

**Nature Pointe HOA Annual Meeting Minutes**  
**Sunday, March 26, 2017 at 4:00 p.m.**  
**Nature Pointe Clubhouse**

**Board members present:** Alex Leonard, President; April Sweet, Secretary; Veronica Montano-Pilch, Treasurer; Deb Leonard and Tom Courtin

**Members present:** Quorum = 37 lots needed for a majority, 76 absentee votes and 37 in-person votes received

**I. Call to Order & Sign-in**

Alex called the meeting to order at 4:45 pm

**II. Board Member Elections (*Tina Armijo, Nominating Committee Member*)**

Tina described the nomination process. Nominating committee was Martin Pilch, Tina Armijo, Buck Dewey, and Veronica Montano-Pilch. A letter was sent in January and followed up with an email. A second letter was sent later with the ballot and candidate information. That was followed up with an email a week later. Nominating committee called/texted members to remind people to send in ballots. As of this morning we had 76 votes sent in ahead of time.

Melissa Trudell and April Sweet are running for the board. They both took the opportunity to speak to the members.

There were no nominations from the floor.

**III. Thanks to Volunteers (Alex Leonard)**

Alex thanked the following volunteers:

- Wedding Committee: Wes Trudell, Tina Armijo, Veronica Montano-Pilch
- Finance Committee: Martin Pilch, Eric Schindwolf
- ACC Committee: Constance Busheme, Scott Horton,
- Maintenance Committee: Melissa Trudell, Alex Leonard, Eric Schindwolf
- Melissa Trudell – pool help
- Jeff Eschenberg – active in getting stuff done while he was here
- Linda Butler, Vicki Burns, Sue Campbell – taking care of the plants
- Rich Cox – hauling branches and trimming trees
- Bryan Burns – work on the gate
- Karen Leach – all kinds of volunteer work, getting Avenida Alegre dedicated to the county
- Wes Trudell – dry wall repair
- Dale Rugge, Scott Horton, Linhson Do, Eric Shindwolf – clubhouse close up
- Dale Rugge – Karate class
- Tom Courtin, April Sweet, Veronica Montano-Pilch, Suki Tingley, Jeff Eschenberg – board

**IV. New Housing Construction (Alex Leonard)**

New Home Construction: The following homes are expected to be constructed this year: Dave and Carol Oakey; Andrew and Crystal Glenn; Blair Wolf and Judy Dolittle; James and Louisa Dean; Carl & Geri-Kay Sanchez; and possibly one or two more. This is probably our busiest year for housing starts.

The following homes have been completed in the past year: Nathan Hawkins and Betsy Netz; Dave and Constance Buscheme; and, Tom and Mary Deeny.

**V. Realtor Report (Patsy Spellman)**

Last year 6 lots sold. So far this year has been really active. Patsy thanked members for telling others about Nature Pointe. Last year from March of last year to March of this year 4 homes have sold. Patsy thanked members for sharing their appraisals to help defend Nature Pointe's cost per square foot.

**VI. Committee Reports**

**a. ACC Committee (Alex Leonard)**

Alex mentioned that ACC will be doing a neighborhood drive-through when ACC members are available. ACC has had a busy year reviewing plans.

**b. Maintenance Committee (Melissa Trudell)**

Melissa discussed the Maintenance Committee report (attached). She reported that our maintenance manager is doing an excellent job making progress on the project list (from 140 items down to 90 items). He has also saved the HOA money by being able to fix several items.

Melissa thanked Eric Schindwolf and our maintenance manager, Joshua Bingham, for getting their pool certification and taking over the pool monitoring.

Key requests:

- Request people send in work orders as issues are noticed from the link listed in "What's Happening" and the web site.
- Please rinse off before entering the pool. It does make a big difference.
- Please be gentle with toilet handles.

Questions/comments from members:

- **When was the playground put into service?**  
Summer 2012
- **Road sealing – will there be times that we can't drive on it?**  
They will do ½ at a time to try to minimize disruption.
- **Want to thank Melissa for doing an incredible job with the maintenance committee.**

**c. Finance Committee (Martin Pilch)**

Marty discussed the Finance Committee report (attached).

Questions from members:

- **Question about cash reserves. Is that an account somewhere?**  
It is the sum of all of our accounts minus a certain amount of management reserves.
- **Kudos for creating the model. What confidence do we have for the variables used to setup the model?**  
"Do the best you can with what you got." The model is best used to evaluate what we are doing now to set us up for a better future. It is not an insurance policy.
- **Did you commission a professional reserve study?**  
Yes we did. It is posted on the internal website. We took the reserve study and folded in the operational expenses and annual maintenance expenses. Veronica added that Marty did a Monte Carlo simulation and reverse engineered reserve study. If there is anybody who wants to look at the model, give him a call.

**d. Wedding Committee (Veronica Montano-Pilch)**

Veronica discussed the wedding report (attached).

Veronica thanked Nathan Sweet and Melissa Rugge who were on the wedding committee but are no longer on the committee. We only have 3 members left: Wes Trudell, Tina Armijo, Jeff Murray. If you would like to volunteer, please let Veronica know.

It has been decided to separate staff so that we have one person dedicated to the wedding business. The board will send out more details later as we are in the process of discussing details with staff.

Questions from members:

- **Are you thinking of dues increase or special assessments?**

We have not discussed any dues increases or assessments beyond the inflation adjustment in 2018 as recommended by the finance committee.

**e. Safety Committee (April Sweet)**

There were 2 meetings last year that were well attended, but we need a committee chair to help move it along. If anyone is interested, contact April or the board.

**VII. 2016 Financial Reports (Veronica Montano-Pilch)**

Members were given a moment to review the 2016 P&L and 2017 Budget.

Questions from members:

- **What is the current projected wedding income?**

The wedding committee handout does not take into accrual accounting like the P&L does. The current projected wedding income, from a P&L perspective, is somewhere around \$255k - \$290k. This projection tries to use some reasonable min/max values as a guess for how many more 2017 events will be sold and how many additional \$800 deposits we will receive for events in future years.

- **Do we have a sense of what the competition prices have done? Are our prices still sort of high compared to others?**

There are more venues available now than there were before. We are higher, but others may have gone up too. There are also lots of changes that have happened. There used to be 3 people on and off selling weddings. Jessica has been pulled in many directions. We can see this from our time tracking tool (Toggle).

- **Are we still asking brides how they heard about us?**

Yes we are asking brides how they found us.

- **What is the advertising campaign?**

Mostly Facebook. Magazine add proposed for 2016 did not receive enough board votes and did not pass. We are working on a new Website. We are still in Perfect Wedding guide. We use Google add words. We had an event here for brides last year.

- **What about other events like the Los Companos triathlon?**

Yes we can do other non-wedding events. Some would like to see more corporate events (less wear and tear, booked closer to event, etc.), but there is not agreement on the board.

- **Would like to suggest putting the weddings on Pinterest.**

We currently have 1000 wedding pictures on Pinterest and staff is updating.

**VIII. Board Approved 2017 Budget (Veronica Montano-Pilch)**

Discussed above.

**IX. Election Results (Veronica Montano-Pilch)**

Veronica announced the election results. April Sweet was elected to serve a 2-year term. Melissa Trudell was elected to serve a 1-year term. She thanked Tom and April for stepping in last year.

**X. HOA Member Discussion**

The floor was opened for member discussion. Some comments/discussion included below.

- We are in fire season now. Please start thinking about it and don't underestimate the threat. Take a look at your animals, documents, etc. in case you need to leave in a hurry. The time to have the plan is now. As far as your neighbors go – if you are going to be out of town for a while, let them know and consider asking them to take your important stuff for you if needed. We will send an email with more information. It wasn't known if everyone has the combination for the locks on the emergency exit gates. It was also unclear what the county requirements are for the emergency exits. It sounds like one exit has a 'breakaway' chain (one of the links is cut  $\frac{3}{4}$  through) and one does not. A member volunteered to help with this to make sure emergency exits are correct. 3535 is believed to be the code for both emergency exit locks, but we will check.
- **Were the 6 lots that were sold were resale lots?** All 6 were resale lots. Some of the people who purchased resale lots had been working with her looking at VDO owned lots first.
- We often have pinon pickers on our lots. There is a number that you can call now if someone is on your land. If you want to be able to prosecute, you need to have a no trespassing sign on your land. There was some discussion about whether or not we would all need to have no trespassing signs or if one sign at the gate would be sufficient. It was suggested that maybe the safety/security team could help find that answer.
- **Can we anticipate when the playground might be open?** The current status of the playground was discussed. An inspection was performed last week and we just got the formal report a couple of hours ago. The initial feedback from the inspector was that it might not be cost effective to repair the playground. Even if we do repair it, it won't solve the liability problem. The burden is on us to show compliance with safety codes for the exiting playground. A commercial, certified playground installed by a certified installer would have a \$30M liability baring if an injury were to occur as a result of the failure of the equipment.
- **Will the community get a vote in what replaces the playground?** The community will have input, but not a vote. The board needs to make the decision in light of its responsibilities to the community (financial, liability, etc.).
- **Can the board commit to not spending any more on the playground?** The board needs to discuss and we cannot vote during this meeting. The current status we won't repair it any more until we get an answer on insurance. We have put a placeholder of \$15k in budget for repairs or toward a replacement, but we will have to discuss what makes sense now.
- A member stated that he is comfortable with the board making decisions about the playground, but that he would like to see the cost/benefit analysis and risk analysis.

- **What is the status of the liability policy?** We will be dropped next year from Farmers Insurance for DNO and HOA. They have made it very clear that they are dropping us and they have referred us to our lawyer to answer questions about whether or not we are covered for our wedding business. We have put extra into the budget for insurance so we can look at other policies.
- There were suggestions to replace the playground with a putting green and put a new playground in the pocket park.
- **What is the current liability policy?** We have 7.9M for the facility and 3M liability with the umbrella. It was recommended that we have a minimum of 10M per incident for the playground and the member referenced a lawsuit where the parents were awarded \$8M.
- **Is there a waiver that could be signed that would allow people to use the playground?** The general belief is that people can still sue even after signing a waiver.
- The meeting on a positive note with a suggestion of a monthly neighborhood get together (bocce ball, horse shoes, something).

**XI. Adjournment**

Alex adjourned the meeting at 6:35 pm

**I have read and agree with the above minutes presented at the Board Meeting:**

\_\_\_\_\_  
Alex Leonard, President

\_\_\_\_\_  
Date

\_\_\_\_\_  
April Sweet, Secretary

\_\_\_\_\_  
Date

\_\_\_\_\_  
Veronica Montano-Pilch, Treasurer

\_\_\_\_\_  
Date

\_\_\_\_\_  
Debbie Leonard

\_\_\_\_\_  
Date

\_\_\_\_\_  
Tom Courtin

\_\_\_\_\_  
Date

## March 26, 2017 MC HOA Report

1. **Work Orders are available in “What’s Happening at NP” and on the CH website. The MC is trying our best to respond back and notify you when the issue is completed. We appreciate your help making sure issues are identified and taken care of.**
2. Mike’s Painting is scheduled for 4/3/17 to start repairs to the stucco and Elastomeric. The project will last approximately 3 wks with cleanups before each weekend.
3. Star Paving is attentively scheduled for 4/23/17 or the week after, weather permitting. Sealcoating requires the temperature of the asphalt to be between 50 - 90 degrees for a 24 hour period. 3/16/17 at 1:19 PM, 91 degrees; at 7 AM 37 to 41 degrees.
4. We are trying to get Heads-up scheduled for the beginning of May or June to mow and spray weeds along the roads and path. ***If you prefer the landscapers not to mow along your property because you prefer to do it yourself, please set red flags out to indicate this area.***
5. The Direct TV was disconnected, and an antenna will be installed Friday.
6. Josh is pruning every Friday for Monday trash pickup.
7. Pool: We just received a renewal for our 2017 Swimming Pool Permit. There are at least 3 cracks by the ladders that need repair. We need to find a material with better adhesion. Also we need an accident log, and replace the First Aid Kit's expired contents, and our rescue signage needs to be up-to-date. The new automation is up and running great! Eric and Josh have been trained on daily and weekly readings, know the procedure for SST, Acid SST, Oxygenation SST, neutralizing, raising and lowering pH, enzymes to prevent stain and scale, Phosphate removal procedure, vacuuming and power washing. Entranosa switched aquifers. Presently the water has less Ca and 7.5 pH. Everyone needs to rinse off all soaps and lotion before entering either the pool or spa to prevent Phosphate build up which clog the filters and cause filter pressure to increase and GPM flow to decrease, besides leaving visible deposits and foamy water. **We really appreciate your cooperation.**
8. Union Jack gave us a quote of 40K to replace the KiTEC and repair drywall. Our options are: replace an area at a time; or purchase leak sensors and replace all the KiTEC in an area as leaks arise, The location of fittings are hard to determine within the walls. The Honeywell Lyric Wi-Fi Leak Sensors seems to be the most highly ranked. These can be mounted 1/4" or less from the floor and have a sensor on a 4' line making mounting in a prime location easier, about \$75 a pop.
9. Union Jack said the 70 gallon residential hot water tank is too small for the demand, the pressure tank on top of this is no good because it is full of water and too small for the 70 gal tank. It is only for 50 gal. It needs replacement with a larger one that matches the capacity of the hot water tanks. We could get a larger commercial tank or add a second tank.
10. Pond, stream, and fountains are up, running. The sump screen and pump filters were cleaned and they will be drained, cleaned and have an additive Ca removal. We were asked "Is there some sort of automatic shut-off timer that can be installed for the pond/fountains?" Yes. The patio fountain already has one, and Josh will get familiar with its operation. The waterfall and twinkle lights switches are presently located on the outside of the shed. We would like to move them to the inside of the shed and add a timer. This would prevent tampering by allowing access to only the wedding workers and maintenance people. The CH Manager and her assistant

could program an automatic turn off for twinkle lights, pond, and fountain during member events. This will conserve energy and wear and tear on the pumps. Alex feels this is not a high priority. The pool and spa have 3 continuous pumps and 2 jet pumps when in use, pond and fountain have 3 pumps when running. To run all pumps for one hour is roughly \$0.30.

11. A lock was installed on the parking lot timer box. Call for code if someone outside of the MC needs access.

**12. Please be gentle with the toilet handles; 6 have been replaced over the last 2 months at \$30 a pop.**

13. The MC has cut pool chemical expenses roughly by 30% by comparing suppliers.

14. We did not need to call to have the septic pumped last wedding season by adding enzymes to the septic weekly.

15. We want to thank everyone for their interest and ideas for the playground. Since it was really difficult to determine the path forward, we felt that it was very important to get an independent assessment. Last Wednesday 3/22/2017, the MC, FC and HOA had the playground inspected by Butch from PlaySafe, LLC [www.play-safe.com](http://www.play-safe.com). This is the same company that inspects APS playgrounds for safety. This was done to ascertain any code infractions and what repairs would need to be done to bring it into compliance and then to determine projected cost of these repairs. We will get the full report early this next week and will be able to make a determination on next steps. The initial feedback from the inspector during the inspection is that there are numerous issues and it may not be cost effective to make repairs. We will wait for the final report, but we need to prepare ourselves for that answer and what that means for our community. We also learned more about liability issues related to playgrounds and need to consider that as well. On a positive note, the inspector paid a complement to the creativity and workmanship of the playground.

16. Josh has been researching our wood rot problems and would like to have a Structural Engineer come and inspect: interior wood, exterior Bridge, Deck, Pergola and vigas for termites, beetles, strength, and rot. A Structural Engineer will be able to tell us what is required.

17. Josh is testing Penofin cleaner/brightener on wood. We already have Aspen Log Penofin, which from the website is deep-penetrating Brazilian Rosewood Oil to protect high altitudes with 99% UV protection in the toughest conditions. The typical lifespan is 9-24 months on horizontal surfaces and 2-5 years on vertical surfaces. There is also 10 year Penofin, but Aspen Log is made for logs and Josh agrees with using this. April suggested painting something more opaque for the most UV protection, but will concede to the less opaque wood protection if we are all in agreement that we can afford and will keep up with applying the Aspen Log Penofin on-time. Definitely add this to the maintenance calendar to at least inspect prior to the lower end of those ranges (9 months and 2 years).

18. Researching pond for possible safety issues, it may require a fence. Again, I am waiting a definitive answer on this. Anything shallower than 2' is insurable, but the pond is as much as 4'. Rishar assured me the entire perimeter of the CH is patrolled during weddings, but what about member events and day to day use?

19. Service Master Clean contract needs to be signed. Some feel we need to do the floors before the wedding season starts. Most on the MC recommends using the Rejuvenator on the wood and concrete; we are awaiting a quote from SMC. Some feel nothing is necessary.

20. MC needs scaffolding. It costs \$300 a week to rent OSHA certified from Frank's. We need it for: caulk gaps around vigas, in-house high dusting, ascertain model # on smoke beam detector for ordering and to possibly install new or to dismantle old and fix if possible.
21. The MC shopped for a MC computer. The MC is going digital on its charting, inventory work orders, procedures, MSDS, and ordering. Alex is giving a call to the neighborhood for a donation. Veronica picked a good new one for \$599.
22. In the near future, the CH paint will be touched-up.



## Finance Committee Report

### Key Accomplishments

1. NP Roads: Cost/benefit study researched, documented, and recommendations presented to the Board
  - a. Key findings:
    - i. Life cycle costs are significantly higher if we continue to defer recommended seal coating of the roads i.e., maintenance pays
    - ii. There is no clear accountability for short term or long term maintenance of Aveneda Alegre - NP increasingly foots the bill for crack sealing
  - b. Recommendations:
    - i. Seal coat Phase 1&2 roads and the parking lot as soon as practical in 2017 – passed in 2017 budget
    - ii. Dedicate Aveneda Alegre to the county – Kudos to Alex Leonard and Karen Leach for successfully moving this along. County has agreed to accept the road. Petition signed by all necessary property owners along Aveneda Alegre. Surveying for re-plating the road initiated. This is going to happen!
2. NP Business Model: Formal presented to the Board and the community. Presentation and supporting spreadsheet posted on website
  - a. What is the business model?
    - i. Documented and transparent strategy to ensure long-term viability of NP HOA with the goal of avoiding special assessments
    - ii. Analyze cash flow and cash reserves with a 30 year planning horizon
    - iii. Analyze various scenarios (trade-offs, HOA dues, # of weddings, growth, inflation, capital improvements, strategies for dealing with expenses, uncertainties)
  - b. Key findings
    - i. Weddings are needed to meet the near term and the long term financial needs of the community – even when the community is fully built out
    - ii. Our cash reserves are only about 30% of what they should be to meet future reserve expenses – multiple special assessments are predicted if we continue business as usual
  - c. Recommendations:
    - i. We must critically review *all* operations, *all* sources of income, and *all* expenses – we are missing many necessary and needed opportunities if we focus solely on weddings
    - ii. Specific recommendations made, which if implemented, could possibly ensure financial sustainability. There are many more opportunities yet to be explored – 2017 budget adopted several of the key recommendations
  - d. Key Risks:
    - i. KiTex Plumbing Fixtures: Failure to fix faulty plumbing fixtures and piping could result in more leaks and damage to clubhouse and have negative impact on wedding business. We do not yet have a path forward on the KiTec issue
    - ii. Playground: Recent inspection identified many standards violations in addition to the expected issues resulting from deferred maintenance – formal report

- expected Monday but it is very unlikely that repairs will be cost effective. The path forward is uncertain and likely will involve significant unplanned for expenses and/or disappointment in the diminishment/loss of a key amenity
- iii. Bridge at Pond: Significant dry rot issues discovered. Options for a formal engineering inspection being researched – path forward and costs are uncertain
  - iv. Wood Weathering and Rotting: Rotting has been observed where posts are set in the ground for the sluice. All the exposed wood at the clubhouse and other assets showing weathering and are past due for Penofin treatments.
  - v. Lot sales are as important as weddings, but VDO did not sell any lots in 2016. Lot sales reduce the pressure on wedding sales (one less wedding for every three lots sold). Lot sales deserve the same scrutiny as wedding sales.
- e. Operational Sustainability as a 2017 Goal:
- i. The community has a history of heroic volunteerism to meet the needs of day-today operations. This is neither desirable nor sustainable. The community needs to consider a HOA management company and the FC must play a central role in making recommendations on how to pay for the management company.

## Nature Pointe Wedding Committee Report - 2106

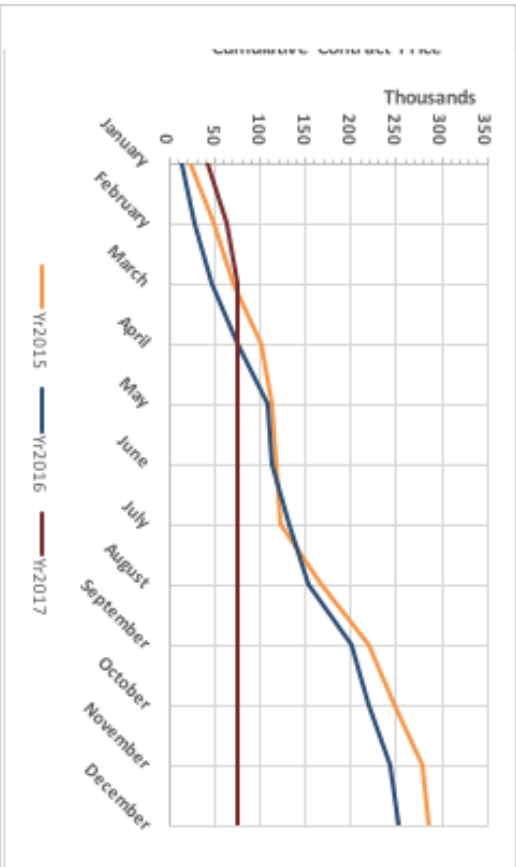
The Wedding Committee has room for 3 members to join. If you are interested, please contact Veronica Montano-Pilch ([vmpilch@gmail.com](mailto:vmpilch@gmail.com), 505-977-3432).

### Event Revenue Summary

This table shows the event summary by year in which they occur. Revenue is listed in the year the event is held (not accrual basis like the P&L).												
Contract												
The contract amount without add-ons. (Note that add-ons for years prior to 2016 have not been entered).												
Actual												
The actual amount received/expected without add-ons. Usually the same as contract amount except for cancellations.												
	Num Booked	Num Canceled	Sum of Contract \$	Sum of Actual \$	Min Contract	Max Contract	Avg Contract	Add-On Total	Add-On Average			
2011	31		\$123,000	\$123,000	\$600	\$5,300	\$3,968	\$0	\$0			\$0
2012	41		\$173,750	\$173,750	\$400	\$5,800	\$4,238	\$0	\$0			\$0
2013	47	2	\$233,921	\$230,421	\$2,700	\$6,400	\$4,977	\$0	\$0			\$0
2014	49	3	\$284,250	\$275,050	\$4,400	\$6,800	\$5,801	\$0	\$0			\$0
2015	51	3	\$282,640	\$274,540	\$2,000	\$6,900	\$5,542	\$0	\$0			\$0
2016	49	4	\$283,500	\$273,552	\$1,000	\$7,400	\$5,786	\$20,009	\$488			\$488
2017	38	1	\$235,250	\$228,565	\$1,000	\$7,400	\$6,191	\$5,240	\$138			\$138
2018	4		\$23,610	\$23,610	\$5,310	\$7,000	\$5,903	\$930	\$233			\$233
<b>Grand Total</b>	<b>310</b>	<b>13</b>	<b>\$1,639,921</b>	<b>\$1,602,488</b>	<b>\$400</b>	<b>\$7,400</b>	<b>\$5,290</b>	<b>\$26,179</b>	<b>\$87</b>			

# Sales Summary

Sum of Contract \$	Sum of Contract \$												Grand Total		
	January	February	March	April	May	June	July	August	September	October	November	December			
2010	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2011	23,250	51,000	66,000	86,800	93,400	98,700	114,300	124,900	133,121	145,221	155,821	166,421	166,421	166,421	166,421
2012	5,300	8,300	16,100	35,650	53,450	70,050	99,350	129,250	158,050	180,650	201,450	237,850	237,850	237,850	237,850
2013	36,700	53,000	58,400	70,600	91,500	109,400	143,300	169,400	208,300	257,750	304,250	336,650	336,650	336,650	336,650
2014	34,400	51,600	80,550	80,550	80,550	80,550	80,550	80,550	80,550	142,150	182,000	227,500	227,500	227,500	227,500
2015	21,700	49,400	69,000	100,200	112,690	118,290	122,790	166,640	219,240	248,340	279,340	286,240	286,240	286,240	286,240
2016	14,300	27,600	46,500	74,100	106,800	112,400	132,100	152,300	200,400	219,600	243,200	253,700	253,700	253,700	253,700
2017	42,400	61,760	75,660	75,660	75,660	75,660	75,660	75,660	75,660	75,660	75,660	75,660	75,660	75,660	75,660
<b>Grand Total</b>	<b>178,050</b>	<b>302,660</b>	<b>412,210</b>	<b>526,560</b>	<b>620,050</b>	<b>677,800</b>	<b>788,800</b>	<b>933,100</b>	<b>1,117,721</b>	<b>1,321,771</b>	<b>1,497,621</b>	<b>1,639,921</b>	<b>1,639,921</b>	<b>1,639,921</b>	<b>1,639,921</b>



This chart shows cumulative sales (contract values only i.e., no add ons) by month for selected comparative years. The event can occur in the sales year or any year following the sales year. "Events" should include weddings, graduations, memorials, corporate events, etc. "Events" should not include member weddings or member events as these are not intended to generate income for the community and do not require salesmanship.

