

VALHALLA ASSOCIATION 15 - BOARD OF DIRECTORS SPECIAL EMERGENCY MEETING

MINUTES – August 29, 2022 – 6 PM Valhalla Party Room

Welcome Directors & Guests: Christina Block, President. Meeting was called to order at 6 PM. Christina Block, President requested this Special Emergency Meeting.

Christina welcomed all directors and guests to this Special Emergency Meeting. *“Water intrusion has been reported in the building. Water intrusion is a serious building issue, and we must discuss it. There is confusion about the scope of this problem. This meeting is to get us all on the same level of understanding about water intrusion and what it might mean for the building, as a whole. Due to the exterior work being a weather dependent project, should the board move quickly before cold weather to get the inspections and an exterior seal coat to prevent water intrusion?”*

Agenda:

- Discuss proposed exterior seal coating of the entire 2100 Valkyrie DR NW building to resolve an alleged water intrusion issue in one window in APT 215.
- Discuss the cost of proposed project estimated at least \$100,000 of which ALL Owners would be financially responsible for paying.
- Discuss the proposed project is a non-budgeted project which would result in an additional Special Assessment for ALL Owners. Approximately: 1.6% units = \$1,600; and 1.8% units = \$1,800 per apartment unit.
- Discuss the current Total Reserve \$\$ Account for Building 15 = \$138,750; all of which is ear-marked for the approved interior refresh project (flooring/baseboards/lobby furniture/décor).

Discussion Points:

The Board of Directors have a Fiduciary Duty to do their due diligence in assessing problems, being proactive, seeking out experts to assist as needed and identifying multiple potential cost effective and value-added solutions that benefit ALL owners.

The regular process of evaluating a project has not been completed for the proposed “seal coating project”. The building seal coating project has not been formally brought forward as a potential project through the Building & Grounds Committee. The proposed \$100,000 “seal coating project” has not met any the above criteria. Why is this an emergency now?

Does the overall building have a water intrusion issue? OR, is it a limited scope (one owner APT 215 reporting water issues in one of their windows)?

Windows are considered a “limited common element” and a “limited common expense”; which are an individual owner’s responsibility in the old Valhalla Fifteen Association governing documents and Valhalla Fifteen Association new governing documents. Is this water intrusion issue a window problem or is the window the entry point for a larger issue?

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President Christina Block contacted Doug Pencille – Water Intrusion Expert. Christina Block talked with Doug Pencille on the phone only. Mr. Pencille has not physically seen or inspected the 2100 Valkyrie DR NW building. Mr. Pencille is available in Spring 2023 to inspect the 2100 Valkyrie DR NW building for potential water intrusion issues. Ms. Block verbally described the water testing completed on the building in 2020 and 2021. According to Ms. Block, Mr. Pencille suggested the building explore water mitigation for fall 2022. Mr. Pencille referred two companies from the Twin Cities for additional water testing.

There are no reserved capital funds ear-marked for a “building seal coating” project. Monies in the Reserved funds have been ear-marked for other approved building projects, i.e., interior refresh project. A potential “building seal coating” project was briefly discussed at the Valhalla 15 Association Annual Meeting and was NOT approved in the 2022 Budget as the project proposal had not been brought forth to the Building & Grounds Committee for research. See Minutes to previous meetings.

What we know:

- No written water intrusion test results, inspections, written documentation and/or videos from water tests were presented to the Building & Grounds Committee and/or the Board of Directors meetings for review and discussion in 2019, 2020, 2021 and 2022. Today is the first-time reports and bids are being presented.
- Water intrusion testing were performed by Valhalla Maintenance staff and roofing contractor on the NORTH side of the building only.
 - *“Testing described hose test 07/15/2020. Water was sprayed on the window of 201. No water reported inside. Water was sprayed on the vertical caulk on the building between the smooth concrete panels and the rough vertical stripes. The water was sprayed near and above the window on the caulked area. No water reported inside. Water was sprayed on the smooth concrete panel above the window. Water reported inside.”*
 - *Testing described ritem tube column test 06/23/2021; under unit 101 two column tests were performed. There are currently two circles on the smooth concrete panel under unit 101 to show where the tests were applied. One is the porous side. One is the non-porous side. They are about four feet apart on the same panel. Water was poured into a graded glass cylinder that hold 4” of water affixed with putty. On the porous side, video show 3” of water entering the building in a minute and half. On the non-porous side, the water does not change in a minute and half.”*
 - *Videos of tests are available through Valhalla Management.*
- Owners on the North side state they are NOT having water intrusion issues. APTs 201 and 301 were present at the meeting, and both stated they are not having water intrusion issues and the previous owner’s “Seller’s Disclosure” did not state there were water intrusion issues.
- Water intrusion issue reported on the one window (APT 215) on the south side of the building has not had any “water intrusion tests” performed and the owner states they have had a water intrusion issue on one window since 2020.
- No documentation has been presented to the Building & Grounds committee and/or the Board of Directors for the one window on the south side (APT 215).

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- Owner APT 215 has not proactively called in water experts to assess the “problem window” on their own, however they requested action by the Building & Grounds Committee in July 2022. Building & Grounds Committee recommended the Owner APT 215 work with Valhalla Maintenance and ask the installation contractor (Larson Siding & Windows) to inspect the window, caulking, flashing and installation of the window. The windows have a 25-year warranty of which there are 21 years remaining on the warranty. (Installed date 2018).
- In August 2022, Larson Siding & Windows (original contractor) inspected the window in APT 215. They caulked around the exterior of the window, at that time. A full interior window inspection was not completed, at that time. Installing metal flashing was “as necessary” with the original window installation and the window did not have metal flashing installed with the original installation.
- Owner APT 215 reports water intrusion when the windows are closed and after a hard driving rain. Owner APT 215 reports the water enters from the top corner of the windowpane and pours down.
- A comprehensive assessment of the “problem window” (APT 215) has not been performed by an independent Certified Water Intrusion Expert Inspector.
- The “problem window” (APT 215) has not been fully defined and determined if this is an individual owner issue versus a building issue.
- During this meeting, the daughter of Owner APT 100 stated APT 100 (North side) has had water intrusion issues of unknown origin and Valhalla Maintenance, nor the Board had not been notified to assess the issue. This is the first notification of this alleged water intrusion issue.
- The water intrusion tests on the north side of the building are unrelated to the alleged water intrusion window issue (APT 215) on the south side. These are potentially two different issues, may require different assessments and different solutions.
- There is a proposed “*solution looking for a problem*”, i.e., “Building Seal Coating project for approximately \$100,000”.
- Board of Directors are meeting today to discuss the proposed estimated \$100,000 “solution” without a full assessment and understanding if the overall building has a significant water intrusion problem.
- The previous Project Manager obtained one “budget” bid dated December 2021 from Waumandee Creek Solutions, LLC located in Fountain City WI. This one budget bid \$88,200 was presented for the 1st time at tonight’s meeting. Owners present stated the one bid, lacked a full scope of work, and lacked justification for “seal coating” the entire building. In addition, owners expressed that having only one budget bid was inappropriate and inadequate to make such a complex decision that would directly financially impact all 60 owners.
- In addition, Owners expressed the logistics of completing such a large-scale comprehensive project “Building Sealing Coating” before 2022 winter begins is unrealistic for what is required for a project of this large-scale and complexity to be successful.
- The “seal coating” project requires a minimum of 2 months with perfect weather conditions. Temperatures must be higher than 40 degrees with dry weather conditions. Temperatures directly impact product drying times. Drying times are tested on temperatures of 70 degrees.

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Recommendations:

- Study this potential problem more. Complete the research before proceeding with potential solutions.
- Professional water intrusion inspections are required both interior and exterior in APT 215. Written reports and video recordings with findings are required.
- Owners are uncomfortable accepting a big project of this size and significant scope of work “Building Seal Coating” without a comprehensive analysis, detailed scope of work and a strict bidding process with multiple contractors for labor and multiple bids for potential products.
- Any potential solutions should follow the standard process of developing a detailed scope of work and adhering to a strict multiple bidding process.
- Reject proposal of seal coating the building which would result in an estimated \$100,000 or higher expense for all 60 owners and one owner (APT 215) potentially benefiting. Benefit is unknown and there is no guarantee “seal coating” the entire building or only the south side will resolve the alleged window water intrusion issue in APT 215.
- All windows should be closed during wet conditions.
- Hire a certified water intrusion inspector/contractor to perform water intrusion tests on APT 215.
- Building & Grounds will assess the issue once all professional water intrusion inspections are complete.
- Windows are a “limited common” element and are the individual owner’s responsibility.

Motion:

Ed Prosser made a motion to hire a contractor/inspector who specializes in water intrusions to do an assessment and define the “water intrusion problem”; is it the one window in APT 215 or is it the exterior building? Scope is limited to one window area in Apt 215 only; exterior and interior inspections, perform water intrusion tests, i.e., infrared, ultrasound, etc. Outcome would be to make recommendations based upon the findings and to present to the Building & Grounds Committee for review and discussion. Written report and video recording will be required. Pam Burton seconded the motion. Discussion followed. Motion carried with 5 votes “Yea” and 4 votes “Nay”.

Vote results: **Yea** = Christina Block (#400), Pam Burton (#404), Karla Dison (#203), Ed Prosser (#405), Kay Aune (#308). **Nay** = Linda Castiglioni, Jill Bailey (102), Kevin Castiglioni, Deb Dahley.

Recused: Carol Sabatke Apt 215; “potential conflict of interest or lack of impartiality”.

Christina Block will contact potential water intrusion inspectors. Potential contacts: American Water Works, Doug Pencille Inspector, Jill Bailey will give other potential inspectors names to Christina Block. Christina Block will seek out different types of water intrusion tests potential inspectors may perform. For example, infrared, ultrasound.

7:14 Meeting – A motion was made and seconded to adjourn the meeting. Motion carried.

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Officer's Reports:

	X = Present		V = Present Video		A = Absent		
X	Kay Aune, Apt 308	X	Deb Dahley				
X	Jill Bailey, Vice President, Apt 102	X	Karla Dison, Apt 203	X	Guest: Gayla Gatzke, Apt 201		Guest: Danette Anderson , Apt 111
X	Christina Block, President, Apt 400	X	Wayne Jaspersen, Treasurer (on leave of absence), Apt 415 Present as a "Guest only"	X	Guest:	X	Guest: Cliff and Linda Romme, Apt 301
X	Pam Burton, Master Board Representative, Apt 404	X	Ed Prosser, Apt 405	X	Guest: Susan Mainaga, Apt 109		Guest:
X	Kevin Castiglioni	X	Carol Sabatke, Apt 215	X	Guest: Craig Erpestad , Apt 207		Guest:
X	Linda Castiglioni, Secretary; Building & Grounds - Chair		Guest:	A	Chris Robson General Manager Valhalla Assoc	A	Dan Bredesen Supervisor Maintenance Valhalla Assoc

Respectfully submitted: Linda Castiglioni, Secretary