



## **EMERGENCY BOARD of DIRECTOR'S MEETING**

### **REGARDING THE COST of NATURAL GAS**

**as it RELATES to the 2023 BUDGET**

**MARCH 3, 2023 9:00 AM**

Board Member(s) Present:

- Jan Van Willigen, President
- Gavin Schutz, Vice President
- Dean Rivale, Treasurer
- Paula Turner, Secretary
- Carol Nolte, Director
- Kenn Ulrich, Director
- Laurel Klaus, Director

Also Present:

- Michael Walker, General Manager
- Kelly McGalliard, Operations Manager
- Steve Valsvig, Owner Valley Pools

Jan Van Willigen, President, called the meeting to order at 9:05 AM. Those present included seven Board members, Management, Steve Valsvig, Valley Pools Owner & CEO, 11 homeowners in person, and 11 homeowners via zoom.

Mr. Van Willigen announced that the purpose of the meeting was to address the 2023 YTD cost overrun due to the inflated price of natural gas, and to determine whether the pool and spa heating schedule for the remainder of the pool heating season should be adjusted.

The following are items that the Board considered during the discussion:

- January and February natural gas bills are \$141,942 or 87.3% over the 2023 natural gas budget.
  - Average heating cost in February was \$95 per day for a pool and spa, and \$52 per day to heat a spa only. This data shows that spas consume over 50% of our gas.
  - By observing the gas usage by spa, it is evident that some spas are being used significantly more than others.
- YTD the budgeted therm usage is close to actual therm usage. This is a good validation of our forecasting.
- Southern California Gas bill has three components, gas commodity, transportation, and fees, with gas representing 66.16%, transportation representing 28.21% and fees and surcharges representing 5.63% of the gas bill.
  - Transportation cost varies; however, it is not as volatile as the gas commodity price, which varies significantly.

- Based upon information publicized by the Southern California Gas Company, we expect natural gas prices to decline in the second quarter of 2023.
  - The Gas Company indicates that the overall price for gas in March 2023 will be \$1.81 per therm, as compared to the overall per therm cost of \$3.51 in January 2023 and \$2.81 in February 2023.
- A significant amount of gas is used to bring a cold pool up to 82° +/- 2°, which is the temperature that the Association heats the pools to.
- Currently 1/3, or 18 pools are being heated, on a monthly rotating basis, and all spas are being heated.
- The homeowners who were present in person and via zoom had an opportunity to express their concerns and ideas during the Open Forum. These concerns and ideas include the following:
  - Consider the distance a homeowner would need to walk to get to a heated pool and/or spa
  - Request that the Board leave the schedule status quo, and wait until later in the year to determine if there is a need for a special assessment
  - Consider that the 54 pools and spas are an amenity that caused many owners to purchase in Res I, and they are willing to pay more to enjoy the experience
  - Create a plan to eliminate half of the pools and either sell the former pool areas as custom home sites, or utilize the area for other activities, such as bocce ball, dog park, etc.
  - An owner noted that in his estimation the heated pool and spa temperatures do not always meet the Association's criteria of 82° +/- 2° for pools and 102° +/- 2° for spas
  - Solar pool heating systems that were installed in 2015/2016 did not prove to be cost effective
  - Shade structures installed to support solar pool heating systems are enjoyed by many
  - A visual pool area survey was conducted by an owner who reports that on multiple visits to multiple pool areas, there were very few people present
  - Suggestion to the Board to only heat pools and spas where usage warrants doing so
  - Suggestion to install a means to track the number of persons entering the pool areas to determine high usage pools versus low usage pools
  - Suggestion to heat all 54 pools and spas all the time
  - Expression of satisfaction with Res I, and gratitude to the Res I Board

With no further comments from the owners, Mr. Van Willigen closed the Open Forum at 10:15 AM.

Jan Van Willigen asked Steve Valsvig to discuss possible operational modifications such as:

- Liquid Solar Cover
- Heat Pumps
- Lower Pool Temperature

Mr. Valsvig stated that the Association is currently testing a Liquid Solar Cover product at a pool and spa. Concerning heat pumps, Mr. Valsvig indicated that in his experience, heat pumps are inefficient during the coldest times of the year. As such they may be effective only when used in tandem with a gas heater.

Regarding lowering pool temperature, it is an option that will save gas; however, since the Association is only heating a limited number of pools, the Board prefers to heat them to the precedented level of 82° +/-2°. When asked about the number of pools we have in Res I, Steve said the highest concentration he has experienced is 37 doors/pool, said differently homes/pool. Mike Walker indicated we have 25 doors/pool i.e., a much higher concentration of pools.

Mr. Van Willigen asked the Board to deliberate on various pool and spa heating options for the remainder of the spring 2023 heating season.

Following discussion and consideration, Gavin Schutz made a motion to take the following action:

- Pool and Spa Heating Schedule to remain status quo through March 2023.
- Management to develop a list of 18 pool and spa areas that will have both the pool and spa heated. These pool and spa areas to be selected by taking into consideration usage, density, restrooms, ADA, and shade structures.
- The 18 pools and spas as determined by the criteria stated above will be heated for the month of April 2023 and May 2023. There will be no pool heating rotation during April and May 2023.
- There will be no additional pools and spas heated during the months of April and May 2023.
- Management to determine, based on usage, 15 +/- spas that are low usage and turn off the heat to those spas.
- The revised pool and spa heating schedule (for April and May) to be provided to owners on or before March 20, 2023.
- Management to instruct Valley Pools to install Liquid Solar Cover at 9 pool and spa areas on a weekly basis as a pilot test program. Management to track and compare therm usage to determine the effectiveness of the Liquid Solar Cover product.
- Management to investigate options to track the number of persons entering pool areas and implement.
- All pools and spas will not be heated over Easter.

Seconded by Jan Van Willigen; passed unanimously.

Gavin Schutz made a motion to adjourn at 11:10 AM. Seconded by Paula Turner; passed unanimously.

Respectfully submitted,

A handwritten signature in cursive script that reads "Paula Turner".

Paula Turner, Secretary