

Paradise Hills HOA – Special Membership Meeting
October 13, 2021 | 6:30 pm | Online meeting

HOA members present:

Jane Wilson	Jackie Murdock	Cody McLemore
Ron Kozlowski	Karen Rutherford	Dawn Groeneweg
Ross Williams	Dennis & Jeanne Crass	Donna Carr
Monica DeGraff	Connie Bargas	Scott Alper
Nigel Dick	Gloria Bowen	Shawn Meyer
Craig Southorn	Robert Storrs	TJ Carney
Ashley Meyer	Steve Swain	Ed & Lisa Kleist
Al Summerford	Stacey & Trip Hutson	Lew & Britt Gaskell
Skip Erickson	Liane & Tobin Rockley (proxy)	

Guest: Mike Hager, PE – Element Engineering

Quorum confirmed, Call to Order: *Craig Southorn, 6:35pm.*

Agenda Items:

Sunrise Drive watermain replacement project

- Questions and requests for clarification from members regarding the project scope, construction and financing proposals, and schedule were addressed.
- Motion was made to approve the project, consistent with the scope definition and financial terms included in the meeting notice (attached). Seconded.
Discussion followed with comments from several members. Vote taken via messaging to Board secretary in Zoom application (and one verbal). Vote 22-4 in favor.

Meeting Adjourned

Water System Cost Model - with Sunrise Dr project (based on financing assumptions noted)

	2020	2021	2022	2023	2024	2025	2026
Income							
Dues (Water System earmark)		\$110,400	\$111,600	\$112,800	\$112,800	\$112,800	\$112,800
Connection Fees ¹		\$15,000	\$15,000	\$0	\$0	\$0	\$0
Loan Proceeds		\$184,000	\$0	\$0	\$0	\$0	\$0
		\$309,400	\$126,600	\$112,800	\$112,800	\$112,800	\$112,800
Expenses							
Debt Service - Principal		\$3,397	\$33,746	\$35,208	\$36,734	\$38,326	\$36,589
Debt Service - Interest		\$0	\$7,023	\$5,561	\$4,035	\$2,443	\$782
Loan Origination		\$1,840	\$0	\$0	\$0	\$0	\$0
Operating / Maint Expense (assumed escalate at 3% annual)		\$25,000	\$25,750	\$26,523	\$27,318	\$28,138	\$28,982
							Conservative, expected to be <\$10k/year in absence of breaks
Professional Services ³		\$30,000	\$0	\$0	\$0	\$0	\$0
Capital Improvements		\$263,104	\$0	\$0	\$0	\$0	\$0
		\$323,341	\$66,519	\$67,291	\$68,087	\$68,907	\$66,353
Reserve Balance - End of Year²	\$105,542	\$91,601	\$151,682	\$197,191	\$241,904	\$285,797	\$332,244
Loan Principal Balance - End of Year	\$180,603	\$146,857	\$111,649	\$74,915	\$36,589	\$0	
Income / Expense Ratio		0.96	1.90	1.68	1.66	1.64	1.70

¹ Three @\$7.5k in 2021 budget. Shifted one to 2022.

² Ignoring any interest income on reserve

³ Engineering / design fees included in original 2021 budget, design is complete & approved by LMWD.

Minimum reserve balance to be maintained.
Water system reserve balance as of 8/31/21 is \$187,946

Financing Assumptions

Capital improvement costs (incl soft costs)	\$263,104
Loan to Value ratio	69.9%
Loan amount	\$184,000
Required funds from reserve	\$79,104
Interest (annual %)	4.25
Term (yr)	5
Loan Fees (%)	1.00
Payment start month	11 November

PHHOA - Sunrise Drive Watermain Replacement Project

			Engineer's Estimate March 2019		Anticipated Costs Oct 2021 start	
Quantity ¹ UM			Unit Price	Total	Unit Price	Total
Base Bid (Lower portion only)						
Construction						
Mobilization, Erosion Control, Traffic Control	1	ls	\$47,144	\$47,144	\$32,000	\$32,000
Watermain, valves, earthwork	759	lf	\$135.38	\$102,753	\$125.54	\$95,285
Domestic service re-connections	9	ea	\$2,500.00	\$22,500	\$2,000.00	\$18,000
Fire hydrant (replace)	1	ea	\$6,500.00	\$6,500	\$8,000.00	\$8,000
Fire hydrant extension	3	ea		\$4,500 ²	\$1,500.00	\$4,500
Asphalt removal & patch (at trench)	700	sy	\$65.00	\$45,500	\$60.00	\$42,000
Roadbase shoulder	158	sy		\$4,740 ²	\$30.00	\$4,740
				\$279,537		\$204,525
Escalation	2.5	yr	3.50%	\$24,460 ²		incl
				\$303,997		\$204,525
						Jim Noble, Inc bid
						82%
Non-Construction⁴						
Construction observation (by design engineer)	120	hr	\$112.50	\$13,500	\$112.50	\$13,500
Construction inspection & testing (3rd party)	160	hr	\$90.00	\$14,400 ²	\$90.00	\$14,400
Contingency	1	ls	20%	\$60,799	15%	\$30,679
				\$88,699		\$58,579
				\$392,696		\$263,104
						80%

Financing Offers	Rate	Term	Fees	Max LTV
Bank of Colorado	4.25%	60 mo	1%	70%
Evergreen National Bank	4.75%	60 mo	tbd	70%
Evergreen National Bank	5.25%	84 mo	tbd	70%
Community Banks of CO	4.25%	0 - 60 mo	1%	70%
Community Banks of CO	4.40%	61 - 84 mo	1%	70%

Currently planned project scope

Alternates							
1) Mill & overlay asphalt ³	2295	sy		\$45,900 ²	\$20.00	\$45,900	
2) Upper Portion Replacement							
Construction							
Mobilization, Erosion Control, Traffic Control	1	ls	incl above		\$21,000	\$21,000	
Watermain, valves, earthwork	1061	lf	\$135.38	\$143,638	\$105.61	\$112,050	
Domestic service re-connections	8	ea	\$2,500.00	\$20,000	\$2,000.00	\$16,000	
Fire hydrant (replace)	3	ea	\$6,500.00	\$19,500	\$8,000.00	\$24,000	
Asphalt removal & patch (at trench)	747	sy	\$65.00	\$48,555	\$60.00	\$44,820	
Roadbase shoulder	213	sy		\$6,390 ²	\$30.00	\$6,390	
				\$238,083		\$224,260	
Escalation	2.5	yr	3.50%	\$20,832 ²		incl	
				\$258,915		\$224,260	87%
Non-Construction⁴							
Construction observation (by design engineer)	160	hr	\$112.50	\$18,000	\$112.50	\$18,000	
Construction inspection & testing (3rd party)	200	hr	\$90.00	\$18,000 ²	\$90.00	\$18,000	
Contingency	1	ls	20%	\$51,783	15%	\$33,639	
				\$87,783		\$69,639	
Alternate #2 Total				\$346,699		\$293,899	85%

Notes

- ¹ Engineer's estimate quantities adjusted to reflect final design documents
- ² Not included in original engineer's estimate
- ³ Mill & overlay entire width not essential, but may be required by Jefferson County due to extent of existing patching from previous break repairs
- ⁴ Survey and design costs already accounted for in 2021 PHHOA budget