

RESPONSES TO JANUARY 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 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.

1. Carol Duke, Homeowner: Carol made comments regarding the current meeting: 1) the financial information presented in the spreadsheet can look perfect if you don't know the details; 2) from her observations, the roots lifting the compressor at 1100 Dunbarton came from a tree on a neighbor's patio and that should have implications on the expense and responsibility. Carol states that, at the December 27 meeting, the motion to change the minutes was not clear before a vote was taken and, therefore, the result is null and void. It appears that there is a move to limit homeowner comment. At the December 27 meeting there appeared to be a rush to end the meeting and there was only one homeowner comment period. It is standard to have 2 sessions. If the Board is changing the pattern, it should be announced to the community ahead of time. [The Board President stated that the agenda and number of homeowner comments sessions is at the discretion of the Board and the agenda is issued ahead of time, thus giving notice of the number of comment periods.]

Board Response: Thank you for your comments.

2. Paula Connors, Homeowner: Paula has not received a response to her letter that was included in the December 6 Open Meeting packet. She is distributing it again seeking a response.

Board Response: The Board owns Paula an apology. Her letter was not specifically addressed the Responses to Homeowners attached to the January packet. Paula's letter mirrored questions asked by her neighbor, Amy Mickel, who did receive a letter from the Board (included in the January packet). When the oversight was noticed, a letter was also sent to Paula, however, it was too late to reach her before the January meeting. The letter is available for all homeowners to review at page 70 of the January Board packet (<https://nepenthehoa.com/wp-content/uploads/2024/01/Nepenthe-2024-01-03-Open-Session-Packet.pdf>) with attachments to the letter on pages 74 through 89.

3. Trish Meraz, Homeowner: Trish apologized for her hoarse voice. At the December 27 meeting she raised the issue of the allegation in the recall petition about the Member at Large not having authorization to sign documents. Based upon her understanding, the member at large has no authorization to sign unless the Board made an express resolution to permit such signatures. In looking for such evidence, she did not see or hear any. On December 27, she commented that Christina George, given the accuracy of the allegation, should resign and save the HOA the expense of the recall; that is what Trish would have done. Perhaps others at the meeting saw or heard something she did not, if so, she apologizes for not paying attention. She apologizes to Christina.

Trish also wishes to let people know that in 2019 the Howard Jarvis initiative (Prop13) was modified and it no longer true that one's lower tax rate can be inherited by one's children unless the children assume residence in the house.

Board Response: Thank you for your comments.

4. Ricardo Pineda, Homeowner: He's learning how Board communication works. He has sent 3 messages regarding remediation near his residence and not received a response. He has been expecting an email or letter. [Director George referred Ricardo to page 72 of the packet for the Board response.] <https://nepenthehoa.com/wp-content/uploads/2024/01/Nepenthe-2024-01-03-Open-Session-Packet.pdf>

Board Response: Correspondence to the Board is included in the Open Meeting packet for all to review. That correspondence and comments made by homeowners at the Open meetings are, by this Board, replied to in articles we call "Responses to Homeowners". Those responses, where possible, will be released before the next Open meeting via an email blast. Regardless, responses will be in the following month's Board packet. The intent is to share information as broadly as possible to all homeowners. The responses are also included with the newsletter to achieve a broad distribution. As the Board meets only once a month, responses, unless urgent, are necessarily delayed. We encourage homeowners to ask questions about issues or if they are unsure of a process.

5. Pat Singer, Homeowner: Pat thanks the Board as she would not be willing to step up to the position. She appreciates Paul Reeves' information and would like to see such a presentation quarterly. She has 3 points to make: 1) Given Paul Reeves' comment that it is important to paint every 8 years, she is hoping that the Board has set up funding and planning for such a schedule; 2) Trim and caulking may not also last as long as the Duratemp siding material and she is hoping the Board is also funding and planning for inspection and repairs for those items rather than waiting for 12-year siding cycle. When we finish phase three, is there a plan to go back to evaluate phase one?; 3) CPR has replaced several fences where there are gate issues now appearing. Rather than have Elite make repairs, she suggests holding CPR responsible for their work.

Board Response: The Browning Reserve Study is the planning document for anticipated future replacement and repair. The current planned siding cycle is 12 years, painting is 6 years, and each year has reserve line items for painting touchup and siding repairs, as needed, between such cycles. When there are issues with contractor work, please report all such instances to the HOA office for inspection. The office, in conjunction with Board members and liaisons will determine, based upon warrantee periods and other factors, how repairs should be performed.

6. Ashley Tangeraas, Homeowner, and past Board Member: On December 6, 2023, the Board received a recall petition. The Board's Attorney confirmed the validity of the petition; 5% of the homeowner signed the petition. The Board rescinded their acceptance of the petition on December 27. The petition documented fiduciary problems, but the law says a Director may be removed without cause. She is calling on

the Corporation code 7511C to have a single ballot vote on April 17, 2024, to recall Christina George.

Board Response: The Board acknowledges the receipt of a document presented by Ms Tangeraas.

7. Peter Pelkofer, Homeowner: Peter wishes people to know he is not only a homeowner, but also an attorney. He has reviewed the bylaws and believes a violation of them has occurred. He would like the Board's attorney to refute that belief.

Board Response: Thank you for your comments.

CORRESPONDENCE TO BOARD

1. A letter from Donald Person, Homeowner was included in the Board packet.

Board Response: Thank you for your comments.

2. A letter from homeowner Kelly Cole, was included in the Board packet.

Board Response: The removal of shrubs along several alleys along Dunbarton was performed to clear access for siding contractors and painters, and to fully expose all areas needing siding repair. From prior siding work performed, the Board had learned having clear access to the siding and fencing was essential. In approving the work, the Board had anticipated several days to notify homeowners, but the contractor's schedule permitted them to begin the day following approval – catching all off guard. The new landscaping will better meet the community needs for clearance between plantings and surfaces as well as help accomplish other goals such as water savings and reduced maintenance costs.

3. Two letters from homeowner John Apostolo were received but not included in the Board packet due to an error. The letters are attached to this file so that all homeowners can view the questions asked and comments made.

Board Response: The January 3, 2024, packet included some answers to the questions asked in these letters. Paul Reeves, project manager for our siding project, also provided information at about clearances needed between plants and siding and fences to prevent damage to wood. The link to the video of the meeting is at:

<https://nepenthehoa.com/recorded-board-meetings/> Specific answers about the City trees is contained on pages 65-67 of the January 3, 2024 Board packet.

Browning Reserve Study currently projects siding and paint of 12 and 6 years, respectively.

AB1572 is new legislation that is being closely tracked by all HOAs in the State. The Board is in contact with our management company, in contact with other HOAs, on mailing lists for meeting and regulation notices and actively engaged in planning for changes as we learn what is required.

Delegation of authority for the member at large to sign documents has been grandfathered as a Nepenthe practice since at least 2010. No Directors have authority to 'sign checks'. The payment process is as follows. Under contract with vendors (none of which have been signed by the Member at Large), proposals for additional work are presented to the Board for discussion at Executive meetings. Discussion and possible alterations/adjustments to those proposals take place and, once approved by at least 3 of the 5 Directors, the office prepares a work order authorizing the actual work. Once invoiced, the invoice is compared to the proposal and payment information is input into the accounting system. Authorization to make the payment requires the signatures of 2 directors who review the paperwork for accuracy. Once signed by the Directors, the General Manager electronically signs the authorization, setting into process the issuing of a check from the appropriate account.

4. A letter from homeowner Peter Klein was received too late to be included in the January packet. A copy of his letter is attached at the end of this document. Peter has reviewed the siding project, and his observations are included in his letter.

Board Response: The Board has forwarded this letter to Paul Reeves, our siding project manager, for his review and response.

Dusty Favichia

From: CA - Nepenthe HOA
Sent: Monday, December 11, 2023 8:39 AM
To: Dusty Favichia
Subject: FW: Response Requested: December 2023 Homeowners Association Meeting - Follow up

This is in Nepenthe HOA



NIRMAL DHESI
Assistant Community Manager
Direct 9169298380



From: John Apostolo <apostolo.john@gmail.com>
Sent: Sunday, December 10, 2023 6:50 PM
To: CA - Nepenthe HOA <Nepenthe.HOA@fsresidential.com>
Subject: Response Requested: December 2023 Homeowners Association Meeting - Follow up

You don't often get email from apostolo.john@gmail.com. [Learn why this is important](#)

December 10, 2024

To: Nepenthe Homeowner Association Board of Directors
cc: Nepenthe Homeowner Association Manager
Nepenthe Homeowners

I attended the December 6, 2023 Nepenthe Homeowners Association meeting, and left the meeting with the following questions and concerns which I am asking for a Board response.

I am also requesting this communication be included in the January 2024 Board Meeting packet.

1. City tree removal. One homeowner commented that a City of Sacramento (City) tree was recently removed at Nepenthe's expense, in addition to other City tree removal within the Nepenthe footprint.

a. How does this removal expense, of a city owned tree(s), demonstrate scarce monetary resource stewardship? Please help me connect the dots on this matter.

2. Landscape Remediation / Painting and Siding. A slide deck was shared at the December 6th Board Meeting illustrating the extensive landscape remediation taking place in conjunction with Phase I Painting / Siding work on Dumbarton Circle. I walked away from the meeting understanding the

landscape remediation work is at the behest of the painting and siding contractors citing close proximity of shrubs and other growth to homes making it difficult to replace and paint siding etc. I find this difficult to comprehend. I have owned a home in Nepenthe since 1990, and experienced 4-5 painting and siding cycles, and during this past work shrubs and other growth adjacent to homes has never been an issue. Bushes and shrubs have been trimmed in a reasonable manner. Observing painting /siding work in other Villages, i.e. Village 3, I have not witnessed the extensive shrub removal as demonstrated on Dumbarton Circle.

- a. What is the 1-3-year strategic plan in coordinating painting, siding and landscape remediation, and the projected cost over the life of these projects? What is the impact on reserves once these projects are completed?
- b. Why would the Association not hold future non-contracted landscape work in 2024 until a comprehensive monetary assessment and strategic plan is developed, presented and discussed?

3. Use of Non-Potable Water for Common Area Irrigation. I understand this is the elephant in the room facing the Association in 2029.

- a. Has Nepenthe reached out to the Campus Commons Park Corporation Board to gain an understanding of how their five villages will be addressing this issue?
- b. Has Nepenthe reached out to the City of Sacramento for available resources for planning for 2029?

I look forward to your speedy response

John Apostolo, Homeowner
916-505-4746

Dusty Favichia

From: CA - Nepenthe HOA
Sent: Wednesday, December 20, 2023 11:20 AM
To: Dusty Favichia
Subject: FW: Board Response Requested: Delegation of Authority

URGENT



NIRMAL DHESI
Assistant Community Manager
Direct 9169298380



From: John Apostolo <apostolo.john@gmail.com>
Sent: Tuesday, December 19, 2023 5:54 PM
To: CA - Nepenthe HOA <nepenthe@fsresidential.com>
Subject: Board Response Requested: Delegation of Authority

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December 19, 2024

To: Nepenthe Homeowner Association Board of Directors
cc: Nepenthe Homeowner Association Manager
Nepenthe Homeowners

I attended the December 17, 2023 Nepenthe Homeowners Association meeting, and left the meeting with the following questions and concerns which I am asking for a written Board response. To be clear this communication is not a challenge to an individual's capability or commitment to the Nepenthe Board of Directors and Nepenthe Homeowners. This is a question addressing Board processes. Please include this letter in the January 2024 Board meeting packet.

1. Delegation of Authority:

Nepenthe's attorney spent approximately 15 minutes explaining delegation of authority citing current Nepenthe By-Laws and State of California Corporation code. The explanation was clear, however, I did not walk away from the meeting hearing if the Nepenthe Board of Directors had delegated signature authority to execute financial instruments and contracts.

- a. When (specific date) did this delegation of authority take place between May 2023 (Board of Directors election) and December 17, 2023?
- b. Did the delegation of authority limit only signing checks on Nepenthe's behalf or provide a more inclusive approval to execute all financial instruments and contracts regardless of contract value or invoice amount?

Had this specific information been shared at the December 17th meeting, through documentation of redacted Executive Session Board minutes, clarity and transparency would have been provided, and the meeting would have taken a different and more productive tact.

I am asking the Board to agenda "Delegation of Authority" at the January 2024 Board meeting for discussion and sharing the process steps taken to assure the proper delegation of authority was passed via Board resolution. If documentation cannot be provided, then delegation did not occur and there is a challenge to the Board of Directors' fiduciary responsibility to the homeowner's and not just one individual board member. Board transparency is important, based on homeowners comments at the December 17, meeting.

I await your speedy response

Regards,

John Apostolo, Homeowner
916-505-4746



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