Palomar Reserve Council of Co-Owners

Board Of Directors Meeting

8/17/2026

The monthly meeting of the Palomar Reserve Council of Co-Owners Board of Directors was held on 8/17/2026. The following personnel were in attendance:

- Carrie Hoeller (President)
- Dexter Sprandling (Vice President)
- Baxter Napier (At-Large Member)
- Barry Tilden (Secretary) (by Facetime)
- Ima Lane (At-Large Member)
- Ann Wesley (Property Manager)
- Donna Frazier (multiple committees)
- Becky Lesch (multiple committees)
- Brenda Sprandling (Grdn committee)
- Rosemary McCrady (Grdn committee)

Approval of Minutes of Previous Board Meeting. The meeting minutes for the special Board meeting on 8/3/2026 (approval of the NAMP grant application) were approved via email shortly after the meeting. Carrie moved for approval of these minutes and Ima seconded the motion. All five Board members voted for approval.
The meeting minutes from the monthly Board meeting held on 7/20/2026 were reviewed at this Board meeting. ______ moved for approval of the minutes, and ______ seconded the motion. The motion was approved.

1. Financial Report. Ann presented the monthly HOA financial reports for June 2026.

   a. Balance Sheet

   - The total reserve account was approximately $79.5K at the end of July. (~$27.1K and $25.7K in higher interest CDs and $26.7K in a lower interest savings account.) $6.5K was transferred from reserve to the operating account and used to pay the bill for the CH drainage improvement task. $3.25K will be reimbursed by the city grant and returned to the reserve fund. $7.2K was transferred to the operating account to pay the bill for the 4218 sidewalk improvements. $3.6K will be received from the city grant and returned to the reserve fund. The normal 10% transfer of $1890 from operating account to reserve was also made in July.
   - The operating account was around $13.0K at the end of July.
   - The balance on the clubhouse loan was $129.1K at the end of July. The July monthly payment totaled $1526 versus the required minimum payment of $1082.46.
     - $705.87 interest
     - $820.13 principal ($376.59 was part of the minimum mortgage payment, $443.54 was “additional principal.”)

     In addition, the following amounts were transferred from checking to CH Loan principal –

     - $150 in CH rental income
     - $500 from First Alliance church parking contribution

   b. Profit & Loss –

   - The HOA income exceeded expenses by $6.6K during the month of July. In addition to “expenses,” we paid $1.5K in July for principal for our clubhouse mortgage. So, total income of the HOA in June was $5.1K more than total expenditures.

- HOA income overall was ~$4.7K over budget in July. General assessment HOA dues collected were $1.4K over budget and late fees/other income was $3.3K above budget. See 1.d below.
- Utilities were $0.5K under budget in July due mainly to lower electric costs. Telephone/internet costs were $0.4K above budget because we had to pay $0.5K to Windstream to close our analog phone account.
- Repairs/Maintenance costs were about $0.4kabove budget because the $900 annual exterminator cost was paid in July but budgeted for earlier in the year.
- Administrative expenses and Supplies were very close to budget in July.

c. Profit & Loss Budget Vs Actual YTD. At the end of June 2026, several Year-To-Date expense categories were over or under budget as shown in the table below -

Expense Category	Amount Over Budget	Comment
Income	$7.6K over	Caused by collection of parking contribution from FA church in January/April/July, the three raffle earnings and a large payment for a delinquent account in July.
Administrative & Supplies	--	Very close to budget.
Utilities	$1.9K Over	Higher electric bills earlier in the year.
Repairs and Maintenance	$1.1K Under	Mainly savings in plumbing repairs.
Supplies	$400 Under	Timing of supply purchases
Landscaping and Grounds	$2.4K over	January/February snow removal higher than budget – gaining $125/month due to lower landscaping costs.

d. Open Invoices –

- The report shows that there are 6 past due accounts for Palomar Reserve HOA at the end of July, totaling ~$2.2K. This has decreased by ~ $1.4K since last month. This report is printed on August 15 and reflects payments made before that date.
- $900 of this total is against a single account that has been delinquent since May 2023 (). The owners paid $1.5K HOA dues in July and $1.3K in late fees. The unit owners have requested another payment plan to bring this unit up to date for HOA dues. Our attorney suggested that we formalize the payment plan with a court order that includes current past due amounts, amounts added for ensuing months and legal fees incurred. If the owners fall behind on the court ordered payment plan, we would resume the foreclosure proceedings that we previously started. The court order would also stipulate that, if they complete the payment plan but then start missing payments again, the HOA would escalate the HOA dues through the end of the year as allowed by our bylaws. Carrie

moved that the Board approve the court order as described above and Ima seconded the motion. The motion carried 5-0. [Action – Ann]4

- Three units () are delinquent, each owing a $300 fine for not providing access to their units for the May sprinkler inspection.
- One unit () still has not paid their charge of $90. This charge was to recover the HOA's expense for removing a washing machine from the unit's patio.
- One unit () consistently pays slightly less than the amount associated with their unit's square footage and therefore, their past due amount increases slightly every month. This unit was also one of the ones fined $300 for failure to provide access to all areas of their unit for the sprinkler inspection. Therefore, their delinquent amount is up to ~$547.

2. <u>Old Business.</u>

a. Reimbursement from Lex Rooter. In previous meeting minutes, there was discussion of Lex Rooter performing work in one of the units in 4235 and damaging the piping resulting in water damage. One item that was damaged was a smoke detector. The HOA had to pay over $770 to replace this detector and Ann is still working to recover this cost from Lex Rooter since they caused the damage. [Action – Ann]

b. Kings III Dialers. Kings III completed the installation of new elevator dialers in early July. We were charged $345 for these 5 elevator phone lines for July. This is a savings of $198 per month versus the Windstream analog phone lines used previously.

c. Sprinkler inspection. The inspection was held on May 21st. Ann has received a quote from Landmark Sprinklers of $1450 to repair the damaged sprinkler heads found during the inspection. She is coordinating with homeowners to schedule the work. [Action – Ann]

d. Reinvestment of the $25.6K CD. The $25.6K CD matured on July the 14th so we are in the window to renew this CD. Carrie presented several options including renewing for another 6-month CD at 3.633% interest. Other options include longer-term CDs of 24, 36 and 60 months at 3.75% interest. After some discussion, the Board agreed that we should choose the shorter-term CD so that we would have more options at the time of renewal. The elevator capital improvement plan presented at the May Board meeting proposed to use this CD as the Elevator Reserve fund and to add funds every six months. [Action – Carrie]

e. 4218 sidewalk repairs. Ann reported that the 4218 sidewalk work was complete. The Board members all agreed that the work looked good. Baxter will check the drainage from the sidewalk during the next rainstorm and then we can pay the invoice. [Action – Baxter]

f. Reducing electric costs in 4205 and 4235. Ann suggested that we pursue other options such as an alternate thermostat in 4205 to prevent residents from arbitrarily turning up the heat in the winter. Also, Ann has called Hughes electric to look at these two buildings to see if they could make any suggestions for reducing electric bills. [Action – Ann]

g. Chain separating Palomar Reserve from Palomar View apartments. Ann did not have time to contact Palomar View apartments about fixing the fence and its attached chain that separates the apartments and our condo complex. It was reported that someone has reinstalled the chain and tightened it back up but we consider this to be a temporary fix. The fence on their property needs to be repaired so that the chain does not keep coming loose. [Action – Ann]

h. 2027 NAMP Grant Submittal.

i. Replace ash trees at either end of 4218. Last month, Dexter reported that three ash trees were dying at either end of 4218 and these need to be removed and replaced. Dexter obtained a quote of $900 from a contractor recommended by Ann to remove these three trees and their stumps. Dexter moved that we proceed with this work and pay out of the reserve fund. Carrie seconded the motion and there were no dissenting votes. Ann will arrange for this work to be performed by this contractor. [Action – Ann]

j. Replacing the wall behind 4235 with 2026 grant.

k. Shrubbery growing over 4219 sidewalks. Dexter reported that the shrubbery was growing over the sidewalk in some locations outside 4219 and this should be trimmed back. Ann will have her maintenance staff perform this work or ask Caudill to do this. [Action – Ann]

l. Clubhouse painting and carpet cleaning.

m. 4248 Hallway HVAC.

3. <u>Committee reports</u>

a. Future grant committee. Donna submitted the NAMP grant application for 2027. The application request funds for two tasks

- The first task is to improve the sidewalks for building 4205, including replacing the entire sidewalk and installing drainage from the five building downspouts to the face of the curb (under the sidewalk). The estimated cost of this work is $14,985
- The second task is to replace the concrete for the club house patio, including removal of the old, deteriorated patio and replacement with a new concrete patio. The scope of work also includes installation and removal of temporary supports for the CH patio roof as needed during the performance of the work. The estimated cost for this job is $9,150.

The application asks the city to fund $4575 of the CH patio work (50%) and $5425 of the 4205 sidewalk work (less than 50%, but up to the $10K grant limit).

b. Clubhouse promotion committee.

- Last month, Donna reported that some residents rented the CH for a private event and left it in poor condition afterward. Due to some communication issues, the residents' cleaning deposit was returned to them even though they did not leave the CH in a good condition. To prevent this from happening again, Ann will cc Donna and Becky on the email whenever the CH is rented. Either Donna or Becky or a designee will inspect the CH after the rental is complete. Ann will ensure that cleaning deposits are not returned to those who rent the CH until she has heard from Donna or Becky (or their desinee) that the CH condition is satisfactory. [Action – Ann, Donna or Becky]
  Carrie volunteered to use her professional carpet cleaning equipment to clean the CH carpet. She will ask the couple who created this mess to assist her with this task. This work will be done the weekend of July 25th. [Action – Carrie]
- Donna reported that the CH committee would like to paint two of the walls (South wall and wall behind the island) in the CH with a slightly darker shade (accent walls) in preparation for future rentals. Dexter moved that the Board approve this volunteer work and Ima seconded the motion. There were no dissenting votes. [Action – CH committee]

c. Garden committee. Becky reported that the committee has been watering the flowerpots and bulbs planted around the property. We received donations of lilies, yucca plants and cala lilies and planted these on the property.
Becky said that the 4248 elevator sump pump discharge is creating some issues in front of the building. There is no place for the water to run off and this has resulted in thick grass growing around the discharge. She asked Ann to have Caudill clear out the thick grass and perhaps create a flow path for the sump pump drainage to be directed to the storm drains in the street. Ann will have her maintenance staff look at this and decide on a good course of action. [Action - Ann]

d. Welcoming committee. No new residents in the HOA complex.

4. New Business.

a. 4235 #104 Request for printed & mailed bylaws.

b. Lexrooter cleaning of drains behind 4248.

c. Clubhouse Fire Alarm

d. Budget Priorities for 2027 budget

e. Send out Notice for Interest in running for the board

f. Set Annual Meeting Date

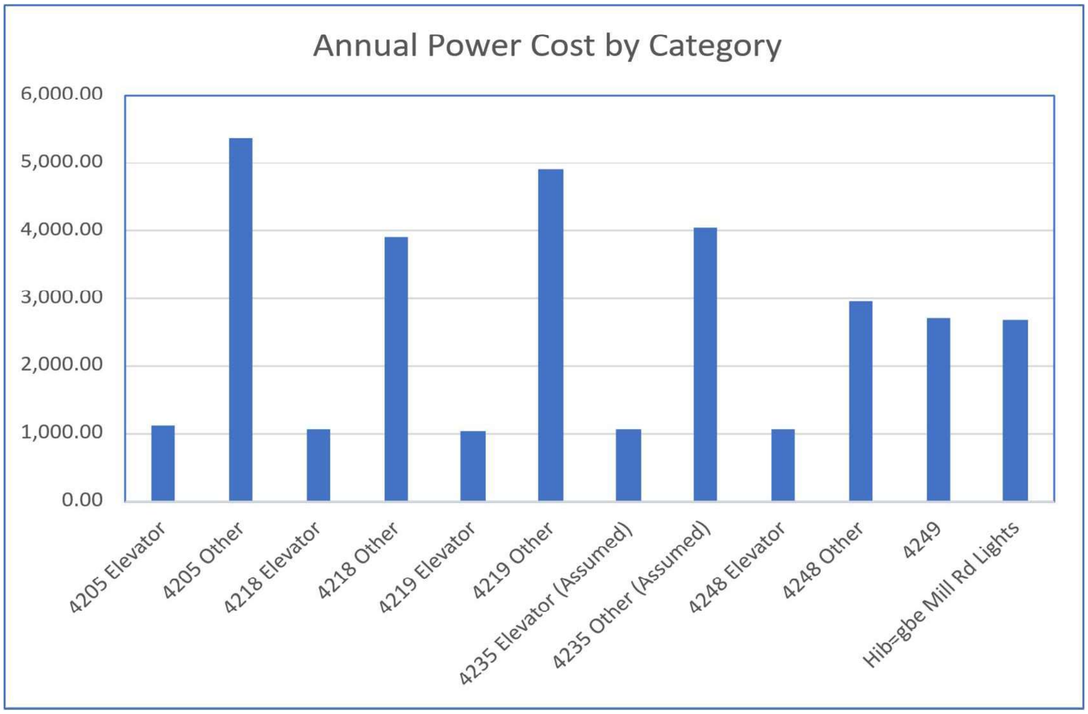
5. Adjourn. The next Board meeting will be held at 4:00 on 9/21/26 in the clubhouse. The meeting was adjourned at ______ PM.

Topics Tabled at Previous Board Meetings

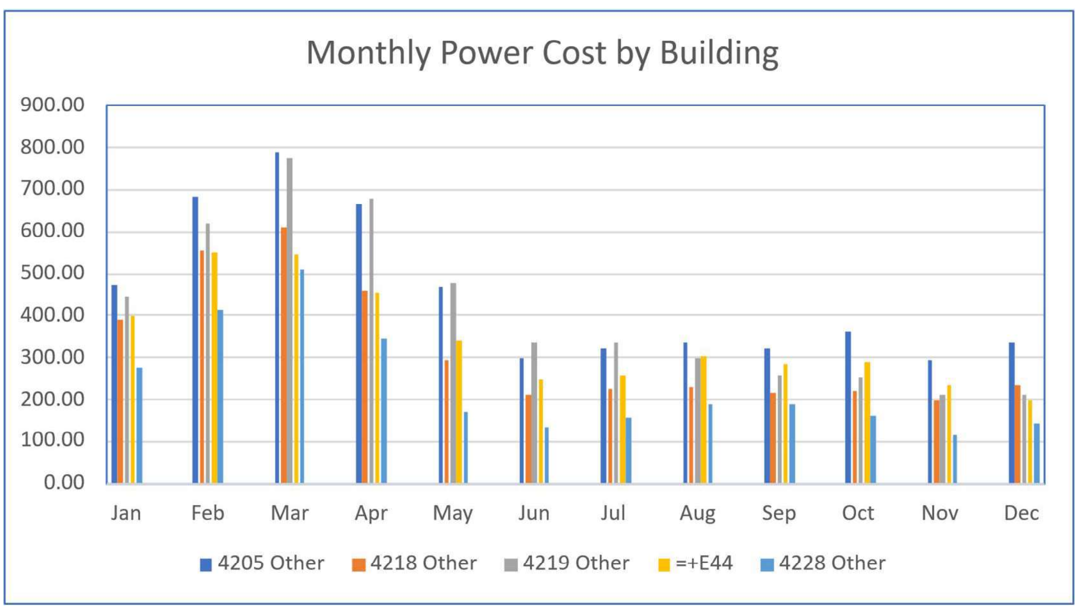
Tabled Item Description	Date Tabled	Reason Tabled	When to Revisit
Elevator Capital Improvement Plan	April 2026	Need to present plan at annual meeting and obtain feedback.	September 2026
Ceiling damage in 4205 garage hallway.	June 2026	No budget for this in 2026	September 2026

Attachment 1

Electrical Study Results



4235 does not have separate meters for elevator and other. Used average elevator cost to calculate 4235 "other" cost.
All elevator costs are roughly equal.
4205 is the highest building cost, followed by 4219, 4235, 4218 and then 4248.
Delta between highest and lowest is ~ $2.4K annually.



Graph shows electric bills. It lags actual usage by a month. Peak power usage occur in January - March. Heating seems to be more power intensive than cooling.

Attachment 2

CLUBHOUSE LIBRARY EXCHANGE GUIDELINES

- Hours to be the same as the Fitness Center
- The library is available to all residents
- Books, magazines, puzzles, and games can be donated
- Residents do not have to trade: you can take a book even is you do not have one to leave right away
- Residents do not need to return items they have borrowed. Once they finish a book, they can keep it, pass it along to a friend or drop off at any other book-sharing box/place.
- Pay it forward: if residents have a book, magazine, puzzle, or game they no longer want, they can drop it in the donation box located under the counter.

BEST PRACTICES

- Do not empty the entire library at once, especially not for reselling purpose.
- Check the condition of items to be donated: Only donate item in good condition. Damaged or moldy items will be discarded.
- No trash or propaganda: These are for the community and not dumping grounds for flyers, political materials, or garbage.