

**DILLON VALLEY EAST CONDOMINIUM ASSOCIATION
BOARD OF MANAGERS MEETING
January 15, 2014**

I. CALL TO ORDER

The meeting was called to order at 7:02 p.m. by Richard Garcia in the Dillon Valley East Clubhouse.

Board members participating were Richard Garcia, Paul Hage, Cathy Brosius, Mike Kurth and Glenn Johnson.

Owners Lee Vroble (X302) and Carl Henry (U202) were present.

Representing Basic Property Management were Gary Nicholds, Eric Nicholds, Giovanna Voge and Geoff Merker. Erika Krainz of Summit Management Resources was recording secretary.

II. APPROVAL OF PREVIOUS MEETING MINUTES

The November 20, 2013 Board Meeting minutes were approved in December.

III. QUESTIONS AND COMMENTS FROM THE FLOOR/COMMENT BOX

Lee Vroble commented that he received a \$50 bill for a service call from Comcast. He had to have three boxes and two remotes replaced and this required several service calls. He was able to negotiate a one-time waiver of the bill.

IV. FINES AND HEARINGS

There were not any owners present regarding fines.

V. MANAGER'S REPORT

A. Manager's Report

Geoff Merker provided a written report before the meeting for Board review. He mentioned that there was some glycol loss in R Building. He is investigating the source.

B. Delinquency Report

Gary Nicholds reviewed the written Delinquency Report. Giovanna Voge said there was a legal firm being used by another Association that was more aggressive with collections. She will do further research and get a quote from them for Board consideration.

VI. TREASURER'S REPORT

A. 2013 Year-End Report as of December 31, 2013

1. Total Income - \$1,691,309 actual vs. \$1,686,404 budget (0.3% over budget).
2. Total Expenses - \$1,499,848 actual vs. \$1,576,975 budget (4.9% under budget). Including the Balance Sheet Budgeted Items expenses were \$1,629,754 actual vs. \$1,705,006 budget (4.4% under budget).
3. Net Income – \$61,554 actual net income versus (\$18,602) budgeted loss.

Year-to-date Reserve income was \$292,628 with \$136,332 in expenses, resulting in net income of \$156,296. There was \$18,042 spent from the Loan Fund for parking lot expansions.

Cathy Brosius made a motion to approve the Financial Report. Mike Kurth seconded and the motion carried.

VII. BUILDINGS, GROUNDS AND LANDSCAPING COMMITTEE

Glenn Johnson said Geoff Merker had been doing a good job with the snow removal. He suggested asking the ATV operator to use his shovel to clear the steps.

VIII. ARCHITECTURAL REVIEW COMMITTEE

Cathy Brosius said she received one inquiry about windows. She noticed three white doors on G Building. Geoff Merker said he had been in contact with the unit owners. The easiest solution will probably be to spray paint the frames using the appropriate product.

IX. OLD BUSINESS

A. Review Security Inspection Book, Hallway Cleaning Schedule Book, Boiler Inspection Book, Public Comments

Glenn Johnson reviewed all books and confirmed that all were in order.

B. Pool Trusses

The trusses are scheduled for installation next week. There needs to be some temporary lighting installed in the ceiling.

C. Bathroom Remodel

The bathroom remodel has been completed.

D. Budget Committee Report

The 2014 Budget was approved at the last meeting. There will not be any dues increase for 2014.

X. NEW BUSINESS

A. Power to Transformers for Building Door Bells

The power to a unit in A Building was cut off last week for non-payment and it affected the power to the zone valves in the unit above and the doorbells. Geoff Merker is looking into a solution for rewiring the affected transformers.

B. Parking Tags

The current parking tag is orange. Geoff Merker would like to replace the tags with a new color. The new tags will be available by the end of the month and will only be issued to renters with the owner's authorization.

C. Staff Bonuses

The Board typically awards bonuses to the staff at year-end. Paul Hage made a motion to grant \$3,000 for staff bonuses to be distributed by Geoff Merker. Glenn Johnson seconded and the motion carried.

D. Building Painting and Asphalt

Gary Nicholds will get bids for painting five buildings for review at the next Board Meeting. He will also ask A-Peak to put some asphalt work on the schedule in the spring.

XI. SET NEXT MEETING DATE

The next Board Meeting will be February 19, 2014 at 7:00 p.m. in the Dillon Valley East Clubhouse.

XII. ADJOURNMENT

Paul Hage made a motion to adjourn at 7:38 p.m. The motion was seconded and carried.

Approved By: _____ Date: _____
Board Member Signature

**Dillon Valley East
 Financial Summary
 As of December 31, 2013**

Summary Balance Sheet				
	Operating	Reserve	Loan	Total
Cash Accounts	354,925.97	800,548.11	29,598.16	1,185,072.24
Other Current Assets	83,138.48	0.00	0.00	83,138.48
Fixed Assets (net of depreciation)	56,365.47			56,365.47
Total Assets	494,429.92	800,548.11	29,598.16	1,324,576.19
Current Liabilities	51,163.44	0.00	0.00	51,163.44
Long Term Liabilities	(110,836.52)	0.00	1,482,728.00	1,371,891.48
Donated Capital	2.00			2.00
Retained Earnings	362,639.97	644,252.06	(1,435,087.84)	(428,195.81)
YTD Net Income	191,461.03	156,296.05	(18,042.00)	329,715.08
Total Liabilities & Equity	494,429.92	800,548.11	29,598.16	1,324,576.19
Operating Fund P&L				
	Actual	Budget	Difference	
December Total Income	140,513.04	140,367.14	145.90	
December Total Expense	141,968.88	148,846.44	(6,877.56)	
December Net Income	(1,455.84)	(8,479.30)	7,023.46	
Balance Sheet Budgeted Items	10,764.47	10,899.73	(135.26)	
	(12,220.31)	(19,379.03)	7,158.72	
YTD Total Income	1,691,308.81	1,686,404.30	4,904.51	0.3%
YTD Total Expenses	1,499,847.78	1,576,975.21	(77,127.43)	-4.9%
YTD Net Income	191,461.03	109,429.09	82,031.94	
Balance Sheet Budgeted Items	129,906.62	128,030.95	1,875.67	
	61,554.41	(18,601.86)	80,156.27	

Major variances YTD:

- Washer/Dryer Income is \$5447 more than planned and Washer/Dryer Utilities Usage is \$596 more than projected.
- Finance charges on past due accounts is \$2005 less than planned.
- Loader expenses are \$1545 under budget. Truck/ATV expense is \$2911 under.
- Bad debt expense is \$22,053 under budget. A lesser amount will be budgeted in 2014.
- Total Building Maintenance is \$16,748 under budget.
- Total Club & Recreational expense is \$2335 under budget. Club & Rec income is \$1620 over.
- Extra trash items is \$1000 under budget. Abandoned/Towed Vehicles is \$800 under.

- Summer Grounds Maintenance is \$8473 under. Winter Grounds Maint. is \$757 under.
- Gas is \$10,307 under budget. Electric is \$626 over. Telephone is \$2067 under.
- Legal fees are \$1350 under

Reserve Fund P&L	
	Actual
December Total Income	24,352.02
December Total Expense	<u>9,392.49</u>
December Net Income	<u><u>14,959.53</u></u>
YTD Total Income	292,628.29
YTD Total Expenses	<u>136,332.24</u>
YTD Net Income	<u><u>156,296.05</u></u>
LOAN Fund P&L	
	Actual
December Total Income	0.00
December Total Expense	<u>0.00</u>
December Net Income	<u><u>0.00</u></u>
YTD Total Income	0.00
YTD Total Expenses	<u>18,042.00</u>
YTD Net Income	<u><u>(18,042.00)</u></u>

Notes from the Pres.

Good News – Our dues for year 2014 will not change. But you probably knew this since we have not sent out notices of increased dues.

We decided to close the pool for a few weeks because a leak in the vinyl liner caused our maintenance staff to leave a hose running with water 24 hours a day. That's a lot of water being wasted and we could not wait any longer. Money was already set aside for the replacement. Our discussion about the pool began in November when a large bubble appeared. From then, things got worse through December. Please let your guests or renters know the situation. Repair is scheduled from January 22nd through February 16th. For safety concern, access to the hot tub will not be allowed.

Our parking tags are going to be replaced. You will receive notice on the procedure to replace your existing parking tags. Please remember, we only allow 2 vehicles per condominium unit to be parked in the adjacent parking lot to the east of each building. Extra vehicles may be temporarily parked at the clubhouse.

We have a few patio door frames that are colored white. This is a violation of our rules. The owners of these units will be contacted and asked to paint the frames in a beige or almond color.

If you have not called or visited Comcast to receive a free digital converter, please do so at your earliest convenience. Eventually, all signals from Comcast will be digital and if you do not have the correct receiving device, you will lose service. Comcast can be reached at (800) 934-6489, 249 Warren Ave #250, Silverthorne, CO 80498, Monday – Friday 9:00 AM – 6:00 PM, and Saturday 9:00 AM – 1:00 PM.

Sincerely,
Richard Garcia
President
Dillon Valley East Condominium Association

**DILLON VALLEY EAST CONDOMINIUM ASSOCIATION
BOARD OF MANAGERS MEETING
February 19, 2014**

I. CALL TO ORDER

The meeting was called to order at 7:00 P.M. by Richard Garcia in the Dillon Valley East Clubhouse.

Board members participating were Richard Garcia, Paul Hage, Bob Price, Cathy Brosius, Mike Kurth and Glenn Johnson.

Owners Lee Vroble (X302), Carl Henry (U202) and Don and Laurel Gardey (G202) were present. Stephane Dupont of Winzenburg, Leff, Purvis and Payne was a guest at the meeting.

Representing Basic Property Management were Gary Nicholds, Eric Nicholds and Geoff Merker. Erika Krainz of Summit Management Resources was recording secretary.

II. APPROVAL OF PREVIOUS MEETING MINUTES

Paul Hage made a motion to approve the January 15, 2014 Board Meeting minutes as presented. Bob Price seconded and the motion carried.

III. QUESTIONS AND COMMENTS FROM THE FLOOR/COMMENT BOX

Lee Vroble made some general comments that he requested be left off the record.

IV. FINES AND HEARINGS

There were not any owners present regarding fines.

V. ATTORNEY PRESENTATION

Attorney Stephane Dupont was introduced. He summarized his firm's approach for addressing delinquencies in this area. If the unit is rented, they take receivership, which allows them to collect the rental income. They offer a deferred payment program, which allows them to do the legal work without charging the Association on a monthly basis. If the bill is uncollectible, then the Association will be billed at the discounted rate. The Association is responsible for paying any out of pocket costs such as recording fees. Otherwise, the delinquent owner pays the fees. They have a 90 – 95% collection rate in this area so Associations are rarely out of pocket. He is willing to attend Board Meetings to discuss collections at no charge.

Gary Nicholds will review the contract with the legal firm that is currently working on collections and determine what the process would be to move the delinquency with the highest balance to the new firm.

VI. MANAGER'S REPORT

A. Manager's Report

Geoff Merker provided a written report before the meeting for Board review. The following additional items were discussed:

1. Not listed on the report were the purchase of parts and repairs to plumbing in Building BB.
2. Bob Price noted that there were a number of transformer issues. He suggested an evaluation to determine what can be done to separate the power sources so shutting off the power to one unit does not affect the surrounding units.
3. There may be some areas where moisture is moving through the exterior walls, causing mold in some closets. Geoff said he would need to remove some siding on Y and J Buildings in a couple of locations to determine if this is the case. He will do this work once it warms up.

B. Delinquency Report

Gary Nicholds reviewed the written Delinquency Report.

VII. TREASURER'S REPORT

A. 2014 Year-to-Date Report as of January 31, 2014

1. Total Income - \$143,181 actual vs. \$140,417 budget (2.0% over budget).
2. Total Expenses - \$127,960 actual vs. \$132,336 budget (3.3% under budget). Including the Balance Sheet Budgeted Items expenses were \$138,781 actual vs. \$143,358 budget (3.2% under budget).
3. Net Income – \$4,400 actual net income versus (\$2,940) budgeted loss.

Year-to-date Reserve income was \$24,380 with \$16,835 in expenses, resulting in net income of \$7,545.

Cathy Brosius made a motion to approve the Financial Report. Glenn Johnson seconded and the motion carried.

VIII. BUILDINGS, GROUNDS AND LANDSCAPING COMMITTEE

Glenn Johnson made the following comments:

1. Geoff Merker has been doing a good job with snow removal. Lee Vroble commented that he was not satisfied with the plowing at X Building.
2. A new dish has been installed outside of the balcony railing on Unit S203.
3. There will be an increased need for salt once all the snow starts to melt.
4. The pool looks great.
5. A satellite dish appears to be bolted to the balcony railing of unit S-303. This is a violation of the Dillon Valley East Rules.

Geoff Merker said he was trying to keep up with removal of the large icicles along the eaves. He suggested putting up signage recommending that owners park away from the edge

of the roofs to avoid damage from falling ice. Geoff was asked to provide an estimate of the cost to hire some extra staff as needed.

IX. ARCHITECTURAL REVIEW COMMITTEE

Cathy Brosius said one owner contacted her about new doors and windows.

X. OLD BUSINESS

A. Review Security Inspection Book, Hallway Cleaning Schedule Book, Boiler Inspection Book, Public Comments

Glenn Johnson reviewed the books and confirmed that all were in order.

B. Pool Trusses

Gary Nicholds said the contractor was trying to reach the framer.

C. Bathroom Remodel

The bathroom remodel has been completed. The last step will be to hang some artwork.

D. Parking Tags

The new parking tags have been delivered. The owners will be asked to fill out a form in order to receive a new tag. Geoff Merker was asked to establish a calendar for distributing the new tags. He plans to start distribution sometime around April 15th. Bob Price recommended stricter enforcement of the parking rules, including display of the parking pass.

E. Swimming Pool

The vinyl liner has been removed. There were some small leaks around the underwater light canisters. They were all sealed with hydraulic cement. No problems were identified with the pumps. The pool does not appear to be losing a significant amount of water at this time. The pool contractor recommended a new chemical to prevent stains. The product is not included in the budget and the cost should be about \$800 annually.

F. Bids for Painting Building

1. Allman – \$38,000.
2. Summit Color Service - \$35,750.

Gary Nicholds said he had used both contractors and had good results with both. There is \$45,000 budgeted.

Bob Price made a motion to accept the bid from Allman Painting for \$38,000. Paul Hage seconded and the motion carried. Gary Nicholds will try to negotiate with Allman to get his price down closer to the Summit Color Service bid. He was asked to get bids for painting the deck fascia boards and the balcony floorboards as well.

XI. NEW BUSINESS

A. *New PC for Front Desk*

Richard Garcia will purchase the new computer equipment on Friday. The cost will be about \$400, which is well within the budget.

XII. SET NEXT MEETING DATE

The next Board Meeting will be March 19, 2014 at 7:00 P.M. in the Dillon Valley East Clubhouse.

XIII. ADJOURNMENT

Richard Garcia made a motion to adjourn at 8:25 P.M.

Approved By: _____ Date: _____
Board Member Signature

**Dillon Valley East
Financial Summary
As of January 31, 2014**

Summary Balance Sheet				
	Operating	Reserve	Loan	Total
Cash Accounts	403,620.99	806,386.82	29,598.16	1,239,605.97
Other Current Assets	82,832.88	0.00	0.00	82,832.88
Fixed Assets (net of depreciation)	56,365.47			56,365.47
Total Assets	542,819.34	806,386.82	29,598.16	1,378,804.32
Current Liabilities	91,831.99	0.00	0.00	91,831.99
Long Term Liabilities	(119,652.60)	0.00	1,482,728.00	1,363,075.40
Donated Capital	2.00			2.00
Retained Earnings	555,417.44	798,841.58	(1,453,129.84)	(98,870.82)
YTD Net Income	15,220.51	7,545.24	0.00	22,765.75
Total Liabilities & Equity	542,819.34	806,386.82	29,598.16	1,378,804.32
Operating Fund P&L				
	Actual	Budget	Difference	
January Total Income	143,180.97	140,417.32	2,763.65	
January Total Expense	127,960.46	132,336.00	(4,375.54)	
January Net Income	15,220.51	8,081.32	7,139.19	
Balance Sheet Budgeted Items	10,820.08	11,021.70	(201.62)	
	4,400.43	(2,940.38)	7,340.81	
YTD Total Income	143,180.97	140,417.32	2,763.65	2.0%
YTD Total Expenses	127,960.46	132,336.00	(4,375.54)	-3.3%
YTD Net Income	15,220.51	8,081.32	7,139.19	
Balance Sheet Budgeted Items	10,820.08	11,021.70	(201.62)	
	4,400.43	(2,940.38)	7,340.81	

Major variances YTD:

- Washer/Dryer Utilities Usage is \$2467 more than projected, a timing issues as the amount for this income is budgeted in a later month.
- Loader expenses are \$230 over budget and Truck/ATV expenses are \$648 over (primarily because new tires were bought for one of the trucks.)
- Total Building Maintenance is \$1517 under budget.
- Total Club & Recreational expense is \$887 under budget.

- Extra trash items is \$400 over budget.
- Gas is \$10,307 under budget. Electric is \$626 over. Telephone is \$2067 under.
- Legal fees are \$1350 under

Reserve Fund

Reserve Fund P&L	
	Actual
January Total Income	24,380.24
January Total Expense	<u>16,835.00</u>
January Net Income	<u><u>7,545.24</u></u>
YTD Total Income	24,380.24
YTD Total Expenses	<u>16,835.00</u>
YTD Net Income	<u><u>7,545.24</u></u>
LOAN Fund P&L	
	Actual
January Total Income	0.00
January Total Expense	<u>0.00</u>
January Net Income	<u><u>0.00</u></u>
YTD Total Income	0.00
YTD Total Expenses	<u>0.00</u>
YTD Net Income	<u><u>0.00</u></u>

Notes from the Pres.

Our swimming pool is now open. Thank you for your patience. Leaks around the pool drain and a few other connections at the sides of the pool were repaired.

Our property management is working constantly to remove overhead icicles at building entrances. Please continue to report dangerous entries to the buildings due to ice buildup.

Our parking permits will be replaced soon. Owners will be notified on the procedure to have the parking permits replaced.

When parking a vehicle facing a building, please allow a safe distance between the building and your vehicle to avoid damage from falling ice and snow from the roof.

Spring Break will soon begin. With the occurrence, we expect extra vehicles and loud celebrations. Please remember that only 2 vehicles per unit are allowed in the parking lots and “quiet time” is from 10:00 PM to 6:00 AM.

Sincerely,

Richard Garcia
President
Dillon Valley
East Condominium Association

**DILLON VALLEY EAST CONDOMINIUM ASSOCIATION
BOARD OF MANAGERS MEETING
March 19, 2014**

I. CALL TO ORDER

The meeting was called to order at 7:03 p.m. by Cathy Brosius in the Dillon Valley East Clubhouse.

Board members participating were Richard Garcia, Cathy Brosius, Mike Kurth and Sylvia Dowty.

Rebecca Hage (F303) representing Matthew Hage, and Carl Henry (U202) were present.

Representing Basic Property Management were Gary Nicholds, Eric Nicholds, Giovanna Voge and Geoff Merker. Erika Krainz of Summit Management Resources was recording secretary.

II. APPROVAL OF PREVIOUS MEETING MINUTES

Mike Kurth made a motion to approve the February 19, 2014 Board Meeting minutes as presented. Richard Garcia seconded and the motion carried.

III. QUESTIONS AND COMMENTS FROM THE FLOOR/COMMENT BOX

There were no questions or comments from the floor.

IV. FINES AND HEARINGS

There were not any owners present regarding fines.

V. MANAGER'S REPORT

A. Manager's Report

Geoff Merker provided a written report before the meeting for Board review.

B. Delinquency Report

Gary Nicholds said the Delinquency Report had not changed significantly since last month. Cathy Brosius requested a timeline from the attorney for the unit that may be foreclosed.

Giovanna Voge said there were some owners who had been foreclosed but still have a debt with the Association. The attorney currently being used splits any amounts collected 50/50 with the Association but there have not been very impressive results in the past year. Giovanna said there was another attorney working with another Association who has been much more aggressive and successful in obtaining money from delinquent owners. She suggested that the Board consider moving the delinquent accounts to the new attorney. Gary Nicholds confirmed that there was no contractual obligation to remain with the current attorney.

The Board agreed that there should be discussion with the current attorney about the Board's disappointment with the lack of results and discussion with the potential new attorney about taking on the collections for the delinquent owner accounts.

VI. TREASURER'S REPORT

A. 2014 Year-to-Date Report as of February 28, 2014

1. Total Income - \$283,775 actual vs. \$283,435 budget (0.1% over budget).
2. Total Expenses - \$255,067 actual vs. \$261,097 budget (2.3% under budget).
The Balance Sheet Budgeted Items expenses were \$22,261 actual vs. \$22,098 budget.
3. Net Income – \$28,708 actual net income versus \$22,338 budget.

Year-to-date Reserve income was \$48,755 with \$35,899 in expenses, resulting in net income of \$12,856.

Mike Kurth made a motion to approve the Financial Report. Sylvia Dowty seconded and the motion carried.

VII. BUILDINGS, GROUNDS AND LANDSCAPING COMMITTEE

Glenn Johnson was not present to provide a report.

VIII. ARCHITECTURAL REVIEW COMMITTEE

Cathy Brosius did not have anything to report.

IX. OLD BUSINESS

A. Review Security Inspection Book, Hallway Cleaning Schedule Book, Boiler Inspection Book, Public Comments

Glenn Johnson was not present to provide a report.

B. Pool Trusses

Gary Nicholds said the truss work was about 90% completed. Six trusses had to be repaired and one was broken. A second engineered drawing had to be developed for the broken truss. The replacement truss was manufactured in place so it was not necessary to remove the roof. The additional costs for the structural engineer and time and materials were less than \$2,000. The total savings will be about \$12,000 instead of \$14,000.

C. Parking Tags

Geoff Merker said the permit color was changed from orange to blue. Notice of the process for obtaining new permits has been posted at the entrances of all buildings and has been posted on the website.

D. Bids for Painting Building

Gary asked the contractor to review the bid to try to identify any possible savings. The contractor hopes to start no later than June 15th, weather permitting. The main issue will be to remove and replace damaged siding prior to the start of the project.

X. NEW BUSINESS

A. Carpet Replacement in Clubhouse Lounge

Geoff Merker said he had received two bids for replacement of the lounge carpet. There is \$2,000 budgeted in Reserves but the cost will be closer to \$3,000. The Carpet Express bid was \$3,186 and the Discount Flooring in Frisco bid was \$3,974 for the same product.

The Board approved the Carpet Express bid for \$3,186 and directed Geoff to have the project done during the shoulder season.

XI. SET NEXT MEETING DATE

The next Board Meeting will be April 16, 2014 at 7:00 p.m. in the Dillon Valley East Clubhouse.

XII. ADJOURNMENT

Mike Kurth made a motion to adjourn at 7:27 p.m.

Approved By: _____ Date: _____
Board Member Signature

**DILLON VALLEY EAST CONDOMINIUM ASSOCIATION
BOARD OF MANAGERS MEETING
April 16, 2014**

I. CALL TO ORDER

The meeting was called to order at 7:01 p.m. by Richard Garcia in the Dillon Valley East Clubhouse.

Board members present were Richard Garcia, Cathy Brosius, Bob Price and Glenn Johnson.

Owners Lee Vroble (X302) and Carl Henry (U202) were present.

Representing Basic Property Management were Gary Nicholds, Giovanna Voge and Geoff Merker. Erika Krainz of Summit Management Resources was recording secretary.

II. APPROVAL OF PREVIOUS MEETING MINUTES

Bob Price made a motion to approve the March 19, 2014 Board Meeting minutes as presented. Cathy Brosius seconded and the motion carried.

III. QUESTIONS AND COMMENTS FROM THE FLOOR/COMMENT BOX

Carl Henry commented that the new carpet in the Clubhouse was nice improvement.

IV. FINES AND HEARINGS

There were not any owners present regarding fines.

V. MANAGER'S REPORT

A. Manager's Report

Geoff Merker provided a written report before the meeting for Board review.

B. Delinquency Report

Gary Nicholds distributed the written Delinquency Report. Bob Price asked if there was any cause for concern about the small balances at the bottom of the list.

Giovanna Voge explained that some of the balances were for late fees and she would continue to send statements to the owners. Gary Nicholds will follow up with the third owner on the list, as she appears to be getting further behind.

VI. TREASURER'S REPORT

A. 2014 Year-to-Date Report as of March 31, 2014

1. Total Income - \$424,370 actual vs. \$423,852 budget (0.1% over budget).
2. Total Expenses - \$390,143 actual vs. \$390,303 budget (on budget). The Balance Sheet Budgeted Items expenses were \$34,196 actual vs. \$33,411 budget.
3. Net Income – \$34,227 actual net income versus \$33,411 budget.

The largest variance to budget was for Water and Sewer, which was \$12,813 over budget. Last year the Association was paying \$25,000 per month for the flat rate. The budget was \$61,000 for the first quarter but the actual expense was \$81,000. She budgeted based on the estimate provided by the Water District.

Year-to-date Reserve income was \$73,134 with \$45,882 in expenses, resulting in net income of \$27,252. Expenses included \$2,319 for carpeting the Clubhouse against a budget of \$2,000 and replacement of the pool roof trusses for \$7,664 against original bids of \$13,133 and \$20,750.

Cathy Brosius made a motion to approve the Financial Report. Glenn Johnson seconded and the motion carried.

VII. BUILDINGS, GROUNDS AND LANDSCAPING COMMITTEE

Glenn Johnson said the staff was doing a good job with the snow removal. There is still an issue with snow and ice by the steps. Geoff Merker said he would follow up with the staff.

VIII. ARCHITECTURAL REVIEW COMMITTEE

Cathy Brosius did not have anything to report.

IX. OLD BUSINESS

A. Review Security Inspection Book, Hallway Cleaning Schedule Book, Boiler Inspection Book, Public Comments

Glenn Johnson checked the books and all were in order.

B. Pool Trusses

Gary Nicholds reported that the project had been completed and the contractor had been paid. The stamped plans have been received. The project was not budgeted in Reserves. The expense was paid out of the Contingency account.

C. Bids for Painting Building

Gary Nicholds spoke with Harley. He plans to start work at the beginning of June once all the deck repairs have been completed. A vendor needs to be selected for the deck repairs, which will entail replacing the deck surface boards. Cathy Brosius suggested asking owners to purchase mats to put under their barbecues to protect the deck surface. Bob Price recommended getting bids for different types of materials. Geoff Merker will talk to someone at Lowe's about available products.

D. Bids for Carpet Replacement in Clubhouse

The carpet in the Clubhouse lounge has been replaced.

E. Parking Passes

Geoff Merker is in the process of distributing new parking passes. He has distributed 30 – 50% of them. He plans to start enforcement May 1st. Cathy Brosius suggested posting a reminder in all the stacks.

X. NEW BUSINESS

A. Water and Sewer Bill from Dillon Valley District

Gary Nicholds plans to talk with the Dillon Valley District about the water usage. Giovanna Voge had been told that the rate would stay the same during the non-irrigation months but it actually went up 8%. Cathy Brosius said the owners should be informed of the cost increase, encouraged to check their units for leaks and asked to be water conscious. Geoff Merker said he would be looking at water sensors for the irrigation system.

XI. SET NEXT MEETING DATE

The next Board Meeting will be May 21, 2014 at 7:00 p.m. in the Dillon Valley East Clubhouse.

XII. ADJOURNMENT

Cathy Brosius made a motion to adjourn at 7:31 p.m.

Approved By: _____ Date: _____
Board Member Signature

**Dillon Valley East
Financial Summary
As of March 31, 2014**

Summary Balance Sheet				
	Operating	Reserve	Loan	Total
Cash Accounts	476,163.41	826,093.48	29,598.16	1,331,855.05
Other Current Assets	67,478.14	0.00	0.00	67,478.14
Fixed Assets (net of depreciation)	56,365.47			56,365.47
Total Assets	600,007.02	826,093.48	29,598.16	1,455,698.66
Current Liabilities	151,303.31	0.00	0.00	151,303.31
Long Term Liabilities	(140,942.62)	0.00	1,482,728.00	1,341,785.38
Donated Capital	2.00			2.00
Retained Earnings	555,417.44	798,841.58	(1,453,129.84)	(98,870.82)
YTD Net Income	34,226.89	27,251.90	0.00	61,478.79
Total Liabilities & Equity	600,007.02	826,093.48	29,598.16	1,455,698.66
Operating Fund P&L				
	Actual	Budget	Difference	
March Total Income	140,595.64	140,417.32	178.32	
March Total Expense	135,076.39	129,206.00	5,870.39	
March Net Income	5,519.25	11,211.32	(5,692.07)	
Balance Sheet Budgeted Items	10,935.10	11,131.70	(196.60)	
	(5,415.85)	79.62	(5,495.47)	
YTD Total Income	424,370.22	423,851.96	518.26	0.1%
YTD Total Expenses	390,143.33	390,303.00	(159.67)	0.0%
YTD Net Income	34,226.89	33,548.96	677.93	
Balance Sheet Budgeted Items	34,196.10	33,411.10	785.00	
	30.79	137.86	(107.07)	

Major variances YTD:

- Washer/Dryer Income is \$801 above projection.
- Loader expenses are \$502 over budget and Truck/ATV expenses are at budget.
- Bad Debt expense is \$4986 under budget.
- Basic Maintenance is \$3554 under, Boilers \$1730 under, Damage Claims \$2136 under and Pest Control \$948 under.
- Total Club & Recreational expense is \$887 under budget.
- Extra trash items is \$400 over budget.
- Gas is \$1359 over budget. Electric is \$1246 under. Cable TV is \$1026 under.
- Director's Expense is \$1349 over. (Budget spread equally but paid staff bonuses early in yr.
- Water/Sewer is \$12,813 over. 1st bill with water meters will be discussed with provider.

Reserve Fund P&L	
	Actual
March Total Income	24,378.30
March Total Expense	9,982.36
March Net Income	14,395.94
YTD Total Income	73,133.76
YTD Total Expenses	45,881.86
YTD Net Income	27,251.90

LOAN Fund P&L	
	Actual
March Total Income	0.00
March Total Expense	0.00
March Net Income	0.00
YTD Total Income	0.00
YTD Total Expenses	0.00
YTD Net Income	0.00

Expenditures from the Reserve Fund include carpeting in the clubhouse at \$2319 vs. budget of \$2000 and replace roof trusses over pool for \$\$7664 vs. original bids of \$13,133 and \$20,750.

Notes from the Pres.

Greetings

Not much going on at the moment. But that's not what our Resident Manager, Geoff Merker is saying. He and his crew are working on spring projects such as parking lot repair, deck repair, constant boiler maintenance, plumbing repair, preparation for painting, responding to barking dogs, noisy neighbors, putting away salt buckets, and many other items I do not know about.

Our property management is investigating our huge water bill from the Dillon Valley Water District. Our bill increased by eight percent. For a customer our size, that means a lot more money than anticipated. We were told last fall that our rates may increase slightly, but were misled. We are following the conversation closely.

If you have a grill and are on a 2nd or 3rd floor, please avoid grease dripping onto the floor of the balcony and possibly dripping down onto your neighbor. It's an easy fix. Simply place a metal container or old pie pan where the dripping is occurring.

I gave permission to our property manager to stop being a nice guy and start issuing violations and fines to residents who consistently violate our Rules and Regulations. Example: If you live in a lower level and park in the lot to the west, you are in violation of the parking rule. It does not matter that you have gotten away with it for a year or two. Of course, if you do receive a fine, you are welcome to come to a Board meeting and ask that the fine be removed and give a darn good reason.

Have you gotten our new vehicle parking passes? If not visit the clubhouse immediately or call them at 970-468-1371. The deadline was May 1st. There were notices in English and Spanish posted at every building entrance.

See you next month,

Richard Garcia
President
Dillon Valley East Condominium Association

DILLON VALLEY EAST CONDOMINIUM ASSOCIATION
BOARD OF MANAGERS MEETING
May 21, 2014

I. CALL TO ORDER

The meeting was called to order at 7:01 p.m. by Richard Garcia in the Dillon Valley East Clubhouse.

Board members present were Richard Garcia, Cathy Brosius, Mike Kurth, Sylvia Dowty, Paul Hage and Glenn Johnson.

Owner Carl Henry (U202) was present.

Representing Basic Property Management were Gary Nicholds, Eric Nicholds, Giovanna Voge and Geoff Merker. Erika Krainz of Summit Management Resources was recording secretary.

II. APPROVAL OF PREVIOUS MEETING MINUTES

Glenn Johnson made a motion to approve the April 16, 2014 Board Meeting minutes as presented. Sylvia Dowty seconded and the motion carried.

III. QUESTIONS AND COMMENTS FROM THE FLOOR/COMMENT BOX

There were no owner comments.

IV. FINES AND HEARINGS

There were not any owners present regarding fines.

V. MANAGER'S REPORT

A. Manager's Report

Geoff Merker provided a written report before the meeting for Board review.

B. Delinquency Report

Gary Nicholds distributed the written Delinquency Report. The total delinquent balance was about \$27,000. Paul Hage noted that the third owner on the list had passed away. The collection process is ongoing.

Giovanna Voge said the new attorneys were willing to pursue collection of the old delinquent accounts that are currently with the other attorneys.

VI. TREASURER'S REPORT

A. 2014 Year-to-Date Report as of April 30, 2014

1. Total Income - \$565,283 actual vs. \$564,269 budget (0.2% over budget).
2. Total Expenses - \$509,178 actual vs. \$516,672 budget (1.5% under budget).

Including the Balance Sheet Budgeted Items, expenses were \$553,551 actual vs. \$561,109 budget (1.3% under budget).

3. Net Income – \$11,732 actual net income versus \$3,178 budget.

Year-to-date Reserve income was \$97,510 with \$47,505 in expenses, resulting in net income of \$50,005. There is about \$29,000 remaining in the Loan Fund.

Cathy Brosius made a motion to approve the Financial Report. Sylvia Dowty seconded and the motion carried.

Paul Hage said that two of the CDAR's had been rolled over last month.

Paul reviewed two other issues:

1. Deck Floor Replacement - There is \$18,000 included in the budget. Many of the deck surfaces are worn and uneven. The lowest bid was about \$25,500 but there are some other funds in the budget that could be appropriated for Buildings D, C, E and G.
2. Sewer Clean Outs – There are funds budgeted to address some of the sewer clean outs. There were recent problems with Buildings H and I. Additional clean outs were installed at a cost of \$7,055. The expense can be charged against the amount budgeted for sewer clean outs or to Contingency. The Board agreed the expense should be charged to Contingency.

VII. BUILDINGS, GROUNDS AND LANDSCAPING COMMITTEE

Geoff Merker has aerated the lawns and will mow this week. Geoff will also add mulch to all the planters.

VIII. ARCHITECTURAL REVIEW COMMITTEE

Cathy Brosius did not have anything to report.

IX. OLD BUSINESS

- A. *Review Security Inspection Book, Hallway Cleaning Schedule Book, Boiler Inspection Book, Public Comments*
Glenn Johnson checked the books and all were in order.
- B. *Bids for Painting Building*
The contractor has been selected and the cost for the painting will be about \$38,000. The work is scheduled to start June 23rd.
- C. *Bids for Carpet Replacement in Clubhouse*
The carpet in the Clubhouse lounge has been replaced.
- D. *Water and Sewer Bill from Dillon Valley District*
Paul Hage reported that the budget included a 3% increase but the first bill was substantially more than budgeted. Paul provided an explanation of how the new

budget was developed. Based on the assumptions, the water cost will be approximately \$35,000 - \$40,000 higher than last year. There would be opportunities for the Association to lower the cost by reducing consumption, but the Association is still likely to pay due to the change in billing methodology. The cost has almost doubled at this point and there could be another 20% increase by the end of the year. The meters are ready electronically daily. Paul will be reviewing the usage on a monthly basis.

Richard Garcia read a letter from Bob Price (copy attached). Bob suggested appointment of a Water Conservation Committee to present a detailed plan to address the water cost issue. Bob volunteered to serve on the Committee. He provided a draft of a letter that can be distributed to each unit under the door and emailed to all owners (copy attached).

Richard Garcia established a Water Conservation Committee and appointed Bob Price, Mike Kurth, Richard Garcia and Carl Henry. Cathy Brosius, Sylvia Dowty and Glenn Johnson will serve as advisors. Any other interested owners will be invited to participate. Rich will ask Bob if he is willing to chair the Committee.

X. NEW BUSINESS

A. Association Training

Paul Hage attended a training session in Frisco.

There is a new licensing requirement for all management staff that will be effective July 15, 2014.

The last formal Reserve Study was done in 2003. Several years ago the Study was revised. Some items were moved to Operating and a spreadsheet that goes out 20 years was created. It is updated annually in conjunction with the budgeting process. The costs include an escalation of 3%.

Gary Nicholds estimated that a new Reserve Study could cost as much as \$10,000. There is a state requirement to have a Study but it does not have to be done professionally.

B. Wildernest HOA Boot Camp

The next Boot Camp will be held on July 26, 2014. Attendance is free and lunch is provided.

C. New Collection Attorney

When a mortgage company forecloses on a unit, the Association receives six months of past dues but the foreclosed owner usually still has a debt to the Association. The current collection attorneys are working on six past due accounts but they have not been very aggressive in their efforts. Giovanna Voge approached another firm. They are willing to take over the old past due accounts and pursue collections through

receiverships and lawsuits. The total balance outstanding is about \$79,000. The attorneys will bill the previous owners for the work. The Board authorized using the new attorneys for the past due accounts and directed Giovanna to use them for any new delinquencies as well.

XI. SET NEXT MEETING DATE

The next Board Meeting will be June 18, 2014 at 7:00 p.m. in the Dillon Valley East Clubhouse.

XII. ADJOURNMENT

Paul Hage made a motion to adjourn at 8:00 p.m. Glenn Johnson seconded and the motion carried.

Approved By: _____ Date: _____
Board Member Signature

**Dillon Valley East
Financial Summary
As of April 30, 2014**

Summary Balance Sheet				
	Operating	Reserve	Loan	Total
Cash Accounts	426,890.42	848,846.81	29,598.16	1,305,335.39
Other Current Assets	64,348.14	0.00	0.00	64,348.14
Fixed Assets (net of depreciation)	56,365.47			56,365.47
Total Assets	547,604.03	848,846.81	29,598.16	1,426,049.00
Current Liabilities	87,537.74	0.00	0.00	87,537.74
Long Term Liabilities	(151,457.79)	0.00	1,482,728.00	1,331,270.21
Donated Capital	2.00			2.00
Retained Earnings	555,417.44	798,841.58	(1,453,129.84)	(98,870.82)
YTD Net Income	56,104.64	50,005.23	0.00	106,109.87
Total Liabilities & Equity	547,604.03	848,846.81	29,598.16	1,426,049.00
Operating Fund P&L				
	Actual	Budget	Difference	
April Total Income	140,912.89	140,417.32	495.57	
April Total Expense	119,035.14	126,369.00	(7,333.86)	
April Net Income	21,877.75	14,048.32	7,829.43	
Balance Sheet Budgeted Items	11,176.17	11,188.70	(12.53)	
	10,701.58	2,859.62	7,841.96	
YTD Total Income	565,283.11	564,269.28	1,013.83	0.2%
YTD Total Expenses	509,178.47	516,672.00	(7,493.53)	-1.5%
YTD Net Income	56,104.64	47,597.28	8,507.36	
Balance Sheet Budgeted Items	44,372.27	44,418.80	(46.53)	
	11,732.37	3,178.48	8,553.89	

Major variances YTD:

- Washer/Dryer Income is \$1526 above projection.
- Loader expenses are \$392 over budget and Truck/ATV expenses are \$117 under budget.
- Bad Debt expense is \$5698 under budget.
- Basic Maint. is \$3848 under, Boilers \$3967 under, Damage Claims \$2969 under and Pest Control \$1264 under.
- Extra trash items is \$400 over budget.
- Gas is \$3450 over budget. Electric is \$1325 under. Cable TV is \$1367 under.
- Director's Expense is \$899 over. (Budget spread equally but paid staff bonuses early in yr.
- Water/Sewer is \$9813 over. 1st bill with water meters will be discussed with provider.

Reserve Fund P&L

Actual

April Total Income	24,376.58
April Total Expense	<u>1,623.25</u>
April Net Income	<u><u>22,753.33</u></u>

YTD Total Income	97,510.34
YTD Total Expenses	<u>47,505.11</u>
YTD Net Income	<u><u>50,005.23</u></u>

LOAN Fund P&L

Actual

April Total Income	0.00
April Total Expense	<u>0.00</u>
April Net Income	<u><u>0.00</u></u>

YTD Total Income	0.00
YTD Total Expenses	<u>0.00</u>
YTD Net Income	<u><u>0.00</u></u>

Dillon Valley East Condominium Association

Dillon, Colorado

Subject: Water – Use It Wisely

Early last year, the Dillon Valley District Board advised our Association that within about a one (1) year window, water costs would be based on actual metered readings rather than on the fixed rate schedule being utilized. At that time, the DVE Board of Managers (BOM) initiated communication with that agency to gauge the potential impact to our Association's budget and the information received was used to establish our 2014 Operating Budget.

Over the last half of 2013, water meters were installed on each building in Dillon Valley East as well as Dillon Valley West and other housing in the valley. Those meters were monitored for a period of time to ensure accurate readings. Effective April 2014, the actual readings are being used to calculate our water bill.

The DVE Board of Managers had anticipated this implementation and based the "water" line item in the 2014 Operating Budget on estimated rates provided during last year's discussions with Dillon Valley District Board representatives.

The issue which your BOM is now facing is that the estimated rates provided were not even close to the actual rates the District Board implemented! These rates are now estimated to cost our Association a 2014 unplanned expenditure of over \$40,000!

The purpose of this homeowner communication is two-fold: 1) request that each of our resident's *immediately* make every effort to conserve water usage; 2) advise all homeowners that your BOM has a priority to develop a plan to mitigate as much as possible of this \$40,000 estimated annual water cost as we move forward.

CALL TO ACTION: To avoid the most painful option in offsetting this additional cost, raising dues, the BOM respectfully requests that each unit decrease water usage in your daily routine at DVE. Such actions can be checking and replacing any leaking faucets; not letting water run as you shave or brush teeth; not washing dishes individually and only running the dishwasher when full; modify shower habits by not staying in for extended periods; if your unit has a washer, be sure to adjust the water level based on the load (don't wash small loads and fill the washer as if it were a full load); if you notice any lawn irrigation heads around your unit that appear to not be working properly, report it to the Clubhouse.

Additionally the BOM is looking at programs that could provide incentives to owners to replace toilets with water-savings models, and/or installing water-restrictors on showers.

We can meet this fiscal challenge if we each contribute and do our part everyday.....otherwise, it's comes down to increasing monthly dues and that is not what the BOM desires to do.

THANK YOU ALL FOR YOUR SUPPORT!!

**DILLON VALLEY EAST CONDOMINIUM ASSOCIATION
BOARD OF MANAGERS MEETING
June 18, 2014**

I. CALL TO ORDER

The meeting was called to order at 7:03 p.m. by Richard Garcia in the Dillon Valley East Clubhouse.

Board members present were Richard Garcia, Cathy Brosius, Mike Kurth, Sylvia Dowty and Paul Hage.

Owner Carl Henry (U202) was present.

Representing Basic Property Management were Gary Nicholds, Eric Nicholds, Giovanna Voge and Geoff Merker. Erika Krainz of Summit Management Resources transcribed the minutes from recording.

II. APPROVAL OF PREVIOUS MEETING MINUTES

Paul Hage made a motion to approve the May 21, 2014 Board Meeting minutes as presented. Sylvia Dowty seconded and the motion carried.

III. QUESTIONS AND COMMENTS FROM THE FLOOR/COMMENT BOX

There were no owner comments.

IV. FINES AND HEARINGS

There were not any owners present regarding fines.

V. MANAGER'S REPORT

A. Manager's Report

Geoff Merker provided a written report before the meeting for Board review.

B. Delinquency Report

Gary Nicholds distributed the written Delinquency Report. The total delinquent balance was \$28,693. The attorney is pursuing the estate of the first delinquency on the list.

VI. TREASURER'S REPORT

A. 2014 Year-to-Date Report as of May 31, 2014

1. Total Income - \$705,130 actual vs. \$704,687 budget (0.1% over budget).
2. Total Expenses - \$637,124 actual vs. \$643,165 budget (0.9% under budget). Including the Balance Sheet Budgeted Items, expenses were \$692,910 actual vs. \$698,828 budget (0.8% under budget).
3. Net Income – \$12,220 actual net income versus \$5,858 budget.

Year-to-date Reserve income was \$121,887 with \$63,921 in expenses, resulting in net income of \$57,966. There is about \$29,000 remaining in the Loan Fund.

Paul reviewed two other issues:

1. Deck Floor Replacement - Deck repairs and maintenance are budgeted for a total of \$28,000. Geoff Merker anticipated that the project would come in under budget.
2. Sewer Clean Outs –There were recent problems with Buildings H and I. Additional clean outs were installed at a cost of \$7,055. The expense was booked to Contingency.

Mike Kurth made a motion to approve the Financial Report. Cathy Brosius seconded and the motion carried.

VII. BUILDINGS, GROUNDS AND LANDSCAPING COMMITTEE

Glenn Johnson was not present to provide a report.

VIII. ARCHITECTURAL REVIEW COMMITTEE

Cathy Brosius said there had been several owners who expressed interest in building fences. There is some concern about availability of the Trex materials.

IX. OLD BUSINESS

- A. *Review Security Inspection Book, Hallway Cleaning Schedule Book, Boiler Inspection Book, Public Comments*

Glenn Johnson was not present to provide a report.

- B. *Deck Repairs*

Geoff Merker reported that the repairs had been completed on Buildings B and C, and Building D is close to completion. Buildings E and G remain to be done. The contractor is slightly behind schedule. He will be meeting with the contractor tomorrow and he anticipates all work should be completed by one week from Monday.

- C. *Water and Sewer Bill Committee*

Geoff Merker, Gary Nicholds and Eric Nicholds met last week to brainstorm some ideas. They will provide the information to Bob Price. Richard Garcia requested creation of a handout that can be provided to owners. Cathy Brosius suggested getting some layout ideas from leaflets distributed by water departments in the Front Range.

- D. *Sewer Cleanouts*

Geoff Merker said additional cleanouts were installed in Buildings H and I. Snowbridge will be back on site this week to complete the last few items. The new cleanouts will allow for relining of the remaining section without further excavation.

- E. *Reserve Study*
Discussion on this topic was tabled.

X. NEW BUSINESS

- A. *In Unit Heating Valves*
Geoff Merker said there had been a number of zone and shut off valve leaks. Owners should be made aware that the in house staff can inspect their plumbing at no cost.

- B. *Lawnmower Replacement*
There are two mowers. One is from 1994 and it is leaking oil and needs to be replaced. Geoff Merker tested several new mowers last week and selected a commercial Laser Z mower with a 60” deck from X Mark. A demo model with 34 hours of use would cost \$11,600 and the new model would be \$14,000. There is \$14,000 budgeted in Reserves. The old Toro mower can probably be sold for \$1,000 – 1,500.

Cathy Brosius made a motion to approve the purchase of the demo Laser Z mower for \$11,600 plus tax as discussed. Sylvia Dowty seconded and the motion carried.

XI. SET NEXT MEETING DATE

The next Board Meeting will be July 16, 2014 at 7:00 p.m. in the Dillon Valley East Clubhouse.

XII. ADJOURNMENT

Richard Garcia made a motion to adjourn at 7:25 p.m.

Approved By: _____ Date: _____
Board Member Signature

**Dillon Valley East
Financial Summary
As of May 31, 2014**

Summary Balance Sheet				
	Operating	Reserve	Loan	Total
Cash Accounts	472,634.95	856,807.45	29,598.16	1,359,040.56
Other Current Assets	54,632.35	0.00	0.00	54,632.35
Fixed Assets (net of depreciation)	56,365.47			56,365.47
Total Assets	583,632.77	856,807.45	29,598.16	1,470,038.38
Current Liabilities	122,594.65	0.00	0.00	122,594.65
Long Term Liabilities	(162,386.78)	0.00	1,482,728.00	1,320,341.22
Donated Capital	2.00			2.00
Retained Earnings	555,417.44	798,841.58	(1,453,129.84)	(98,870.82)
YTD Net Income	68,005.46	57,965.87	0.00	125,971.33
Total Liabilities & Equity	583,632.77	856,807.45	29,598.16	1,470,038.38
Operating Fund P&L				
	Actual	Budget	Difference	
May Total Income	139,846.80	140,417.32	(570.52)	
May Total Expense	123,285.98	126,493.00	(3,207.02)	
May Net Income	16,560.82	13,924.32	2,636.50	
Balance Sheet Budgeted Items	11,412.99	11,244.70	168.29	
	5,147.83	2,679.62	2,468.21	
<i>May Total Expense including BS</i>	<i>134,698.97</i>	<i>137,737.70</i>	<i>(3,038.73)</i>	-2.2%
YTD Total Income	705,129.91	704,686.60	443.31	0.1%
YTD Total Expenses	637,124.45	643,165.00	(6,040.55)	-0.9%
YTD Net Income	68,005.46	61,521.60	6,483.86	
Balance Sheet Budgeted Items	55,785.26	55,663.50	121.76	
	12,220.20	5,858.10	6,362.10	
<i>YTD Total Expenses including BS</i>	<i>692,909.71</i>	<i>698,828.50</i>	<i>(5,918.79)</i>	-0.8%

Major variances YTD:

- Washer/Dryer Income is \$894 above projection.
- Loader expenses are \$392 over budget and Truck/ATV expenses are \$1044 under budget.
- Bad Debt expense is \$5231 under budget.
- Basic Maint. is \$5166 under, Boilers \$3720 under, Damage Claims \$3415 under and Pest Control \$1355 under.
- Total Club and Recreational expenses are \$680 under budget.
- Extra trash items is \$400 over budget.
- Summer Grounds Maint. is \$853 over budget.
- Gas is \$2002 over budget. Electric is \$907 under. Cable TV is \$1707 under.
- Director's Expense is \$368 over. (Budget spread equally but paid staff bonuses early in yr.
- Water/Sewer is \$15,273 over. Water District changed billing procedure.

Reserve Fund Profit and Loss

	Actual
May Total Income	24,376.84
May Total Expense	<u>16,416.20</u>
May Net Income	<u><u>7,960.64</u></u>
YTD Total Income	121,887.18
YTD Total Expenses	<u>63,921.31</u>
YTD Net Income	<u><u>57,965.87</u></u>

	LOAN Fund P&L
	Actual
May Total Income	0.00
May Total Expense	<u>0.00</u>
May Net Income	<u><u>0.00</u></u>
YTD Total Income	0.00
YTD Total Expenses	<u>0.00</u>
YTD Net Income	<u><u>0.00</u></u>

Notes from the Prez.

Greetings

Pet Owners – Thank you for being careful to pick up after your pets. I often see dogs walking their owner's and the owner has a bag to pick up "stuff". And Thank you for using leashes on your pet for their safety and safety of others.

Brown Grass – Notice more brown grass than before? It's because we have cut back on watering the grass drastically. Geoff Merker, our on-site property manager, has been installing rain sensors to control watering of lawns. This will prevent us from watering during a rainy day. We are also giving the grass just enough water to survive. Read the next topic to understand why we are cutting back on watering the grass.

Water Meters – Each building now has a main water meter and we are now billed for the water we use. Previously, we were charged a flat bulk rate for water since year 1973 based on estimated usage. The bulk rate increased every so often and based on usage. There was no rule or reason to go by other than to accept a rate increase by the Dillon Valley District (www.dillonvalleydistrict.com). We were free to enjoy long showers and have green grass because we paid a flat fee for water. Dillon Valley East is now being charge for the amount of water we use. Your Board of Managers and Basic Property were angered this spring when our billing drastically increased and we met with the Dillon Valley District. We discovered our previous rate was far below any rate that was charged to the average house hold and business. Our billing rate is now on par with the average which means our billing has increased.

We are now very aware of water usage and the cost to keep our grass green. Thus our grass is no longer bright green. We ask that everyone become aware of the amount of water they use in their condominiums and cut down on those refreshing showers where you turn up the volume to full.

We are looking into a one-time free inspection of toilets to suggest corrections for leaks or replacement. I will get back to you with that idea. We cannot force people to reduce water usage. We can only ask. But then our monthly dues may have to be increased starting January 2015 if we cannot control our water usage. We cannot install water meters for individual condominium units because the complex was not designed for water meter installation. Our water pipes feeding each building run through the ceiling of the bottom floor and branch out at several locations for bathrooms and kitchens.

We welcome all solutions for water conservation. The Dillon Valley District (www.dillonvalleydistrict.com) has very good information on water conservation and how we are billed.

Parking Permits – Have you gotten your new parking permit? If not, contact the clubhouse at 970-468-1371 and arrange to pick up your parking permits or have them sent to you. Please remember, only two vehicles are allowed per condominium unit. All others should be parked at the clubhouse.

Heating Valves – Our condominiums are heated by a mixture of hot water and glycol. The glycol is an antifreeze and not the same as that used in a car. The heat in our units is controlled by a thermostat on a wall and an electric valve (zone valve) on the inlet to the living area. In time, the valves wear out and need replacement. The replacement is the responsibility of the condominium owner. We are experiencing multiple valve failures and would like to extend an invitation for a free inspection to determine if the valve is working. You may call the clubhouse at 970-468-1371 and arrange for a free inspection of your zone valve. I just received word that our property management will also inspect all plumbing (toilets, bath and kitchen areas) and suggest corrections. We will not perform maintenance other than tighten a loose fitting.

Annual Meeting – Our Annual Meeting will be on September 20, 2014 at the Dillon Valley East Clubhouse at 10:00 AM. The terms of Richard Garcia, Bob Price, and Paul Hage will expire. If you wish to nominate someone or yourself for the Board of Managers, please do so by July 20th. After July 20th only members of the nominating committee may make nominations. The days of long board meetings is history and we have pretty much smoothed out meetings to where few surprises arise. Members of the nominating committee will be announced at our July board meeting.

Sincerely,
Richard Garcia
President
Dillon Valley East Condominium Association

DILLON VALLEY EAST CONDOMINIUM ASSOCIATION
BOARD OF MANAGERS MEETING
July 16, 2014

I. CALL TO ORDER

The meeting was called to order at 7:00 p.m. by Richard Garcia in the Dillon Valley East Clubhouse.

Board members present were Richard Garcia, Cathy Brosius, Mike Kurth, Bob Price, Sylvia Dowty and Glenn Johnson.

Owners Carl Henry (U202) and Lee Vroble (X302) were present.

Representing Basic Property Management were Gary Nicholds, Eric Nicholds, Margarita Sherman and Geoff Merker. Erika Krainz of Summit Management Resources was recording secretary.

II. APPROVAL OF PREVIOUS MEETING MINUTES

Sylvia Dowty made a motion to approve the June 18, 2014 Board Meeting minutes as presented. Cathy Brosius seconded and the motion carried.

III. QUESTIONS AND COMMENTS FROM THE FLOOR/COMMENT BOX

Carl Henry asked if the Water Committee was scheduled to meet. Richard Garcia said the meeting was postponed because it was determined that the rates were correct and usage was within the normal range. Owners will be reminded to be careful with water usage. Carl suggested reducing the water pressure. Geoff Merker said he would look into adjusting the inflow at the boiler room. In regards to water conservation, three of the irrigation systems have rain sensors and Geoff is turning off the other boxes whenever possible. He will get some readings for July to date and compare the usage to last year. Geoff is working on some communication about water usage that he will post on the unit doors

Carl said he had seen people with two or three dogs. Geoff said he was aware of some issues and he is issuing fines.

Lee Vroble asked if Board had done an annual property tour. He thought there had been an increase in the number of items hanging from and on the balconies on the ground floors. Geoff will follow up. Cathy Brosius requested a hallway inspection for fire safety.

IV. FINES AND HEARINGS

Geoff Merker said the owner of Unit J107 was fined \$50 because her tenant has a dog and there have been several complaints.

V. MANAGER'S REPORT

A. Manager's Report

Geoff Merker provided a written report before the meeting for Board review.

B. Delinquency Report

Gary Nicholds distributed the written Delinquency Report. The total delinquent balance was \$28,153.

VI. TREASURER'S REPORT

A. 2014 Year-to-Date Report as of June 30, 2014

1. Total Income - \$846,302 actual vs. \$845,104 budget (0.1% over budget).
2. Total Expenses - \$755,447 actual vs. \$769,922 budget (1.9% under budget). Including the Balance Sheet Budgeted Items, expenses were \$822,520 actual vs. \$836,886 budget (1.7% under budget).
3. Net Income – \$90,854 actual net income versus \$75,182 budget.
4. Net Income after Balance Sheet Budgeted items - \$23,782 actual vs. \$8,218 budget.

Margarita Sherman commented that the second quarter water bill was under budget, which reduced the year-to-date unfavorable variance. The expenses for the siding, painting and new mower all came in under budget.

Year-to-date Reserve income was \$146,262 with \$137,582 in expenses, resulting in net income of \$8,680.

Bob Price made a motion to approve the Financial Report. Sylvia Dowty seconded and the motion carried.

VII. BUILDINGS, GROUNDS AND LANDSCAPING COMMITTEE

Glenn Johnson reported that the trees at the ends of the buildings were all remulched and they look very good. The front of the Clubhouse also looks nice.

VIII. ARCHITECTURAL REVIEW COMMITTEE

Cathy Brosius said Trex had changed the deck material. She has requested a sample of the new material.

IX. OLD BUSINESS

A. Review Security Inspection Book, Hallway Cleaning Schedule Book, Boiler Inspection Book, Public Comments

Glenn Johnson said he had not had a chance to review the books.

B. Deck Repairs

Geoff Merker reported that the deck repairs and painting had been completed.

C. *Water and Sewer Bill Committee*

The Committee did not meet.

D. *Lawn Mower Replacement*

Geoff Merker said he replaced the older Toro lawnmower with an X-Mark. The cost was \$11,900 and the budget was \$14,000. He will sell the old mower.

E. *In-Unit Heating Valves*

Geoff Merker will put a note on all unit doors informing the residents that they can request a free inspection of their zone valves and plumbing before winter.

X. NEW BUSINESS

A. *Annual Meeting*

The Annual Meeting will be Saturday, September 20, 2014 at 10:00 a.m. in the Dillon Valley East Clubhouse. Self-nominations will be accepted until July 20, 2014. After that date only the Nominating Committee will be able to make nominations. All nominations will be closed on August 20, 2014. Mike Kurth was appointed Chair of the Nominating Committee and Sylvia Dowty was appointed to serve on the Committee. The terms of Paul Hage, Richard Garcia and Bob Price expire this year and all of them will be running for reelection.

XI. SET NEXT MEETING DATE

The next Board Meeting will be August 20, 2014 at 7:00 p.m. in the Dillon Valley East Clubhouse.

XII. ADJOURNMENT

Richard Garcia made a motion to adjourn at 7:25 p.m.

Approved By: _____ Date: _____
Board Member Signature

**Dillon Valley East
Financial Summary
As of June 30, 2014**

Summary Balance Sheet				
	Operating	Reserve	Loan	Total
Cash Accounts	580,605.74	807,521.20	29,598.16	1,417,725.10
Other Current Assets	45,873.97	0.00	0.00	45,873.97
Fixed Assets (net of depreciation)	56,365.47			56,365.47
Total Assets	682,845.18	807,521.20	29,598.16	1,519,964.54
Current Liabilities	208,369.42	0.00	0.00	208,369.42
Long Term Liabilities	(171,798.06)	0.00	1,482,728.00	1,310,929.94
Donated Capital	2.00			2.00
Retained Earnings	555,417.44	798,841.58	(1,453,129.84)	(98,870.82)
YTD Net Income	90,854.38	8,679.62	0.00	99,534.00
Total Liabilities & Equity	682,845.18	807,521.20	29,598.16	1,519,964.54
Operating Fund P&L				
	Actual	Budget	Difference	
June Total Income	141,220.39	140,417.32	803.07	
June Total Expense	118,322.98	126,757.00	(8,434.02)	
June Net Income	22,897.41	13,660.32	9,237.09	
Balance Sheet Budgeted Items	11,287.28	11,300.70	(13.42)	
	11,610.13	2,359.62	9,250.51	
<i>June Total Expense including BS</i>	<i>129,610.26</i>	<i>138,057.70</i>	<i>(8,447.44)</i>	-6.1%
YTD Total Income	846,301.81	845,103.92	1,197.89	0.1%
YTD Total Expenses	755,447.43	769,922.00	(14,474.57)	-1.9%
YTD Net Income	90,854.38	75,181.92	15,672.46	
Balance Sheet Budgeted Items	67,072.54	66,964.20	108.34	
	23,781.84	8,217.72	15,564.12	
<i>YTD Total Expenses including BS</i>	<i>822,519.97</i>	<i>836,886.20</i>	<i>(14,366.23)</i>	-1.7%

Reserve Fund P&L	
	Actual
June Total Income	24,374.62
June Total Expense	<u>73,660.87</u>
June Net Income	<u><u>(49,286.25)</u></u>
YTD Total Income	146,261.80
YTD Total Expenses	<u>137,582.18</u>
YTD Net Income	<u><u>8,679.62</u></u>
LOAN Fund P&L	
	Actual
June Total Income	0.00
June Total Expense	<u>0.00</u>
June Net Income	<u><u>0.00</u></u>
YTD Total Income	0.00
YTD Total Expenses	<u>0.00</u>
YTD Net Income	<u><u>0.00</u></u>

Notes from the Pres.

Greetings

Our Annual Meeting will be on September 20, 10:00 AM, in the clubhouse. Lunch to follow. Then a Board meeting around 1 PM. If you would like to become active on the Board, there are 3 members that are up for reelection. The members are Bob Price, Paul Hage, and Richard Garcia. To get yourself nominated, please contact Sylvia Dowty at 970-418-8146 or Mike Kurth at 970-668-4776. Nominations will not be accepted from the floor.

Water

Please use water wisely. We are no longer billed at a bulk rate and now must pay for the water we use and waste. Since 1973, Dillon Valley East has been billed at a bulk rate based on guesses on consumption. Fortunately for us, we have paid less than the average user. We are monitoring water usage and this time we may not have to increase our monthly dues. But may change when winter arrives and there are guests in now empty units.

Free Plumbing Inspection

To help control water waste, our property manager is offering free plumbing inspections of water connection, valves, and heater controls. Plumbing and heating repairs will not be made. That is your responsibility. Call the clubhouse office at 970-468-1371 for an appointment or grant permission to enter your unit for a plumbing inspection. If you rent/lease your unit, please coordinate with your tenant.

Parking

Most residents in first floor units are parking their vehicles in their assigned spaces. There are a few that continue to park on the west side of their building. We are gaining ground with these few and are issuing warnings and fines.

Children in Parking Lots

Parents – Please watch your children and stress to them that playing on or near a parking lot is very dangerous.

Sincerely,
Richard Garcia
President
Dillon Valley East Condominium Association

**DILLON VALLEY EAST CONDOMINIUM ASSOCIATION
BOARD OF MANAGERS MEETING**

August 20, 2014

I. CALL TO ORDER

The meeting was called to order at 6:59 p.m. by Richard Garcia in the Dillon Valley East Clubhouse.

Board members present were Richard Garcia, Paul Hage, Sylvia Dowty, Cathy Brosius, Mike Kurth, Bob Price and Glenn Johnson.

Owners Lee Vroble (X302), Laura Johns (purchasing R106) and Debra Johnson and Denise Baker (S103/104) were present.

Representing Basic Property Management were Gary Nicholds, Eric Nicholds, Margarita Sherman and Geoff Merker. Erika Krainz of Summit Management Resources was recording secretary.

II. APPROVAL OF PREVIOUS MEETING MINUTES

Cathy Brosius made a motion to approve the July 16, 2014 Board Meeting minutes as presented. Glenn Johnson seconded and the motion carried.

III. QUESTIONS AND COMMENTS FROM THE FLOOR/COMMENT BOX

Lee Vroble said the property description of the units at the County Assessor's office still includes wood shake shingles. Gary Nicholds said the insurance company was aware that the roof was asphalt shingle. Gary Nicholds will ask the Assessor's office to make the appropriate changes.

Laura Johns asked for an update on the water billings and irrigation. Geoff Merker said he recently received the results for usage in July. The property used 1.7 million gallons of water versus 2.7 million gallons last year during the same period. The turf areas are being watered three times weekly. The Board will be discussing ways to reduce the amount of sod around the property. Paul Hage said Geoff was experimenting with watering to determine how much is needed to prevent the grass from completely drying out. Lee Vroble commented that some of the irrigation heads were not working properly by the X Building parking lot. Geoff will follow up.

Debra Johnson asked the Board to reconsider how the dues are being allocated for the combined S103/104 unit since the unit has been resubdivided as one official unit. She provided data on the dues for comparable sized units at other properties. Paul Hage said he did not think the process that was followed for resubdividing was in compliance with the Declarations. Debra said she would be willing to go through whatever process is required to make it legal. Cathy Brosius said changing the dues allocation would entail an amendment to the Declarations, which would require an affirmative vote of 60% of all the owners and

mortgage owners. Richard Garcia said the Board would consult with the Association attorney about this matter.

IV. FINES AND HEARINGS

Geoff Merker said he issued a fine to the owner of J107. The renter has a dog and there have been numerous complaints. Richard Garcia read the complaint, which noted that the dog has been running loose and the tenant does not pick up after it. Richard said he had left a message for the owner but she has not called back.

Richard Garcia recommended an immediate \$50 fine. The other Board members agreed. He and Geoff Merker will continue to try to contact the owner.

Richard Garcia said pet enforcement needed to be consistent. Bob Price recommended reinstating the requirement for owner registration of pets and a sticker outside the unit to identify registered owners.

V. MANAGER'S REPORT

A. Manager's Report

Geoff Merker provided a written report before the meeting for Board review. Questions were raised about the following items:

1. The hot tub cover was replaced. It was last replaced in 2011 or 2012.
2. Comcast has indicated that there will be a charge to the Association for repairing the exterior wiring. Bob Price asked Geoff Merker to review the contract.

B. Delinquency Report

Gary Nicholds distributed the written Delinquency Report. He has signed an agreement with the new collection attorneys. He will have them review the situation for the first unit on the list. Paul Hage was not in favor of postponing the Sheriff's sale.

VI. TREASURER'S REPORT

A. 2014 Year-to-Date Report as of July 31, 2014

1. Total Income - \$986,279 actual vs. \$985,521 budget (0.1% over budget).
2. Total Expenses - \$872,503 actual vs. \$893,472 budget (2.3% under budget). Including the Balance Sheet Budgeted Items, expenses were \$950,740 actual vs. \$971,794 budget (2.2% under budget).
3. Net Income – \$35,539 actual net income versus \$13,727 budget.

Year-to-date Reserve income was \$170,638 with \$144,233 in expenses, resulting in net income of \$26,405. Paul Hage noted there were a number of projects completed:

1. Siding – \$8,900 actual versus \$25,000 budget.
2. Contingency - \$14,700 actual versus \$30,000 budget for trusses and sewer repairs.

3. Decks - \$25,500 actual versus \$28,000 budget.
4. Mower – \$11,900 actual versus \$14,000 budget.
5. Painting – \$38,200 actual versus \$45,000 budget.
6. Pool Liner - \$32,000.

Projects remaining to be done include the patio slabs, parking lot, sewer cleanouts, repair to the French drain at I Building and carpeting.

Bob Price made a motion to approve the Financial Report. Sylvia Dowty seconded and the motion carried.

VII. BUILDINGS, GROUNDS AND LANDSCAPING COMMITTEE

The Clubhouse work is basically finished. There is still some cleaning and repairs to be done for the pool deck surface. Geoff Merker will look into the warranty. He did some work on the tennis courts but the cracks reappeared. The bushes have been trimmed at the parking lot entrances to improve visibility.

VIII. ARCHITECTURAL REVIEW COMMITTEE

Cathy Brosius said the new material from Trex is compatible with the existing. It is a slightly different color on the inside but the outside is the same.

IX. OLD BUSINESS

- A. *Review Security Inspection Book, Hallway Cleaning Schedule Book, Boiler Inspection Book, Public Comments*
Glenn Johnson said he would check the books after the meeting.
- B. *Deck Repairs*
Geoff Merker reported that the deck repairs had been completed.
- C. *Manager's Unit*
Geoff Merker said the budget included \$6,000 for new flooring for the Manager's unit. He received a bid of \$5,800 for new carpet for the bedrooms and new laminate flooring for the hallway. The Board authorized Geoff to proceed with the project.

X. NEW BUSINESS

- A. *Annual Meeting*
The Annual Meeting will be Saturday, September 20, 2014 at 10:00 a.m. in the Dillon Valley East Clubhouse. The terms of Paul Hage, Richard Garcia and Bob Price expire this year and all of them will be running for reelection. No other owners self-nominated.

Richard Garcia said agenda topics would include water usage, unit density and a real estate report by Sylvia Dowty

B. General Property Observations

Cathy Brosius made the following comments:

1. A number of units are missing screens or have damaged window coverings. She can provide the name of a vendor who can replace screens.
2. There are a number of vehicles without parking passes.
3. There are a number of bulbs out at the front doors.

Paul Hage suggested the Board tour the property to identify issues. Richard Garcia will send an email to all Board members with a proposed date.

XI. SET NEXT MEETING DATE

The next Board Meeting will be September 20, 2014 in the Dillon Valley East Clubhouse following the Annual Meeting.

XII. ADJOURNMENT

Bob Price made a motion to adjourn at 8:05 p.m. Sylvia Dowty seconded and the motion carried.

Approved By: _____ Date: _____
Board Member Signature

**Dillon Valley East
Financial Summary
As of Aug 31, 2014**

Summary Balance Sheet				
	Operating	Reserve	Loan	Total
Cash Accounts	536,472.56	839,521.71	29,598.16	1,405,592.43
Other Current Assets	31,359.73	0.00	0.00	31,359.73
Fixed Assets (net of depreciation)	56,365.47			56,365.47
Total Assets	624,197.76	839,521.71	29,598.16	1,493,317.63
Current Liabilities	119,235.01	0.00	0.00	119,235.01
Long Term Liabilities	(191,663.42)	0.00	1,482,728.00	1,291,064.58
Donated Capital	2.00			2.00
Retained Earnings	555,417.44	798,841.58	(1,453,129.84)	(98,870.82)
YTD Net Income	141,206.73	40,680.13	0.00	181,886.86
Total Liabilities & Equity	624,197.76	839,521.71	29,598.16	1,493,317.63
Operating Fund P&L				
	Actual	Budget	Difference	
Aug Total Income	140,876.39	140,417.32	459.07	
Aug Total Expense	113,445.62	123,194.00	(9,748.38)	
Aug Net Income	27,430.77	17,223.32	10,207.45	
Balance Sheet Budgeted Items	11,398.65	11,413.70	(15.05)	
	16,032.12	5,809.62	10,222.50	
<i>July Total Expense including BS</i>	<i>124,844.27</i>	<i>134,607.70</i>	<i>(9,763.43)</i>	-7.3%
YTD Total Income	1,127,155.25	1,125,938.56	1,216.69	0.1%
YTD Total Expenses	985,948.52	1,016,666.00	(30,717.48)	-3.0%
YTD Net Income	141,206.73	109,272.56	31,934.17	
Balance Sheet Budgeted Items	89,635.90	89,735.60	(99.70)	
	51,570.83	19,536.96	32,033.87	
<i>YTD Total Expenses including BS</i>	<i>1,075,584.42</i>	<i>1,106,401.60</i>	<i>(30,817.18)</i>	-2.8%

Reserve Fund P&L	
Actual	
Aug Total Income	24,376.87
Aug Total Expense	<u>10,102.11</u>
Aug Net Income	<u><u>14,274.76</u></u>
YTD Total Income	195,015.04
YTD Total Expenses	<u>154,334.91</u>
YTD Net Income	<u><u>40,680.13</u></u>
<hr/>	
LOAN Fund P&L	
Actual	
Aug Total Income	0.00
Aug Total Expense	<u>0.00</u>
Aug Net Income	<u><u>0.00</u></u>
YTD Total Income	0.00
YTD Total Expenses	<u>0.00</u>
YTD Net Income	<u><u>0.00</u></u>

Notes from the President

Our Annual Meeting will be Saturday, September 20th at 10:00 AM. Attendees must sign in and must be current with their dues. If you are behind on dues, you may pay the balance at that time. Partial payment will not allow access to the meeting. Arrive early and enjoy a morning snack and beverage.

Our complex is looking good on the outside, but showing its' age on the inside. During the Annual meeting, I will address the internal building problems that we are continually facing and suggest what you can do to help curb the problems and keep your neighbors on friendly terms. Your involvement will also allow us to use our personnel in other areas of property maintenance.

Either I or Paul Hage will discuss our perceived water bill crisis. Water meters were installed in our complex two years ago and your Board of Managers were ready to fight the water bill increase only to find we, Dillon Valley East, were paying far less than the average household.

On Friday, September 19th, members of the Board and Basic Property Management will be walking the complex and taking notes on various items that need correcting. So if you have been ignoring a broken screen, have incorrect furniture on the patio, or other items that violate the Rules, you will probably receive a nice note asking you to correct the situation or have our property management take action and bill you for time and material and maybe a fine for not addressing the problem within a reasonable time.

Sincerely,

Richard Garcia
President
Dillon Valley East Condominium Association

**DILLON VALLEY EAST CONDOMINIUM ASSOCIATION
BOARD OF MANAGERS MEETING
September 20, 2014**

I. CALL TO ORDER

The meeting was called to order at 12:47 p.m. by Richard Garcia in the Dillon Valley East Clubhouse.

Board members present were Richard Garcia, Bob Price, Cathy Brosius, Paul Hage and Glenn Johnson.

Representing Basic Property Management were Gary Nicholds, Eric Nicholds, Geoff Merker and Margarita Sherman. Erika Krainz of Summit Management Resources was recording secretary.

II. APPROVAL OF PREVIOUS MEETING MINUTES

Bob Price made a motion to approve the August 20, 2014 Board Meeting minutes as presented. Paul Hage seconded and the motion carried.

III. QUESTIONS AND COMMENTS FROM THE FLOOR/COMMENT BOX

There were no questions or comments from the floor.

IV. FINES AND HEARINGS

Geoff Merker said he had issued one fine to an owner for the tenant having a dog. Geoff said he had learned the dog was very ill and may have already died. The Board agreed that once it has been confirmed that the dog is gone, the fine can be rescinded.

V. MANAGER'S REPORT

A. Manager's Report

Geoff Merker provided a written report before the meeting for Board review.

B. Delinquency Report

Gary Nicholds said the attorney was reviewing some of the old past due accounts.

VI. TREASURER'S REPORT

A. 2014 Year-to-Date Report as of August 31, 2014

1. Total Income - \$1,127,155 actual vs. \$1,125,939 budget (0.1% over budget).
2. Total Expenses - \$1,075,584 actual vs. \$1,106,402 budget (2.8% under budget).
3. Net Income – \$51,571

Year-to-date Reserve income was \$195,015 with \$154,335 in expenses, resulting in net income of \$40,680.

Bob Price made a motion to approve the Financial Report. Cathy Brosius seconded and the motion carried.

Paul Hage said he would be looking at moving some of the Reserve monies into CD's to ensure the account balances remain within the \$250,000 FDIC-insured limit. Margarita Sherman will obtain rate information for review at the next meeting.

VII. BUILDINGS, GROUNDS AND LANDSCAPING COMMITTEE

The Board discussed hiring Neils Lunceford to develop a comprehensive landscaping plan. Gary Nicholds said another property had a plan created and the cost was \$3,700 but it did not include pricing for the recommendations. Bob Price said he would want the plan to include an estimate of the potential savings in irrigation and maintenance labor before spending \$5,000. Cathy Brosius said Geoff should get advice for greening up the brown areas of the lawn and recommendations for reducing the amount of lawn. Geoff will follow up with Neils Lunceford.

VIII. ARCHITECTURAL REVIEW COMMITTEE

Cathy Brosius did not have a report.

IX. OLD BUSINESS

A. *Review Security Inspection Book, Hallway Cleaning Schedule Book, Boiler Inspection Book, Public Comments*

Glenn Johnson reviewed the books and all were in order.

B. *Request to Combine Two Two-Bedroom Units into One Four-Bedroom Unit*

Glenn Johnson recused himself from this discussion.

Richard Garcia said a request had been received to combine the two Johnson units into one. The attorney estimated a legal review of the governing documents would cost \$400 – 600. The Johnson's offered to pay half of the legal costs.

Bob Price and Richard Garcia both felt splitting the legal cost would be fair. Paul Hage said the condominium map and the Declarations would need to be changed, which is very cumbersome, and would require approval from 67% of the owners and 100% of the mortgage holders.

Gary Nicholds said he called the County and was told that the units are still taxed individually and each one is held in a different trust. Glenn said the County knows that the unit was combined because he had to have a survey done and get a building permit to remove the wall. Starting next year, the unit will be taxed as one unit.

There was general agreement that the Board did not support restructuring the dues.

Paul Hage made a motion to ask the attorney to research if it was legal to combine the two units for tax purposes, to review what was filed with the County and to determine if there needs to be a change to the plat and Declarations, with the Association agreeing to pay 50% of the total expense with the Association share not to exceed \$500. Cathy Brosius seconded and the motion carried.

Glenn Johnson was asked to provide whatever paperwork he provided to the County and anything he received in return.

X. NEW BUSINESS

A. Appointment of Officers

Bob Price made a motion to appoint Officers as follows:

Richard Garcia – President
Sylvia Dowty – Vice President
Paul Hage – Treasurer
Cathy Brosius – Secretary

Glenn Johnson seconded and the motion carried.

B. Management Contract

Richard Garcia appointed Cathy Brosius, Paul Hage and Bob Price to serve on a Committee to renegotiate the Management Contract, which expires at the end of the year. The Board agreed that it was not necessary to put the contract out to bid at this time.

Pending negotiations with Basic Property Management, the Board agreed to renew the Management Contract.

XI. SET NEXT MEETING DATE

The next Board Meeting will be October 15, 2014 at 7:00 p.m. in the Dillon Valley East Clubhouse.

XII. ADJOURNMENT

Bob Price made a motion to adjourn 1:32 p.m.

Approved By: _____ Date: _____

Board Member Signature

**Dillon Valley East
Financial Summary
As of Aug 31, 2014**

	Summary Balance Sheet			
	Operating	Reserve	Loan	Total
Cash Accounts	536,472.56	839,521.71	29,598.16	1,405,592.43
Other Current Assets	31,359.73	0.00	0.00	31,359.73
Fixed Assets (net of depreciation)	56,365.47			56,365.47
Total Assets	624,197.76	839,521.71	29,598.16	1,493,317.63
Current Liabilities	119,235.01	0.00	0.00	119,235.01
Long Term Liabilities	(191,663.42)	0.00	1,482,728.00	1,291,064.58
Donated Capital	2.00			2.00
Retained Earnings	555,417.44	798,841.58	(1,453,129.84)	(98,870.82)
YTD Net Income	141,206.73	40,680.13	0.00	181,886.86
Total Liabilities & Equity	624,197.76	839,521.71	29,598.16	1,493,317.63
	Operating Fund P&L			
	Actual	Budget	Difference	
Aug Total Income	140,876.39	140,417.32	459.07	
Aug Total Expense	113,445.62	123,194.00	(9,748.38)	
Aug Net Income	27,430.77	17,223.32	10,207.45	
Balance Sheet Budgeted Items	11,398.65	11,413.70	(15.05)	
	16,032.12	5,809.62	10,222.50	
<i>July Total Expense including BS</i>	<i>124,844.27</i>	<i>134,607.70</i>	<i>(9,763.43)</i>	-7.3%
YTD Total Income	1,127,155.25	1,125,938.56	1,216.69	0.1%
YTD Total Expenses	985,948.52	1,016,666.00	(30,717.48)	-3.0%
YTD Net Income	141,206.73	109,272.56	31,934.17	
Balance Sheet Budgeted Items	89,635.90	89,735.60	(99.70)	
	51,570.83	19,536.96	32,033.87	
<i>YTD Total Expenses including BS</i>	<i>1,075,584.42</i>	<i>1,106,401.60</i>	<i>(30,817.18)</i>	-2.8%

Major variances YTD:

- Washer/Dryer Income is \$2207 above projection.
- Loader expenses are \$1200 over budget and Truck/ATV expenses are \$2390 under budget.
- Bad Debt expense is \$9821 under budget. Legal Fees are \$1220 under.
- Basic Maintenance. is \$4839 under, Boilers \$2445 under, Damage Claims \$5593 under and Pest Control \$1378 under.
- Abandoned/Towed Vehicles is \$800 under budget.
- Summer Grounds Maint. is \$2995 under budget.
- Gas is \$2297 over budget. Electric is \$1520 under. Cable TV is \$2729 under.
- Water/Sewer is \$5054 over. Water District changed billing procedure.

Reserve Fund P&L

Actual

Aug Total Income	24,376.87
Aug Total Expense	<u>10,102.11</u>
Aug Net Income	<u><u>14,274.76</u></u>

YTD Total Income	195,015.04
YTD Total Expenses	<u>154,334.91</u>
YTD Net Income	<u><u>40,680.13</u></u>

LOAN Fund P&L

Actual

Aug Total Income	0.00
Aug Total Expense	<u>0.00</u>
Aug Net Income	<u><u>0.00</u></u>

YTD Total Income	0.00
YTD Total Expenses	<u>0.00</u>
YTD Net Income	<u><u>0.00</u></u>

**DILLON VALLEY EAST CONDOMINIUM ASSOCIATION
BOARD OF MANAGERS MEETING
October 15, 2014**

I. CALL TO ORDER

The meeting was called to order at 7:00 p.m. by Richard Garcia in the Dillon Valley East Clubhouse.

Board members present were Richard Garcia, Paul Hage, Cathy Brosius, Mike Kurth and Glenn Johnson.

Owner Lee Vroble (X302) was present.

Representing Basic Property Management were Gary Nicholds, Eric Nicholds, Margarita Sherman and Geoff Merker. Erika Krainz of Summit Management Resources transcribed the minutes from recording.

II. APPROVAL OF PREVIOUS MEETING MINUTES

Cathy Brosius made a motion to approve the September 20, 2014 Board Meeting minutes as presented. Mike Kurth seconded and the motion carried.

III. QUESTIONS AND COMMENTS FROM THE FLOOR/COMMENT BOX

There were no owner comments.

IV. FINES AND HEARINGS

Geoff Merker said there were no fines issued.

V. MANAGER'S REPORT

A. Manager's Report

Geoff Merker provided a written report prior to the meeting for Board review. Questions were raised about the following items:

1. There is a water issue in Unit Y103. Water is being pushed through the foundation, possibly by hydrostatic pressure. Geoff Merker believes there is also a condensation problem by the window.
2. About half of the Aspen trees on the south side of the property were sprayed against aphids and blight.
3. The renter in Unit H202 has a dog. Geoff Merker has contacted the Property Manager for the unit.

B. Delinquency Report

Gary Nicholds distributed the written Delinquency Report. He noted that none of the accounts were with the attorney at this time. Gary will make sure that the \$175/month retainer fee for the attorneys who are no longer handling delinquencies is discontinued as of October.

VI. TREASURER'S REPORT

A. 2014 Year-to-Date Report as of September 30, 2014

1. Total Income - \$1,267,399 actual vs. \$1,266,356 budget (0.1% over budget).
2. Total Expenses - \$1,088,599 actual vs. \$1,152,503 budget (5.5% under budget). Including the Balance Sheet Budgeted Items, expenses were \$1,189,690 actual vs. \$1,253,709 budget (5.1% under budget).
3. Net Income – \$77,708 actual net income versus \$12,647 budget.

Paul Hage reviewed the following variances:

1. Bad Debt - \$27,695 under budget due mainly to collection of the extensive arrears amount from one unit.
2. Legal Fees - \$1,433 under budget.
3. Water/Sewer - \$1,436 over budget due to the change in the billing. He anticipated there would be an overage of \$5,000 – 10,000 at year-end.

Year-to-date Reserve income was \$219,390 with \$192,079 in expenses, resulting in net income of \$27,310.

Glenn Johnson made a motion to approve the Financial Report. Mike Kurth seconded and the motion carried.

VII. BUILDINGS, GROUNDS AND LANDSCAPING COMMITTEE

Preparations for winter are underway. The ice melt buckets are out.

VIII. ARCHITECTURAL REVIEW COMMITTEE

Cathy Brosius did not have anything to report.

IX. OLD BUSINESS

A. Review Security Inspection Book, Hallway Cleaning Schedule Book, Boiler Inspection Book, Public Comments

Glenn Johnson said he checked the books and all were in order.

B. Request to Combine Two Two-Bedroom Units into One Four-Bedroom Unit

Glenn Johnson recused himself from the vote on this topic.

Richard Garcia said the attorney had checked into this issue. In order to change the way the dues are allocated, 100% of the owners and first mortgage holders would have to vote in favor. He believes this would be an impossibility.

Paul Hage made a motion to decline the request to allow combination of the two two-bedroom units into one four-bedroom unit and the request to assess the dues as a four-bedroom unit. Cathy Brosius seconded and the motion carried.

C. *Landscape Proposal*

Geoff Merker said he reviewed the conceptual drawings that were done for Dillon Valley West. The proposal did not include cost estimates for the actual construction. Neils Lunceford can provide this and has offered a 25% discount for a total of about \$3,300. Paul Hage was in favor of moving forward with the proposal, but Bob Price indicated in his email that he was not, and Richard Garcia was not in favor of it either. Cathy Brosius said the CSU website had a number of resources available and provided excellent recommendations. She suggested looking at ways to cut back on the lawn areas without affecting the green space utilization. One option might be to put gravel along a couple of feet by the edges of the parking lots.

Paul Hage made a motion to accept the proposal from Neils Lunceford, if they will include costs for the construction. Glenn Johnson seconded. The motion did not carry with two in favor and three opposed.

D. *Basic Property Management Contract*

Gary Nicholds is in the process of drafting the contract. He will make sure to comply with all state requirements and will draft it so it does not require a dues increase.

X. NEW BUSINESS

A. *Radon*

Richard Garcia said if radon is found in a unit without a crawlspace, mitigation is an owner responsibility. The Association would only be responsible if radon is found in a common area.

B. *Window Washing on Upper Units*

The windows belong to the individual unit owners. Window washing could be done by the Association but it would necessitate a dues increase. Glenn Johnson made a motion not to incur the expense of window washing for second and third floor units. Paul Hage seconded and the motion carried.

C. *LED Lights in Ceiling Fixtures*

The Board agreed that owners should be encouraged to replace their bulbs with LED's at their own expense. A test will be done in a common hallway to determine if replacing incandescent bulbs as they fail with LED's is cost effective.

D. *Water Softeners*

The pH of the water in Dillon Valley was tested and was found to be pretty neutral. No action will be taken by the Board. Owners have the option of installing individual water purification systems in their units.

E. *Establish Budget Committee*

Paul Hage and Mike Kurth will serve as the Committee to work with Basic on drafting the budget. They will meet sometime in November after Margarita Sherman

has assembled the numbers. Any Board members with particular concerns should contact Paul or Mike.

F. Status of Property Walk-Through

Geoff Merker said he walked the property on September 19th. He inspected all the buildings on the east side of the property and Building X. He identified a number of broken screens and non-conforming curtains. He issued violations as appropriate. He is in the process of finishing the west side inspections and anticipates completion by next week.

G. Ice on Patios

Cathy Brosius said she noticed an excessive amount of water dripping between the new boards on the balconies after the recent snowfall. The gap between the boards is larger than the original construction. There is also some ragged and torn paint along the joists. This should be addressed when the next building is being done.

H. Christmas Dinner

Gary Nicholds said he would be checking on availability for Wednesday, December 10th at the Big Horn Steakhouse.

XI. SET NEXT MEETING DATE

The next Board Meeting will be November 19, 2014 at 7:00 p.m. in the Dillon Valley East Clubhouse.

XII. ADJOURNMENT

Cathy Brosius made a motion to adjourn at 7:34 p.m.

Approved By: _____ Date: _____
Board Member Signature

**DILLON VALLEY EAST CONDOMINIUM ASSOCIATION
BOARD OF MANAGERS MEETING
November 19, 2014**

I. CALL TO ORDER

The meeting was called to order at 7:00 p.m. by Richard Garcia in the Dillon Valley East Clubhouse.

Board members present were Richard Garcia, Cathy Brosius, Mike Kurth, Bob Price and Glenn Johnson.

Owner Lee Vroble (X302) was present.

Representing Basic Property Management were Gary Nicholds, Eric Nicholds, Margarita Sherman and Geoff Merker. Erika Krainz of Summit Management Resources was recording secretary.

II. APPROVAL OF PREVIOUS MEETING MINUTES

Richard Garcia made a motion to approve the October 15, 2014 Board Meeting minutes as presented. The motion was seconded and carried.

III. QUESTIONS AND COMMENTS FROM THE FLOOR/COMMENT BOX

Richard Garcia reviewed several owner comments that he received:

1. Paul Mason suggested using solar at the Clubhouse for electricity. The Board discussed this suggestion and will request more information from the owner.
2. Utsarga Bhattarai researched internet options for the complex and came up with a proposal from Sundial Communications, Inc. The Board discussed this item and will also approach Comcast for a bid. It will be considered for the next Annual Meeting.

Lee Vroble felt there was a safety concern with ice at the stop sign at the intersection by the school. He will stop at the school and talk to the Principal about this issue. Geoff Merker will call the Road and Bridge Department and request improved sanding.

IV. FINES AND HEARINGS

Geoff Merker said there were no fines issued.

V. MANAGER'S REPORT

A. Manager's Report

Geoff Merker provided a written report prior to the meeting for Board review.

Questions were raised about the following items:

1. Bob Price asked about the process for follow up on violations. Geoff Merker said the Association documents state that if owners do not comply with the screen policy, the Association will fix the screen and bill the owner. He thought this would create a billing issue for BPM and recommended changing the

wording in the Rules and Regulations. Cathy Brosius will revise the Rules and Regulations. She said a fine should be issued and owners provided information about where the screen can be fixed. Cathy will provide contact information for a contractor she used.

2. Bob Price noticed there were a number of breaker issues. Geoff Merker said there was a wiring problem that was fixed.
3. Bob Price asked if the zone valve wiring done by Unit S303 should be an Association expense. Geoff Merker confirmed that it was.

B. Delinquency Report

Gary Nicholds distributed the written Delinquency Report. The total balance was \$500 less than this time last month. Liens have been filed on all the units with large balances.

VI. TREASURER'S REPORT

A. 2014 Year-to-Date Report as of October 31, 2014

1. Total Income - \$1,407,260 actual vs. \$1,406,773 budget (on budget).
2. Total Expenses - \$1,215,911 actual vs. \$1,279,458 budget (5.0% under budget). Including the Balance Sheet Budgeted Items, expenses were \$1,328,342 actual vs. \$1,392,192 budget (4.6% under budget).
3. Net Income – \$191,349 actual net income versus \$127,315 budget.

Margarita Sherman reviewed the significant variances.

Year-to-date Reserve income was \$243,767 with \$187,951 in expenses, resulting in net income of \$56,716. There were savings on the pool liner and in siding replacement and there was no expense for boiler water tanks.

Bob Price commented on the following items:

1. Pest Control – The expense for one unit was \$775, which was almost twice as much as the charge for the other units. Geoff Merker said the bill included treatment in multiple units.
2. Pool Spa – There was a \$2,000 expense for resurfacing. Geoff Merker said it was for cleaning and re-sealing of the pebble epoxy pool deck surface. This was not part of the pool plastering project.
3. Tree Spraying – There was a \$2,600 fee for spraying. Geoff Merker said it was done earlier in the season but the invoice was only recently received.
4. Carpet Installation – The \$2,348 for installation seemed high. Geoff Merker said the charge was the labor for installation in six hallways.

Bob Price made a motion to approve the Financial Report. Cathy Brosius seconded and the motion carried.

VII. BUILDINGS, GROUNDS AND LANDSCAPING COMMITTEE

Glenn Johnson has spoken to Geoff Merker about keeping the snow piles at the end of the driveways low enough so people in small cars can see onto the street when pulling out.

VIII. ARCHITECTURAL REVIEW COMMITTEE

Cathy Brosius did not have anything to report.

IX. OLD BUSINESS

A. Review Security Inspection Book, Hallway Cleaning Schedule Book, Boiler Inspection Book, Public Comments

Glenn Johnson said he checked the books and all were in order.

B. Basic Property Management Contract

Gary Nicholds said he received a red lined version of the contract from Bob Price. He did not have any objections to the changes but needs to add the language that is now required by CCIOA. Richard Garcia noted that the contract included a 4% increase to the management fee. There has not been an increase in six years.

C. Budget Committee

Mike Kurth said the Committee met with Basic Property Management staff. The Operating Budget is done and the Reserve Budget is close. They are waiting for some cost estimates for projects. He did not anticipate that there would need to be a dues increase. The budgets will be finalized and emailed to the Board for review prior to the informal December meeting.

D. Attorney Fee

Glenn Johnson said the September minutes indicated the cost for the legal work for the proposed combining of two units should have been about \$300 - \$400. He received a bill for \$900 and he believes the Association paid \$500. He also received information from the County Assessor that was exactly the same as the information provided by the attorney. The Assessor told him the property will be on the half-price senior citizen rate for taxes. Richard Garcia explained that the attorney had provided an itemized bill and Glenn was charged accordingly. Gary Nicholds pointed out that the attorney was hired to research the CCIOA requirements. It is unlikely that the Assessor is very familiar with CCIOA.

X. SET NEXT MEETING DATE

The next Board Meeting will be January 21, 2015 at 7:00 p.m. in the Dillon Valley East Clubhouse. December 10, 2014 at 6:30 p.m. will be the Board dinner.

XI. ADJOURNMENT

Bob Price made a motion to adjourn at 7:33 p.m.

Approved By: _____ Date: _____
Board Member Signature

Notes from the Pres.

Happy Holiday Greetings to All

Good News – Our monthly dues for 2015 will not increase.

Our Board of Managers held a special meeting on December 12th and finalized the 2015 budget. If you wish to see the 2015 budget, please contact Basic Property Management at 970-668-0714 between the hours of 9:00 AM and 5:00 PM.

If you use Union Bank for automatic payment from your checking account, you may want to log into your account to verify the continuance of deduction. Basic Property Management does not have control of the process. Either copy and paste this link into your browser or [click on it](#).

<https://www.mysmartstreet.com/payment.aspx>

During the holiday season, guests will be arriving. Please remember to park your vehicle in the parking lot to the east of your building. If you have a need for more temporary parking space, you are welcome to use the parking lots at the clubhouse. Just please check in with them and leave them your license plate number and vehicle description.

Please remind temporary guests to leave your thermostat no lower than 60 degrees. We have heating pipes on the exterior walls and want to prevent freezing them.

Happy Holidays to All

Richard Garcia
President
Dillon Valley East Condominium Association