

Minutes
GHI Board of Directors
Special Meeting
June 26, 2008

Present: Agans, Hickey, James, Lewis, Mazursky, McFadden, Morse, Novinski, Robles

Others in Attendance:

Gretchen Overdurff, General Manager
Eldon Ralph, Assistant General Manager
Dianne Wilkerson, Chair, Audit Committee
Michael Iacangelo, Audit Committee
Dorothy Lauber, Audit Committee
CJ Evans, Recording Secretary
Bill Duncan, Board Training Facilitator

President Lewis called the meeting to order at 7:02 p.m.

1. Approval of Membership Applications

Director Agans shared concern about the prospective members, being able to cover two payments while their GHI unit is for sale. The Board discussed a possible approval with contingency. It was noted that the ratios are low and even if the ratios are doubled, they would be within the bounds of approval. General Manager Overdurff pointed out that the three members of the John family have a good combined income. It was determined that there is adequate funds to cover both mortgages.

MOTION: THAT THE FOLLOWING PROSPECTIVE MEMBERS ARE ACCEPTED INTO THE COOPERATIVE AND MEMBERSHIP AFFORDED THEM AT THE TIME OF SETTLEMENT.

- CHRISTOPHER JOHN, DANIEL JOHN AND RYAN C. JOHN
- GREG M. LIETZ AND FLORY B. LIETZ

Moved: James

Seconded: McFadden

Carried 8-0

MOTION: THAT THE BOARD OF DIRECTORS APPROVES THE FOLLOWING MUTUAL OWNERSHIP CONTRACT CHANGE:

- FROM SUSAN WITHERS AND ERIC PAUL WITHERS, AS JOINT TENANTS, TO ERIC PAUL WITHERS, SOLE OWNER.

Moved: James

Seconded: Morse

Carried 8-0

2a. 2008 Townhouse Furnace Contract – 1st Reading

The furnaces for most of the larger townhomes and freestanding homes were last replaced in 1986. They are gas-heated forced air furnaces that have an average life of 20 years. Typical failure is due to a crack in the heat exchanger. The current replacement cycle will be completed this year. The remaining nine (9) units to be replaced this year are: 5 F/G/J/K/L/M Laurel Hill and 65 D/F/H Ridge. Assistant General Manager Eldon Ralph explained that GHI requested another bid to offer a sustainable option. This option would provide energy savings for the member which would offset the extra costs involved with

installation. He explained that the extra money to pay for the more expensive option would come from future coop payments from the members living in the larger townhomes. It was noted that twenty of the 80% furnaces have already been installed. Because the cost will be shared with all members living in the larger townhomes, some of these members might object that they did not receive the 90% furnaces, but helped to pay for them with their increase in coop fees. President Lewis asked the Board if this is the direction GHI should be moving toward and the Board agreed that it is.

GHI formally solicited bids from eight (8) mechanical contractors, and subsequently received bids from four (4). These bids are summarized in the table below.

NAME OF COMPANY	1. BASE BID (9) XL80 80,000Btu input	1a. ALTERNATE BID (9) XL90 60,000Btu input
DKS Climate Control, Inc.	@\$2,340.00 \$21,060.00	@\$4,200.00 \$37,800.00
Magnolia Plumbing, Inc.	@\$2,441.00 \$21,969.00	NO BID
McCully Heating & Air	@\$2,780.00 \$25,020.00	@\$4,430.00 \$39,870.00
A. B. Chelini LLC	@\$3,200.00 \$28,800.00	@\$4,750.00 \$42,750.00

The base bid was requested for a furnace with 80% efficiency, with an alternate for 90% efficient furnaces. Assuming that \$200/month during the heating season from October to March (\$1,500/yr) is spent for natural gas for heating purposes, the payback period for a 90% efficient furnace is 15.5 years, which is less than the 20-year expected life of the furnace. Further analysis for different scenarios follows:

Savings payback	90% (10% efficiency gain)
Cost difference ->	\$1,860
@ \$200/mo (\$1200/yr)	1860/120 = 15.5 yrs
@ \$250/mo (\$1500/yr)	1860/150 = 12.4 yrs
@ \$300/mo (\$1800/yr)	1860/180 = 10.3 yrs

These furnaces were budgeted in the most recent replacement reserve plan at \$2700 each. DKS Climate Control has been contracted for work with GHI previously: in 2004 & 2007, they replaced townhouse furnaces at other addresses, and they have replaced Parkway heat pumps for several years under other contracts. Staff recommends that the Board of Directors endorse DKS Climate Control for replacing nine (9) gas-fired furnaces at the freestanding/townhomes, with an additional 10 percent to cover contingencies.

MOTION: THE BOARD OF DIRECTORS AUTHORIZES THE MANAGER, FOR FIRST READING, TO ENTER INTO A CONTRACT WITH DKS CLIMATE CONTROL INC., FOR THE REPLACEMENT OF NINE (9) TOWNHOUSE FURNACES WITH 90% EFFICIENCY FURNACES, AT ITS BID, \$37,800.00, PLUS 10% FOR CONTINGENCIES, FOR A TOTAL NOT TO EXCEED \$41,580.

Moved: Morse

Seconded: James

Carried 8-0

2b. 65A Ridge & 4H Hillside Sewer Relining Contract – 1st Reading

Assistant General Manager Eldon Ralph gave background information to the Board. GHI maintenance staff has recently responded to recurring sewage drain blockage calls at two sites, 65A Ridge and 4H Hillside. 65A Ridge was not included in the original contract because the tree root ingrowth is directly under an addition, making surface excavation impossible. At 4H Hillside, there is minor joint separation at a location where surface access would be difficult and extensive landscaping restoration would be expensive. Because of this, the most practical method of repairing these pipes is to line their interior surfaces with an epoxy coating. It will require repairs at two precise locations, requiring only three foot sections of the member's yard. GHI requested bids from three companies that specialize in pipe relining. Two bids were received:

Company	Bid
U.S. Sewer & Drain	\$9,950.00
Nuflow of Hampton Roads	\$11,400.00

Staff recommends that the Board award a contract to U.S. Sewer & Drain to reline sewer drain piping at 65A Ridge and 4H Hillside. U.S Sewer & Drain has never been used by GHI, but there are not many companies who do this type of work. The company's references were checked and were good. This project will be funded from the replacement reserves budget.

MOTION: THE BOARD OF DIRECTORS AUTHORIZES THE MANAGER, FOR FIRST READING, TO ENTER INTO A CONTRACT WITH U.S. SEWER AND DRAIN FOR RELINING DEFECTIVE STORM DRAIN PIPING AT 65A RIDGE AND 4H HILLSIDE AT ITS BID, \$9,950.00, PLUS 10% FOR CONTINGENCIES, FOR A TOTAL NOT TO EXCEED \$10,945.

Moved: Agans

Seconded: Novinski

Carried 8-0

2c. Gutter Cleaning Contract – 2nd Reading

At previous Board meetings this year, the Board approved contracts for gutter cleaning to be done to GHI units by Hearn Insulation, during the spring and fall of 2008.

The original gutter cleaning contract during the spring involved cleaning of 847 units at a cost of \$14,832.00, while the fall program involves cleaning of all 1592 units. Eight units do not require cleaning since they are equipped with gutter protection systems.

Due to the frequency and intensity of storms this spring, the maintenance department has been deluged with requests from members to clean gutters on GHI units. The storms have caused branches and leaves to clog gutters. In several instances, maintenance staff has had to re-clean gutters on units that were previously cleaned by the contractor. Staff recommends that GHI clean gutters on all of the remaining 745 units (1592 – 847) that were not included in the original contract.

The unit prices that were bid by five contractors for cleaning gutters on 1592 units are shown in table A below:-

Table A

Type of Units	Hearn Insulation	Ned Stevens	Metro Gutter	Royal Gutter	Roofworks
Frame units with pitched roofs	\$15.51	\$17.00	\$18.00	\$18.50	\$20.00
Larger townhouses with pitched roofs	\$15.51	\$17.00	\$18.00	\$24.00	\$20.00
Masonry units with pitched roofs	\$17.50	\$21.00	\$18.00	\$24.00	\$24.00

Masonry Units with flat roofs	\$18.66	\$19.00	\$19.50	\$23.86	\$27.00
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Hearn Insulation was the low bidder. Based on Hearn's prices it would cost \$ 26,142.00 to clean the gutters on 1592 units. A cost breakdown is shown in table B below:

Table B

Type of Units	Qty	Total Cost
Frame Units with pitched roofs	988	\$15,707.50
Larger Townhomes with pitched roofs	25	
Masonry Units with pitched roofs	319	\$5582.50
Larger single-family units with flat roofs	4	\$75.00
Masonry Units with flat roofs	256	\$4777.00
Totals	1592	\$26,142.00

Hearn has been paid \$14,832.00 on the original contract for cleaning 847 units. Staff recommends that GHI establish an additional contract with Hearn Insulation in the amount of \$11,309.50 (\$26,142.00 - \$14,832.00) to cover the costs of cleaning gutters on 745 units.

MOTION: THE BOARD OF DIRECTORS AUTHORIZES THE MANAGER, FOR SECOND READING AND FINAL PASSAGE, TO ENTER INTO A CONTRACT WITH HEARN INSULATION IN THE AMOUNT OF \$11,309.50 TO COVER THE COSTS OF CLEANING GUTTERS ON 745 GHI UNITS.

Moved: Morse

Seconded: James

Carried 8-0

After the motion was passed, the Board inquired about the members with "gutter control". Assistant General Manager, Eldon Ralph explained that two different systems were installed by GHI in an experimental basis, the gutter helmet and a gutter filter system. The two systems will be monitored to decide if one of them might be worthwhile to eventually install in all GHI homes.

The schedule of Board meetings through the fall was discussed. Board meetings at the end of September and the beginning of October would only be a week apart with the current schedule. The Board decided to instead hold meetings September 11th and 25th and October 9th and 23rd.

It was noted that the City of Greenbelt would be hosting a public forum on maximizing bus transit options on Wednesday, July 9th.

MOTION: TO ADJOURN.

Moved: Agans

Seconded: McFadden

Carried 8-0

The meeting adjourned at 7:24 p.m.

Ed James
Secretary