>			<b>\$ 101,936</b>
<b>Net Operating Income</b>			<b>(\$7,696)</b>
<b>Reserve Fund Income</b>			
Capital Reserve Assessments	(\$40 x 18 units x 12 months)	8,640	
Special Assessments	(\$500 x 18 units)	9,000	
Interest Income		46	
<b>Total Reserve Fund Income</b>			<b>17,686</b>
<b>Reserve Fund Expenses</b>			
Sealcoat Parking Lots & Walks		4,595	
Allowance for Doubtful Debt		980	
<b>Total Reserve Fund Expenses</b>			<b>\$ 5,575</b>
<b>Net Reserve Fund Income</b>			<b>\$ 12,111</b>
<b>Net Income</b>			<b>\$ 4,415</b>

**Ponderosa Condominiums Association  
Ten-Year Capital Plan, Cash Basis  
2017 - 2026**

	Project Title	Last Year Completed	Life (Years)	Life Left	Last Cost	Estimate as of 2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
1	Retaining Walls - Front Parking Lot	1978	30	-9	Unknown	75,000		79,568								
2	Sauna Heaters (3)	1978	30	-9	Unknown	4,500										
3	Replace Unit Entry Doors	1978	30	-9	Unknown	12,204				13,736						
4	Repave Parking Lots/Walks	1997	20	0	46,685	70,312			76,832							
5	Seal Coat/ Re-Stripe Parking Lot	2014	3	0	4,500	4,595	4,595					5,487			5,995	
6	Crack Seal Parking Lots	2015	1	0	1,860	1,897										
7	Paint Interior Hallways/ Doors/Trim	2008	10	1	3,690	4,143		4,395								
8	Re-Carpet Hallways	2008	10	1	6,164	6,921		7,342								
9	Patio Furniture	2004	15	2	538	1,100			1,202							
10	Replace Hot Tub	2004	15	2	Incl in 32	10,000			10,927							
11	Bear-Resistant Dumpster	2007	12	2	1,832	2,500			2,732							
12	Seal Exterior Natural Wood	2016	3	2	10,260	10,260			11,211			12,251			13,387	
13	Replace Overhead Doors-Bldg 2	2000	20	3	4,600	6,457				7,267						
14	Replace Garage Man Doors (2)	2005	15	3	1,613	1,996				2,247						
15	Replace Front Entry Doors (3)	2001	20	4	Incl in 30	2,034					2,577					
16	Alarm System	2001	20	4	3,400	4,641					5,879					
17	Level Patio Pavers	2011	10	4	2,993	3,216					3,728					
18	Replace Overhead Doors-Bldg 1	2002	20	5	4,600	6,181						7,380				
19	Paint Exterior Stucco & Painted Wood Trim	2002	20	5	16,650	22,372						26,713				
20	Replace Rear Entry Doors (4)	2003	20	6	2,064	2,663							3,275			
21	Crawl Space Vapor Barrier	2016	10	9	1,320	1,320										
22	Replace Deck Railings	2001	30	14	Incl in 30											
23	Water Heaters-Sauna Showers (3)*	2016	15	14	2,079	2,079										
24	Seal Chimney Chases & Natural Wood Trim	2016	15	14	5,000	5,000										
25	Backflow Preventers	2016	15	14	4,588	4,588										
26	Replace Roofs	2006	30	19	107,340	128,706										
27	Install Garage Roof Snow Brakes	2008	30	19	7,000	7,859										
28	Retaining Walls - North	2011	30	24	44,393	46,599										
29	Install Metal on Chimney Chases	2014	30	27	1,200	1,225										
30	Reconstruct Decks	2001	>30		251,085	342,713										
31	Replace Concrete Floor Bldg 1	2003	>30		18,905	24,836										
32	Hot Tub Renovation, Shed, Stairs	2004	>30		111,164	142,253										
33	Bldg 3 Porch Supports & Retaining Wall	2007	>30		26,078	30,403										
34	Replace Windows & Patio Doors	2008	>30		154,894	170,815										
35	Attic Insulation	2009	>30		2,565	2,890										
36	Crawl Space & Exterior Drainage Repairs	2009	>30		76,598	86,307										
37	Replace Main Water Shutoff	2011	>30		750	806										
38	Natural Gas to Fireplaces															
	Annual Totals:				926,408	1,251,391	4,595	91,305	102,904	23,250	12,184	51,831	3,275	0	19,382	

Cash Flow	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Beginning Balance	64,164	68,833	25,937	26,565	27,212	32,668	28,565	33,930	44,015	34,641
Net Ordinary Income	(7,396)	0	0	0	0	0	0	0	1	2
Regular Capital Assessments	17,640	17,640	17,640	17,640	17,640	17,640	8,640	8,640	8,640	8,640
Interest on Capital Reserve Fund	46	69	26	27	27	33	29	34	44	35
<b>Special Assessment</b>	<b>0</b>	<b>30,769</b>	<b>85,893</b>	<b>6,256</b>		<b>30,089</b>		<b>1,445</b>	<b>1,367</b>	<b>0</b>
<b>(Per Unit)</b>	<b>0</b>	<b>1,709</b>	<b>4,772</b>	<b>348</b>	<b>0</b>	<b>1,672</b>	<b>0</b>	<b>80</b>	<b>76</b>	<b>0</b>
Expense (Capital Repairs)	5,575	91,305	102,904	23,250	12,184	51,831	3,275	0	19,382	0
Ending Balance, Dec 31	<b>68,833</b>	<b>25,937</b>	<b>26,565</b>	<b>27,212</b>	<b>32,668</b>	<b>28,565</b>	<b>33,930</b>	<b>44,015</b>	<b>34,641</b>	<b>43,283</b>



Beverly Ross  
Ponderosa Condominium Association  
pca.mtcb.co@gmail.com

November 28, 2016

**Regarding: Ponderosa Condominium Gas Line Options**

Beverly:

Per your request, I have evaluated options for providing the existing Ponderosa Condominiums with natural gas service. During this process I have met on site at various times with yourself, representatives of the local gas utility, and the fire department. Through this process we have identified and evaluated three possible configurations of meter locations, and for most of those a number of potential gas line route options.

This particular site is quite challenging for providing natural gas service due to the configuration of the buildings themselves. There are a host of codes and guidelines concerning gas meter location and and gas line routing. As currently constructed, there is no straightforward option for providing gas service to the existing condominiums. However, I have been able to work with the utility supplier and fire department to identify an option that meets the goals of the Association. While this option has challenges, it is clearly the most cost effective of the options that met all criteria for feasibility. If any of the board members would like to discuss the other options and understand the implications, I am available to attend a board meeting to answer questions and discuss alternatives. In this memo, I will focus on the selected option.

I have attached a sketch of the proposed routing. The meter location will be on the vertical, southeast facing wall below the spa deck. All meters will be located here, with the utility providing high pressure service to this location. Low pressure gas piping will be routed from this location to each unit individually. This will require some oversizing of the gas lines due to the relatively long low pressure lines. All lines will be routed below grade, then will enter each building at the exterior 'chimney' features. This will allow for all gas line routing to be external to the finished units, yet still be protected from the elements and hidden from view. Gas lines will enter the units at the existing fireplaces.

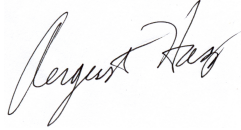
Please review the sketch attached at the end and let me know if you have any questions. I have kept it pretty rough and schematic in nature. If anyone bidding this concept needs more detail, such as more refined estimates of pipe sizing per unit, we can provide that. However, I believe the more significant cost will be in the trenching and the rebuilding of the 'chimney' features.

While talking with the representative of the fire department, Scott Wimmer, he shared that he had seen a similar approach taken at a couple of buildings in the area and cautioned that while these 'chimney' structures are aesthetic and not a traditional brick chimney, they do contain chimney vent.

When the Association exposes this venting, the HOA insurance may require a “Level II or Level III inspection” which he has seen trigger issues with chimney venting, fire blocking and current codes. The new installation will need to meet all applicable sections of the IBC, IPC and IMC. His point is that the existing chimney venting is likely to be unacceptable, even for the reduced requirements of a gas fireplace, much less the current wood burning fireplaces. The HOA should assume that these structures may need to be completely rebuilt, including all new venting for the fireplace units. From our conversations I understand that the HOA is aware that these fireplace units are somewhat suspect and in need of repair/replacement, so I do not imagine this is a surprise, but I want the HOA to be aware there could be significant ripple effect to the cost of routing this new gas piping.

Please let me know if you have any questions.

Sincerely,



August Hasz, P.E.

