

Highlands Condominium Association
Minutes for bi-monthly meeting on October 9, 2013

Board members present: Phil Abbott (president), Jonny Comes (secretary), Mike Ireland, Patrick Lynd.

Excused: Tiffany Mellow (treasurer).

Guests: Mark Campbell (property manager),
Kenneth Clark (Maintenance).

Units present: 102, 108, 134, 139, 212, 224, 420, 421, 427

Call to order: 6:32 PM

Minutes from August 21 meeting approved by the board.

Old Business

Foundation Repair Update. At the recommendation of legal council. We are in the process of dismissing JBE as our Structural Engineers for this project. We are considering two other engineers (one in Portland and one in Eugene) to complete the design work. After 14 months with JBE, we still don't have a comprehensive design to deal with Woodcutters problems. It also appears certain that the retaining wall recommended by JBE will not be necessary. All this has become apparent through Todd Johnston's investigation. At the very least, it appears that Todd has saved us at least \$140,000 in unnecessary construction of a retaining wall. Because of this, we still don't have a good estimate of the cost to repair Woodcutter or the Stonewood buildings and therefore don't know what a likely Special Assessment will be. Part of our new engineer's assignment will be to determine probable costs as soon as possible.

No definite determination of possible liability has been made at this time but we should be able to make a determination fairly quickly after the new engineer takes over the design work. K & A Engineering has been cooperating with our investigation efforts. We will proceed on the advice of council at the appropriate time.

Costs to date for the work on Woodcutter: To date, legal fees from Hershner-Hunter is \$5,580. We have received a bill from Bill Slattery the "forensic investigator" for \$831.25. This will be the only bill from Slattery, who we worked with initially as a consultant. We are now using Eric Watson of Miller Consulting Engineers for peer review of JBE's work to date. We have not received a bill from Miller Consulting Engineers for their services so far. We paid Earth Engineers \$8,600.00 for soil studies and design work on the retaining wall. We paid Gryphon Scaffolding \$11,245.34 for emergency shoring which included one month's rental of scaffolding for \$3,074.40. These bills are being paid out of the special assessment reserve as they all relate to foundation repair.

Motion passed: A steering committee will be formed to oversee the work on Woodcutter.

Initial members are Phil Abbott and Frank Bocci. Ray Socia will be asked to participate.

New Special Assessment. It is abundantly evident that there will have to be a special assessment to pay for the needed work at Woodcutter and the Stonewood buildings. The amount of the assessment is not known at this point. The board has been considering various formats for the assessment including payment options.

Caution to Sellers: If you are selling your unit you should disclose these facts to potential buyers.

Bank Loan. Our bank loan application for a \$150,000 term loan is waiting on completion of our 2014 Budget, which is nearly done. This loan may be helpful while we wait on funds coming from an assessment.

Lien Update. It appears likely that we will be collecting on two outstanding liens shortly thanks to Doug Gallagher's efforts. Expected collection will be close to \$10,000.

Pest Control. Bringham Construction completed treating 6 buildings for wood boring beetles for \$2,500 or \$416.67 per building. In addition, they inspected the crawlspaces for problems and provided a punch-list for our maintenance crew to address. Another pest company provided an estimate of \$800-\$1,200 per building for treatment only.

Rockridge Storm Drain Easement. Both parties have agreed to the terms of the easement. The cost of the drainage improvements, which we agreed to split with the adjoining property owner, have increased slightly from the initial estimate. Our share will be approximately \$8,000. The drainage improvements and the terms of the easement will mitigate possible future liability on the HOAs part for discharge of storm water from the Highlands to the property below us.

Stonewood Drive Asphalt. There are several areas on the property that need asphalt repairs. We received a bid of \$9,575 from Western Asphalt to fix six identified areas.

Motion passed: We will explore for the best price and fix all 6 identified areas.

Fire Alarms were tested on August 23, 2013. Six alarms were not functioning and have been repaired or replaced. Total cost was \$1,000 for testing and repair.

Comcast Contract. Patrick Lynd has made the initial contact with Comcast and is working on ending our bulk pricing agreement arrangement in the interest reducing our operating expense by over \$50,000 per year. We have two years left on a 5 year bulk agreement. Comcast seems

agreeable to a 2 year tolling (i.e. suspending the cable for 2 years). We could then get back to the issue in 2 years. In that 2 year period units will be responsible for providing their own cable.

Caution to Sellers: If you are selling your unit you should disclose this fact to potential buyers.

Tree trimming. The maintenance crew has been working hard trimming the trees in our complex, following pointers from Bakke Tree Trimming. We will ask Bakke for a bid on the trimming that we cannot do in house.

New Business

Building Water Shutoffs. We have discovered 2 buildings with failed water shutoffs: 309-316 Woodcutter and 417-424 Stonewood. To replace the shutoffs, we will probably have to shut down the whole property for at least an hour. This needs to be done before we have a costly problem in one of these two buildings. All building shutoffs will be checked by maintenance to determine if there are others buildings involved.

Pool Inspection. The pool was recently inspected by the Board of Health. Our pool chemistry was perfect thanks to Kenneth's efforts. We were deficient in two areas however: (1) Our flow meter was not working, and has been replaced; (2) We installed an emergency phone and signage in the pool area.

Maintenance Crew. The Maintenance Crew has been reduced to Kenneth (full time) and Kameron (as needed).

Unauthorized Structure.

A new owner constructed a freestanding closet on their lower deck. The board has 2 concerns with this:

(1) The by laws specifically require an owner seek permission for any such construction visible from the exterior of the building.

(2) The structure makes it impossible to maintain the portion of the building obstructed by it. This would include painting the obstructed area, inspecting and treating the area for water damage, dry rot, wood boring insects and structural defects.

In the case of this structure, it is fortunate that it is designed to be easily disassembled so it could be temporarily removed for maintenance issues. Also, it is basically aesthetically acceptable. If the owner had come to the board for permission prior to construction, we probably would have approved it with a few conditions:

- The deck should have been inspected for soundness and repaired if necessary prior to its construction.

- The structure should be designed for easy removal for maintenance purposes. (It looks like this one is).

- The HOA could have supplied an exact paint match.
- The HOA could have specified a shingle roof that matches roofing through out the rest of complex for better aesthetic appearance.

If the owner in this instance agrees to the above requirements, we will allow the structure to remain (unless a compelling reason to remove it arises in the future).

Amendment to By Laws. It is one of the goals of this board to bring our bylaws up to date. We need to have a proposed Amended Bylaws ready by the Annual Meeting. We would like to have a committee of 5 volunteers to work on revising the by laws.

Motion passed: A committee will be formed to work on amending the by laws.

The committee will consist of Pat Lynd, Marga Larson, Phil Abbot and up to 2 other volunteers.

Insurance Premium. Our Insurance premium in 2013 was \$20,929. Farmers can lower it to \$18,124 if we drop our replacement cost coverage, currently \$16,786,500, to \$13,500,000. (\$131k to \$105k per unit).

Motion passed: We will drop the coverage to \$13,500,000.

Laundry Room Water Heaters. We have discovered two improperly plumed pressure relief valves in the laundry rooms. The pressure relief drains enter the wall and go through the floor plate. After that they abruptly end and discharge from the floor plates to the framing in the crawl space. This exists in 141-148 Treehill Loop and in 217-224 Trailside Loop. Dry rot is severe in 217-224 and will cost approximately \$3,000 to repair by one estimate. This situation probably exists in all the laundry buildings. Correcting the plumbing should be simple and will be done by maintenance. In the process we will discover what other buildings are affected.

Painting. Three buildings were completed this season. A fourth building had siding replaced in preparation for next year. In addition four breezeway buildings were painted by our maintenance crew. Kenneth did a great job and in the process of prepping the buildings, discovered the water heater problems in the laundry rooms.

Call to Public

We have a small supply of gravel for the winter. We will order more soon to avoid the seasonal rush.

Next Meeting: Wednesday, December 11, 2013

Meeting adjourned: 8:02 PM

Jonny Comes (secretary)