

8989 GAINNEY CENTER DRIVE CONDOMINIUM ASSOCIATION BOARD OF DIRECTORS MEETING MINUTES

March 23, 2022, at 2:30 pm

A Board of Directors of 8989 Gainey Center Drive Condominium Association Business Meeting was held at the Estate Club and using Zoom meeting software and teleconference equipment. The Meeting Notice was distributed to homeowners by e-mail and posted on the mailbox bulletin board at least 48 hours before the scheduled meeting date and time, in accordance with the Arizona Open Meeting Law.

Board members in attendance: Claudette Muller, Diane Tuton, Josephine Chiu, Beth Seldin, and Roz Cappello.

GRCA Staff in attendance: Scott Williams, Heather Anderson, and Rick Humbert.

A quorum was declared, and the meeting called to order at 2:30 pm.

Homeowner Discussion/Forum: Time was allotted for homeowners to speak on any topic related to 8989. Owners Mr. Reardon (Unit 109) and Mr. Wile (Unit 114) were in attendance. Mr. Reardon asked if he may discuss the 8989 HOA Insurance at this Board Meeting or at the HOA Annual Meeting. He was advised since the item is not on this Board Business Meeting agenda it could not be discussed at this time. It would be appropriate for this item to be discussed at the March 31, 2022 HOA Annual meeting. Since the HOA Annual meeting is not a Board Business meeting, items do not need to be specified on the agenda and may be discussed under New Business/Comments.

Approval of November 29, 2021, Board Meeting Minutes: The November 29, 2021, Board meeting minutes, previously distributed and reviewed, **were unanimously approved by the Board as written.** It is available on the GRCA website.

Treasurer's Report – November 2021, December 2021, and January 2022 Financial Statements: Actual operating expenditures for 2021 is \$5,139 under budget allocation due to 8989 receiving a \$6,534 reimbursement from the Maintenance Allocation. The amount of reimbursement is based on the number of labor hours allocated to 8989 for the year. Removing \$6,534 reimbursement, annual operating expenses were \$1,095 (.0037%) over budget allocation. Actual expenditures exceeded budget allocations for water, gas, pool maintenance, legal fees, and lake maintenance. These overages reflect water usage, supply shortages, and inflation. Water usage in 2021 was 8% more than 2020. We attribute this to five main irrigation line breaks (repaired), extra watering of newly installed turf and plants, and the weather. Cash balance was \$18,820 at the end of 2021, which is \$5,561 less than the recommended 1-month cash balance of \$24,381. The cash balance improved to \$23,637 in January 2022 (1-month would be \$25,283). Assessments are current through January 2022. The Reserves received \$25,200 from the Enhancement Fee applied to 14 Unit sales in 2021. 2022 Reserve receipts thru January 2022 from the 8989 Enhancement Fee is \$1,800 from the sale of one Unit.

NEW ITEMS

A. Flat Roof Water Pooling Mitigation Report Recommendations:

Three Units sustained severe interior damage in July 2021 from a major Monsoon storm (88-mile an hour winds and excessive rain over five days). Intense winds caused tree leaves, limbs, and other debris to fall onto these building roofs blocking the primary drain screen and overflow drains which resulted in standing surface water backing up on the flat roofs. Farmers Insurance denied coverage because the interior damage to units was not caused by a storm created opening in the flat roof. In 2014, there were three other Units which sustained similar damage caused by the accumulation of seven inches of rain in one hour during a major Monsoon storm. Farmers Insurance declined coverage for the same reason in this instance as well. The GRCA staff and 8989 Board decided to address this problem and have Southwest Roofing Consultants examine the issue and recommend proactive measures to mitigate the excessive water pooling on Unit flat roofs for the Board's consideration.

The GRCA staff and Red Mountain Roofing assessed the viability of the larger basket drain cover recommendation and determined the installation of this basket drain cover on 150 flat roof drains (at a total cost of \$30,135) will not provide the desired results. They determined the location of the primary and overflow drains on each of the flat roofs does not allow for the larger basket covers to be properly installed.

The Board discussed and agreed it has a fiduciary responsibility to address the flat roof drain problem and implement measures to mitigate water pooling on the flat roofs during extreme rainstorms and reduce the possibility of interior Unit damage. Consequently, the 8989 Board is implementing the remaining three of the four recommendations:

- Roof and drain inspections – the 2022 8989 Common Elements Budget includes funding for four (4) roof and drain inspections and cleaning (\$9,900). This item has been funded by 8989 since 2018. If the 50 thru-wall scuppers perform as expected, the 8989 Board may consider reducing the roof and drain inspections and cleaning to three times a year;
- Overgrown vegetation – the GRCA Arborist Consultant and the Board have identified specific trees adjacent to buildings which need trimming or removal. The GRCA Arborist program requires replacement of removed trees;
- Thru-wall scuppers – there are 50 flat roofs (two per building) located over unit living areas which require scuppers be installed. GRCA staff obtained two quotes: Red Mountain Roofing for \$1,400 (total cost \$70,000) and Sunvek for \$1,000 (total cost \$50,000).

After a brief discussion with GRCA Staff, **the Board unanimously approved the Sunvek quote of \$1,000/scupper to install 50 scuppers (total cost \$50,000). GRCA staff will ask Red Mountain Roofing if they will match the \$1,000 quote provided by Sunvek.**

This amount approved for the scuppers is contingent upon GRCA determining whether Red Mountain Roofing (RMR) will match the \$1,000 bid by Sunvek, and the scuppers, if installed by Sunvek, will negatively impact Red Mountain's ten-year warranty on the flat roof polyurethane coating. Staff will discuss the specifics and coordination of the scupper installation with either Sunvek or RMR (start date, length of time to complete, and workflow). The Board would like to complete installation of the scuppers by the start the of Monsoon season. GRCA staff will report back to the Board within a couple of weeks.

Funding for the Flat Roof Water Pooling Mitigation Project recommendations (scuppers and overgrown vegetation) **is not included** in the Reserve Account revenues. Estimated costs are being finalized.

The Board discussed the funding required to complete the scheduled 2022 Deck Resurfacing project. Deck membranes are beginning to fail, and their resurfacing cannot be deferred. Funding for the Deck Resurfacing project is included in the Reserve Account revenues. Resurfacing 82 of 94 decks is currently estimated at \$200,000. Twelve (12) decks have been resurfaced within the past three (3) years. The Reserve Account is projected to have an estimated 2022 year-end net balance of \$117,200 (setting aside \$60,000 for emergencies). The Board estimates a funding shortfall of \$82,800 for the Deck Resurfacing project.

To acquire the necessary additional funding, the 8989 Board will request Owners to approve a 2022 Capital Improvement Assessment (CIA). The final 2022 CIA levy amount to be requested will be determined by the Board and GRCA staff. Preliminary estimates range from \$2,850 to \$3,130 and include the following items:

- Thru-wall Scuppers & Overgrown Vegetation – from \$1,195 to \$1,475/unit
- Resurfacing of Decks at \$1,150/unit; and
- Final year of the three-year Landscape Renovation (removal and replacement of plants & turf along the lake) at \$505/unit.

If a majority vote of the Owners does not approve the requested 2022 CIA, the Board will collect the necessary funds from Homeowners by using one or more of the other remedies provided by the CC&Rs Article 6, Sections 3 and 4, or acquire a loan for repayment.

B. Reinstate Unit 150's Balcony Deck into the 8989 Deck Maintenance Program:

After a brief discussion, **the Board unanimously approved the reinstatement of Unit 150's upstairs master bedroom balcony deck into the 8989 Deck Inventory for future scheduled maintenance by the 8989 Homeowners Association.**

C. 8989 Standards & Rules - Management & Protection of Common Elements:

After a brief discussion, **the 8989 Board unanimously approved the new Standards & Rules Section 3.1 Management & Protection of Common Elements.** Standards & Rules Section 3.1 will be distributed and available on the GRCA website. The purpose of this section is to clarify the CC&Rs Article 4 relating to the management and use of the Common Elements.

D. Reminder about the 8989 HOA Annual Meeting on March 31, 2022, at 5:00 pm

Being no further business on the agenda, the meeting was adjourned at 3:30 pm.

Meeting Minutes submitted by Claudette Muller, 8989 Board President.

Next Board Meeting: Date and time for the next Zoom meeting (with instructions) will be distributed in accordance with the Arizona Revised Statutes Open Meeting Law.