

HIGHLAND DAC Meeting

Minutes – Tuesday July 14, 2020

The Highlands DAC meeting was called to order (via Zoom) at 6:05 p.m. by DAC Chair Dean Fisher. Roll call included Irving Tosk, Leslie Lambert, Phil Renteria, Susan Pastorini, Guest and Liaison Julie Wash, and George Welsh arrived late. The minutes are based on slides presented during the meeting. Dean Fisher reviewed the agenda, then introduced Julie Wash, Highland's DAC liaison to the ABOD.

Agenda

- **THANK YOU** to Deborah Wood and Barbara Young!!! Both Deborah and Barbara have served on the Highlands DAC for many years as landscaping, budget and co-chairs when needed. We will miss their service to our DAC. Also, a huge shout-out to Nikki Noce and Sheryl Ruth for their wonderful decorating skills for July 4th!
- Status of ABOD/CBOD management agreement
- Roof replacement reserve funds and reserve assessment analysis and loan payoff information update
- Water usage strategy and plan
- Brief updates on Finances, Landscape, Lighting Project, and Social Events
- Other topics as submitted or asked about in real time
- Resident open forum, questions & answers

Status of The Villages ABOD/CBOD Management Agreement – Julie Wash

Julie Wash discussed the timeline of conversations between the Club and Association Boards. By January of this year the two boards began meeting to negotiate differences. They are now revising agreements, and paper is going back and forth between the two boards with the goal to get a contract signed. All conversations are confidential at this moment.

Questions and answers followed. Answers included: All lawyer costs will be dealt with by all residents, in the year 2000 the ABOD and CBOD used to be one board and there is no discussion about returning to that model.

- July 2019 – Club Board decides to review and revise the current Management Agreement with the Association Board - - without letting the ABOD know.
- December 2019 – Club Board surprises the ABOD with a revised Management Agreement - - without any prior notification.
- January 2020 – the ABOD sends an edited/commented version to the CBOD, but the CBOD initially indicated they would not accept any changes.
- January to end of May 2020 – both boards eventually did agree to negotiate.
- May 29, 2020 – the ABOD notified the DACs and Association members that they would seek an outside management company since they could not come to an agreement with the CBOD on the terms of a new agreement.
- Mid-June 2020 – under pressure from the DACs and members, both Boards agreed to extend the current agreement to September 30, 2020 and continue to negotiate.

Roof Replacement Project Update

Leslie Lambert spoke on this subject. This is a complicated issue, and there is a two-page document on the Highlands website explaining in even more detail the status of the roof project. Leslie held an information ZOOM session on Friday, July 17 at 11:00 a.m. so that all residents may ask questions. Bottom line – the loan on the roof project will be completed by November 2021.

Background

- Roof replacement originally scheduled for 2032/33, moved up to 2014-16 due to concerns (by roofing consultants) of dry rot and water damage.
- Roofing contract was \$3,797,200, yet reserve fund balance in 2014 was only \$1,329,000. An additional \$782,200 in repairs for a total of \$4,579,500.
- Reserve assessment increases in 2012 and 2013 totaling \$94.19 per 1000 AFA was intended to cover the contract cost. However, the additional repair expenses necessitated an additional \$1.3 million loan to be secured, otherwise additional assessment increases or a one-time assessment would have been required.
- In FY16, the \$1.3 million loan was refinanced with a shorter term which saved substantial interest payments and pulled in the payoff date.

Reserve Assessment History and Status

- The roof replacement loan of \$1.3 million will be paid off in November 2021.
 - The monthly reserve assessment for Highland will NOT change (be reduced or increased) when the loan is paid off (see explanation below).
 - Those residents who chose to pay off their portion of the loan in April 2017 have been receiving a monthly credit of \$67.94 per 1000 AFA. This credit will cease when the loan is paid off in November 2021.
 - Two reductions to the reserve assessment were already made in FY19 and FY20 totaling \$49.73 per 1000 AFA
- The forecasted reserve cash flow needed to pay off the loan and to cover future replacement and repair expenses for the next 30 years allowed for the FY19 and FY20 reductions, which, coupled with the 4% increase in FY21, established the new baseline reserve assessment of \$119.73 per 1000 AFA.**

A comprehensive two-page document has been prepared that provides information about the entire history of the Roof Replacement Project and is posted on the Highland web site: www.villagehighland.com.

Water Usage Strategy and Plan

George Welsh spoke to Water Usage. WE CAN make a serious financial impact based on our Highland water usage. Water irrigation accounts for 70% of the budget, while household water accounts for 30%. ALL residents are encouraged to write up work orders if they see broken pipes or sprinklers. If interested in getting hot water within 5 seconds compared to 2 minutes (in some models), George Welsh can recommend a company who can help with this. Again, when replacing a toilet, upgrade your toilet to one that uses 1.1 gallon water per flush.

- **Water is one area where residents can make a \$ impact.**
- Budgeted assessment is by total Highland **usage**, averaged over past three years, plus cost increase; then is allocated to each condo by Adjusted Floor Area (AFA).
- Highland DAC receives bi-monthly water report, by condo group (76) and irrigation meter (9) and reviews the report for potential overage areas.

- GOOD NEWS: thru Mar/Apr period – FY20 water usage is just 93 % vs. FY19 and 92% vs. FY18.
- We have two kinds of water which will be addressed separately:
 - Irrigation water – irrigation meters are read twice monthly by Maintenance and remedial action taking for major overages vs. prior period/year
 - Personal water – DAC reviews bi-monthly report by condo group to check for major overages vs. prior period/year

Irrigation Water

- Irrigation water supports all grass, shrubs and trees and comprises the largest portion of our water consumption. Strategy needs to address long term and short-term objectives equally.
- Short term usage improvements – Standard Watering vs Pulse Watering.
- What is Pulse Watering? – traditional watering applies the water for a standard 15 minutes straight. Pulse will apply water for 5 min go off for XX period and go on again for another 5 min. Advantage is significantly less run off and improved absorption.
- Pulse watering has the potential to use 30% less water. This technique has just been implemented at the Highland and will require multiple adjustments to be optimized.
- Longer term – TBD: considering turf reduction (NIMFY), and refinement of sprinkler usage/coverage.

Personal Water

- Water usage monitoring and notification
 - Starting with FY21 July/Aug reporting period, DAC will notify those condo groups, with a paper flyer, about overages of 120% or more vs. prior period/year.
 - Overage flyer will note areas where potential water loss may be occurring (see below) and will also provide information about remediation options.

- Toilets - there are several options that you as an individual could implement
- **Check for leakage in toilets:** The average leaky toilet can waste about 200-300 gallons of water per day. That's over 6,000 – 9,000 gallons a month!
- **Toilets should be updated, where practical or required,** from ones that use 2.1 gal per flush to the new ones that utilize 1.1 gal per flush.
- J Watts recirculation pumps – How much water do you waste waiting for the water to get hot in the Morning? The recirculating pump reduces this to almost zero!

Brief Updates

- Finances – Leslie Lambert reports that all is in order.
- Landscape – Phil Renteria asks that you let him know of landscaping issues.
- Lighting Project – Currently on hold. Looking at FY 22-23.
- Social Events – On hold until Shelter in Place ends.
- Other topics

Resident Open Forum – Q & A

- Resident open forum, questions & answers – Coyotes mentioned. Is there a possibility of COVID – 19 testing at the Villages?

Keep in touch!

- Highland website: <http://www.villagehighland.com>
Sign up on the website to receive emails from the Highland DAC
- Resources, past DAC meeting info & video replay, project updates • FAQ's coming soon!
- Highland email address:
- Send email to the Highland DAC: villagehighlandsdac@gmail.com

Next DAC meeting: October 15, 2020

Thank you for attending!

Meeting adjourned at 7:07 by Dean Fisher. 40 people were in attendance.

July 14, 2020 Highland DAC Meeting