

SUNSET INC.

Board of Directors Meeting
Sunset Generator
February 20, 2018 9:00 a.m.

Todd Dawson called the meeting to order. Diane Linton called the roll. Todd Dawson, Steve Walz and Wayne Porter were in the office. Diane Linton and Craig D'Angelo were on the phone. Owner Marilyn Henkel, unit #804 was in the office. Lloyd Shroyer, unit #802 and Chairman of the Elevator/Generator Committee was on the phone.

President Todd Dawson welcomed all to the Sunset Generator Meeting. Todd invited Lloyd or Steve to update the attendees on the direction with the Sunset generator project.

Elevator Committee Report:

Lloyd Shroyer reported on the following Generator project.

Generator: The committee has assembled a spreadsheet to review the various proposals, quotes and options for the Sunset generator project. Lloyd reported that Metro Power, E. Electricians and All Phase provided pricing for the various generator options. Lloyd reported on Steve Sear from Metro Diesel spoke with the Fire Department and discovered that if we proceed with a 'Like Kind Exchange' generator that we would not need to power the fire pump during a power outage. If the 66 units were piped for sprinklers then we would need to power the back-up pump. Sunset's generator will power one elevator and required emergency back-up lighting during an outage. Without the requirement of powering a fire pump, Sunset could select a similar size generator which would reduce our investment considerably. Lloyd recommended that in light of the information and great news from the fire department he would recommend we move forward with the approval process of the like kind exchange plan with Metro Power. Lloyd reported that we could replace our generator and update the elevator transfer switch to a digital switch for less than \$55,000.00.

Transfer Switch: Lloyd reported that the new generator including the digital transfer switch are to be installed during the May – Oct. 2018 timeframe. The current elevator controller uses older analog switching for communication with the generator, however the new elevators requires a digital transfer switch to communicate with the generator and to power one elevator with the generator. Bi-Fuel Operation: Lloyd also reported that the new generator could also be purchased with a bi-fuel option. This would allow for the current fuel supply of LP to be used initially to run the generator. However, a natural gas supply is being installed on the Island and will be in front of Sunset in the next couple years. The Board felt it was wise to invest upfront in the bi-fuel option versus paying an unknown higher price after installation.

Warranty/Service: Metro who currently services the Sunset generator would continue as our service provider. The new generator would have an initial warranty period then

transfer to a service plan. Lloyd reported that Metro service charge would be \$1,067.00 per year which includes 4 inspections and 1 oil & filter change per year.

Lloyd concluded by saying that the new generator would be a Gillette unit with non-proprietary parts ensuring service and replacement parts availability.

Todd Dawson stated that he felt the Board should act on the matter and approve the generator permitting process. An initial check to Metro would get the process rolling. However, if the permitting process is denied then Sunset would go back and repair the current generator issues and add the digital switching to operate the new elevators.

Wayne Porter thanked the committee for the information and proposal spreadsheet. Wayne said this helps in the decision making process and assures that we moved forward with Sunset's best interest in mind. Wayne agreed to move forward with the permitting process with Metro.

Steve Walz said that the like kind exchange without the fire pump would occupy the same space, same pad and same footprint. Steve added that the bi-fuel option would be great for the LP generator and when natural gas arrives at Sunset we would have the option of hooking up the generator along with new natural gas pool heaters and natural gas grills if the Board at that time so chooses. Todd said that new natural gas lines would need to be installed to fuel the generator, pool heaters and grills.

Marilyn Henkel said possibly we could share running natural gas lines with Verizon for their generator. However, it was said that Verizon wants their own fuel source. Marilyn also asked for a timetable for the installation. Lloyd reported that the permitting process would be 2-3 weeks and the installation would be a 6 – 8 week project assuming we receive the necessary permits. Without the permit the repairs and digital switching would be completed in May.

Owner Board Comments:

- Marilyn Henkel asked if the new generator would do test runs every week like the old one? She said it impacts a couple unit owners that are nearby. Lloyd answered that the generator would need to do a test run each week but the hope would be that the new generator along with new technology would be quieter.
- Craig D'Angelo asked if Sunset would be receiving any credit for the old generator as there may be some value in the engine or parted out by piece. Lloyd will ask if Metro took that into consideration when pricing. The old unit is LP, but Todd thought there would be some value.

Not hearing any additional questions or discussions Todd Dawson moved to pursue the permitting process and accept the Metro bid for the new generator with digital switching at \$53,638.00 plus the bi-fuel option of \$2,357.00, subject to permit approval. Craig D'Angelo

seconded. Motion was unanimously approved. The motion did not include approval for an elevation certification, if needed.

Todd Dawson closed by thanking Lloyd, Steve and Bob Collins for researching the generator options and providing the information so that the Board could make an intelligent decision. Todd also said that continuing with Metro for the maintenance agreement would be great. Todd reminded the Board that the Annual Meeting for Sunset Inc. would be held tomorrow at Charley's Boat House Grill at 10:00 am.

With no further topics to be brought before the Board, Todd Dawson moved and Steve Walz seconded to adjourn the meeting. Motion carried.

Respectfully Submitted,

Wayne M. Porter

Wayne M. Porter
Recording Secretary