RESPONSES TO FEBRUARY 2024 OPEN MEETING COMMENTS and CORRESPONDENCE

Please note these responses will always be attached to packets for Open Board meetings following the meeting where the comment was made and will also be published with the monthly newsletter. As time, quantity of homeowner comments, and level of research necessary to prepare full and accurate responses permits, these responses may also be emailed mid-month after the meeting date mentioned in the heading.

HOMEOWNER FORUM

1. Don Landslittel, Homeowner and member Finance Committee: At a previous meeting he had asked the Board how much money it would take to get back to 60% funded in our Reserve account. He has 2 points to make on this topic:

1. Suggests we extend the sidling project by 30-50% a year
2. Suggests only removing shrubbery for siding and not remediating until the Reserve is back funded at 60% - just remediate trees

At the Finance Committee meeting a questioner asked for Bob Browning's recommendations on siding. There has been no written report on siding. Would like a written report with all the details, if only to have it on file. As to potable water, is there non-potable water available? [Ricardo Pineda, homeowner, replied that it is, via wells.] Regarding Reserve funding, a FirstService article, 'Beyond Basics', which encourages maximizing Reserve funds and says 30% funded is low and 70% is high. Nepenthe is falling into 24% funded, and that is what is behind my question to get back to 60%.

Subjects: Reserve Funding, Siding Project, Remediation of Shrubs

Board Response: With respect to Reserve Funding the Association has set a minimum funding threshold of $5,000,000 for Reserve management. The suggestions regarding and implications of extending the siding project and limiting landscaping will be raised with Browning Reserve Group as it begins the 2024 Reserve Study. For further comments please see response 8 (Will Vizzard) below for clarification on the Browning role in the siding selection. The Board made the choice and decision not Bob Browning or his company. Please see the Board's detailed response on percentage funding in its reply to you under comment number 7 below.

2. Bill White, Homeowner: Dunbarton pool is not usable due to the homeless access that has caused damage and extra $12,000 to clean. We need to replace the fence to keep people out. Suggest a wrought iron fence with spikes. [President Dascher discussed the status of the doors and gates at the Cabana – they are a mix of manual and electronic-access doors and gates. The doors facing the pool are not secure currently. Contractors have been contacted for proposals to remedy the issue.]

Subjects: Security, Facility Fencing

Board Response: The Board is researching multiple options for increasing security at Dunbarton Cabana including new fencing, improved surveillance, and heightened patrols to better control unauthorized access to this area. Door security is also a priority and being addressed. As alternatives and costs become available, the Board will be making decisions with the goal of reducing costs for repairs and cleaning while making the pool area available to residents.

3. Carol Duke, Homeowner: Bill Henle mentioned changes are needed on the end-of-year financial information. The Devil is in the details. The financials have errors over the last 2 years which means the current year is either way over or way under. It was reported that 2 trees were down due to the recent storm. She counted 3. [Director George advised that the Elmhurst debris was a large limb, not a tree and it was removed by her and Paul DuBois of Grove Tree Service.]

Subjects: Reserves Accuracy, Storm Damage

Board Response: Mr. Henle's comments pertained to the forecast 2023 Ending Balance as shown in the 2023 Reserve Study due to an understatement of projected Expenditures the result of which was an overstatement of the forecast 2023 Ending Balance as shown in the 2023 Reserve Study.

With regard to prior year errors, The Board would appreciate receiving details on past discrepancies that are affecting current financial data. Please submit the information to the Management and Board so that the community has your information details, and the Board can investigate to resolve any existing problems.

4. Alan Watters, Homeowner, Chair of Architectural Review Committee: His house was damaged by the storm 13 months ago. While he has been able to move back in, some items are still not complete or were done improperly and he is not getting a response from the contractor. He has appreciated the HOA assistance but like the office to contact Dry Creek and follow-up on the incomplete work.

Subjects: Storm Damage

Board Response: It is our understanding the office did speak to the contractor who then contacted you. We also understand that the issues related to their work have been resolved.

5. Ricardo Pineda, Homeowner: An observation about air conditioning systems: if you're told to replace the condenser on your heat pump your unit (if old) will go out in a few years. He has white cameras and will attend the ARC meeting to discuss painting them. Notes the painting company has gone out of business. [Dunn Edwards paint matches Kelly Moore] We need continuous flood insurance, if there's a break in coverage, we will lose it.

Subjects: Flood Insurance, Paint, Cameras

Board Response: Thank you for your information. The Architectural Review Committee can respond to your questions about camera requirements.

6. Susan Timmer, Homeowner and Chair of Finance Committee (from zoom chat): We use a threshold funding model for our reserve funds. With this model we ensure that in years with the greatest expenses, we still have a cushion of $5mil dollars in our reserve account. Our reserve fund expert, Bob Browning told us that "percent funded" is not a reliable metric or one that we pay attention to in developing our reserve study.

Subjects: Reserve Funding

Board Response: Thank you for providing information provided by a professional in the field of finance and Reserve funding.

7. Don Landslittel, Homeowner and member of Finance Committee: The FirstService article has metrics he would like the Board to consider. Budget approval does not mean all the money must be spent. When a manager is told to cut 10%, they make changes to reduce.

Subjects: Budget

Board Response: The Board thanks Mr. Landslittel for his comment and agrees "Budget approval does not mean all the money must be spent." That said, the Reserve Study is not a budget, rather it is a projection, a forecast, of future expenditures over time. The Reserve Study is a tool to predict future expenses so funds are available for the needs as they occur. The Board is charged with protecting, preserving, and maintaining the association and its amenities; the Board allocates funds and approves expenditures to meet those responsibilities.

Percentage Funded is a figure which amounts to a snapshot of a fixed period which does not reflect the soundness of the entity financing nor its ability to meet its obligations. To maintain a fixed percentage funded figure, assessments would have to increase significantly, or the Board would fail to meet its obligations. Deferred maintenance has a greater significance to homeowners and home buyers.

8. Will Vizzard, Homeowner, past Board Member and member Finance Committee (via Zoom): Wishes to comment on two things:

1. Stretching the siding project out will not have an impact other than on cash flow. It would simply stretch the expense to the following year; it does not reduce the cost.
2.The Browning study is based upon costs, not products. The Board studied the siding and approved the materials. Browning's involvement was to inquire about the siding to learn about it and determine future cost savings.

Subjects: Siding Project, Browning Study

Board Response: The project manager continues to provide information on the progress of the project as well as timelines for completing sections and zones.

9. Carol Duke, Homeowner: (addressed to Will Vizzard) Again, the Devil is in the details. Spreading out the siding will have no difference in 30 years, but it will be a big difference in 3 years. We could smooth out easily.

Subjects: Siding Project

Board Response: The total cost to the association for any project remains the same despite the period over which the project is conducted. In fact, if prices rise, spreading out the work could end up costing more in the long run. Spreading the cost over more years simply gives a different total for the yearly expenditures, not the bottom-line state of the financial health of the association.

10. Nina White, Homeowner: As a clarifying comment, Browning says the percentage funded is not an issue, but it does matter to potential home buyers. It matters if you are selling or buying.

Subjects: Reserve Funding

Board Response: Thank you for your comments**.**

11. Ashley Tangeraas, Homeowner, **past Board member** (from Zoom chat)**:** There is moss on the roofs. I had a leak last year due to moss. What are the Board plans? [President Dascher advised the Board is looking into roof inspection estimates. He notes removing moss can cause damage to shingles.]

Subjects: Roof Moss

Board Response: The Board is exploring the needs and options for roof inspections.

12. Hallie Henle, Homeowner: At the last meeting a non-owner wished to speak and was not permitted. There are other ways to ask questions of the Board – write a letter or email, or phone or come into the office. Addresses and numbers are in the newsletter.

{Director Nelson said it is always good to ask questions and all homeowners are encouraged to do so.]

Subjects: Source of Information

Board Response: We respond to questions in many ways: the office may be able to immediately respond; our website and newsletters (archives are available on line) contain a wealth of information; appropriate Committees can quickly inform or begin a process toward resolution; letters to the Board are published and reviewed as the Board responds through either direct contact to the homeowner and/or response in this forum; and homeowner comments at Open Board Meeting are also replied to in this forum by the following Board meeting.

13. Theresa McCrackin, Homeowner: Does Nepenthe have a source of non-potable water? [Director Nelson advised that drilling a well would be necessary; we have 9 water junctions, and each could require a well.]

Subjects: Non-potable water

Board Response:

14. John Haller, Homeowner (from Zoom chat): I would like to add that we did have roof damage due to a falling limb. I punctured the roof in two places, and one penetrated through our bedroom ceiling. The front office was very responsive in getting us help to get a tarp put on the holes, unfortunately we did have some inside water damage as well... not horrible.

Subjects: Storm Damage

Board Response: We are happy that no one was injured, and that damage was minimal. Please keep the office informed if further issues appear.

HOMEOWNER CORRESPONDENCE

1. Steve & Roberta Dunn, Homeowners: Requesting the gym be open from 6AM instead of 7AM.

Subjects: Gym Access

Board Response: The gym hours are now 6:00 AM to 10:00 PM. The Dunns were advised by the office when the change was made.

2. John Bloomer, Homeowner: Requests information on the Board's plan to remediate his landscaping in accordance with his request for specific plant placements and arrangements.

Subjects: Landscaping

Board Response: Your original request was submitted prior to August 2023 and reviewed within the Grounds Committee. Your September 2023 request superseded the prior one.

3. Julie Lane, Homeowner: Requests permission to plant two trees in the common area near her home.

Subjects: Homeowner Planting in Common Area

Board Response: Homeowners are not permitted to plant in common areas. We are treating your letter as a homeowner landscaping request and will forward it to the Grounds Committee for routine processing. The Zone Stewards will review the request and assign a priority ranking from the Grounds Committee Work Order Ranking Plan, approved in October 2022.