

**Highlands Board of Directors Monthly Meeting
December 8th, 2021, at 6:30 PM Zoom Conference Call
Minutes**

1. Call to order – at 6:30pm
 - a. Board Members Present (Quorum): Wayne, Sue, Elizabeth, Claudia
 - b. Proof of Notice of Meeting or Waiver of Notice

Units present: 155, 208, 109, 427, 308, 117, 426, 115, 409, 134

2. Approval of Minutes: November 10th, 2021

Motion (Elizabeth): Motion to approve.

Second (Claudia): second

Vote: Elizabeth: yes, Claudia: yes

3. Call for board member candidates (2022 election):

A call for candidates and the candidate questionnaire will go out by email. Two board positions (Claudia's and Elizabeth's) will be available. Accounting experience would benefit the board.

4. Officer/Committee/Property Manager Reports

- a. Finance/Treasurer

2022 Budget recap

The monthly report for November is not yet available.

Wayne reported that during the budget meeting we compared ourselves to Edgewood. Their dues currently are \$373 + \$80 for capital improvement (CI). They did not budget enough for CI in the past and now raised their dues to \$600 + \$417 special assessment per unit per month. We had recommended an 8% increase and the board voted for 5.5%. This leaves us with a shortfall of about \$14,000.

Based on concerns about underfunding a few owners shared outside the meeting, Claudia encouraged additional owner feedback regarding (a) staying with a 5.5% increase, (b) potentially amending our budget vote, or (c) considering a special assessment.

Elizabeth tried to object to revisiting the budget, but was not recognized and asked not to speak.

Ken commented that this looks suspiciously like an attempt to revote on the budget in Lisa's absence.

Paula stated that—without a detailed financial analysis—comparisons with Edgewood might be difficult to interpret. It's more important to look at our books and do a careful analysis of how revenue needs to be generated to cover the next years' expenses. It would be more helpful to have a multi-year budget. This would allow us to determine if a 5.5% increase is adequate in the long run.

MarkC provided more detail on next years' CI projects: Walkway replacements (to be finished in 2024), bulkhead repairs and sheer walls installation (to stabilize buildings against lateral pressure of hillside, to be finished in 2025), reroofing the Rec Center (in 2025), and replacing lower decks. The costs of the projects are volatile; costs for cedar and roofing increased. Before our insurance costs increased, we were able to put \$180,000 into reserves; after the insurance increase the amount dropped to \$115,000. We are currently at \$140,000. To accomplish the CI projects scheduled for the next 5 years, we would need to get back to \$180,000.

Paula requested that the 5/10-year plan be posted to provide context for budget decisions.

Howard stated that he is comfortable with last week's decision and feels it is a reasonable compromise. We are making a good step into the right direction.

b. **Manager**

Concrete cutting bid at 409

Concrete on end unit's walkway needs to be removed. The contractor provided an estimate of \$800-1000.

Elizabeth asked who provided the estimate and if it is in writing.

MarkC explained that Curt Concrete Cutting provided a quote over the phone. Another company was too busy to respond.

Motion (Sue): Authorize Mark Campbell to accept the quote from Curt Concrete Cutting not to exceed a \$1000.

Second (Elizabeth)

Vote: Sue, Elizabeth, Claudia: approve

Tree update:

Tree removal was added into budget. The tree surgeon identified a pathogen in trees growing near dead trees.

Carport replacement update:

MarkC is still working with the private insurance of the person who damaged one carport with a UHaul van.

The other carport was repaired for a total cost of \$6500.

Washer replacement (top loader versus front loader):

A balancing wire broke in a washer causing the drum to go off-center and shattering the glass door. Repair costs of \$800 are unreasonable and the washer needs to be replaced. Top loaders are \$200 cheaper (\$1100 vs \$1300). They drain fully and the door does not need to stay open between uses to avoid mold.

Wayne stated that front loaders use 25% less water, use less electricity during spin cycles, and have more effective spin cycles resulting in dryer cloths. HE detergent works better in front loaders.

MarkC explained that the washers have lasted 13 years. A washer problem is reported at least every other week. We do small repairs. As we take one off service, we use parts to repair the others.

Ken mentioned that top loaders walk if the load gets out of balance.

MarkC explained that the machines are secured to the floor.

Sue inquired who does the necessary cleaning of the machines. Kirk is maintaining the machines every other week.

Motion (Sue): Motion to stay with front loaders.

Second (Claudia)

Vote: Claudia, Elizabeth, Sue: approve

Retaining walls, foundations and soil movement

Elizabeth expressed concern about the retaining wall between the parking lot and her building and soil movement affecting the foundation. In 2013 she was told that the retaining wall would be repaired, but funds were allocated to other projects. Water and debris continue to flood against the building. Within the last month, new cracks in walls have appeared and doors don't open or close. This affects her property's value and ability to do home improvements. She is concerned about radon poisoning. She would like buildings to be re-assessed and access to the engineering reports.

MarkC explained that soil movement up to 8% is common in the South Hills. A retaining wall at 401-408 was replaced following a break of the watermain under the carport. Based on an assessment in 2013 triggered by the end units starting to separate from the building due to soil movement, repairs were made to 309-316 at a cost of \$300,000. To mitigate problems on Stonewood would require approximately \$100,000 per building. On our 10-year plan, failing retaining walls are to be addressed in 2023. MarkC is unaware of substantial soil movement or recent deterioration that would require immediate attention.

A special assessment in 2008 provided funds to install the French drain system channeling water away from the building foundations.

SS&W Engineering did an assessment in 2013 and produced a draft report. SS&W Engineering was fired because they were unable to complete the work. K&A Engineering did not sign off on the draft report.

Sue proposed a new assessment, since her building has shifted as well. Howard inquired about the costs of a fully researched report. MarkC estimated \$10,000.

Claudia wondered if it would be better to allocate scarce funds to the sheer walls. MarkC explained that installing sheer walls on an unsettled building does not straighten out the building.

MarkC will follow up with engineering firms to get a timeframe and costs to inspect buildings and bulkheads. He will solicit 2 quotes for a report.

c. Safety

An owner submitted a request to start a camera committee. The owner was not present.

A camera committee was in place from Oct 2020 to Sept 2021 and resulted in a camera test. Test results indicated that there is no reasonable solution to build a camera system that would serve everyone in the complex because of (a) lack of internet access, (b) lack of a building to house the camera system, (c) lack of staff to monitor the camera, and (d) liability for responding to camera data.

d. Beautification & Grounds

Removal of the plastic ground cover will occur over the winter months.

5. Unfinished Business:

Owner Request: Noise between two flats

MarkE requested that the HOA pay an engineer to put in writing that opening the ceiling would not be a fire risk.

MarkC reported that Michael from K&A Engineering would give us a more comprehensive report for \$400 once the entire ceiling is opened up for inspection.

Wayne summed up that Branch Engineering, hired by MarkE, believes the noise is caused by metal. This is consistent with reports from other units hearing similar sounds. A unit that was repaired found the noise to be associated with RC channels. Opening up the floor does not allow one to see RC channels nailed to the joist. If we don't open up the ceiling we cannot see what we need to see.

Claudia wondered if MarkE was concerned about fire risk during the plumbing repair in his unit requiring removal of sheetrock. MarkE clarified that at that time no engineering report was available, and no RC channels were present in the area of the bathroom.

Ken questioned what needs to happen to make progress on this issue. MarkE stated that a written report is intended to advance the discussion of opening up the ceiling. As of now, the only thing on record points to HOA responsibility. Wayne stated that a structural engineer is not able to interpret our bylaws and CC&Rs. That would require a legal opinion. In a similar situation, an owner wanted the HOA to repair their chimney and obtained a legal opinion stating that the HOA is responsible. The HOA obtained a legal opinion that determined otherwise. The bylaws put ceilings/plasterboard at the owner's responsibility. No other opinion has been obtained.

MarkC will solicit a written statement that opening up the ceiling does not constitute a fire risk.

Breach of confidentiality update

A legal opinion obtained by Wayne was shared via email with non-board members. Three of the owners involved in this issue have apologized to Wayne and the board, two in writing and one verbally. Some claims in one apology were counterfactual: (a) The email was not only sent to board members who originally had access to it; it was also sent to a new board member. It is unclear how the sender obtained this new board member's email address. (b) The email was not sent in August long before the Sept HOA meeting; it was sent approximately 2 hours before the Sept meeting.

At this point, we probably do not need to take further action. All communication should go to the property manager. All past and present board members and committee members are reminded to please keep information confidential.

Wayne reminded that his personal attorney provided a written opinion that this was a breach of confidentiality and illegal.

Elizabeth called for better training of board members.

6. New Business:

Noise abatement & placement of outside ductless unit (115)

This issue has been addressed.

7. Community Open Forum for Items Not on the Agenda:

MarkE asked if the original blueprints of the property could be scanned and made digitally available to owners for fire insurance purposes, or repairs.

Sue expressed her interest in seeing the blueprints.

Howard questioned the utility of having access to the information.

Elizabeth explained that document retention is important.

MarkC will get costs for scanning.

Sue reminded that trash and recycling need to be placed in the appropriate containers. Furniture and fireplace equipment need to be donated. Wayne stated that this is covered in the fine structure.

Elizabeth reported that she saw someone with bags in the trash room at 6:30a.m. One of our residents goes through the trash looking for cans.

Sue wished everyone happy holidays and reminded that light displays will be judged on Dec. 23.

8. Next Board Meeting (January 12th, 6:30 pm).

We will be accepting candidates for the board through the end of the January meeting. Ballots listing the names of candidates will go out after the meeting. There will be write-in options. The annual meeting is the last Thursday in February (Feb. 24).

9. Adjournment at 8:10pm.