

2023 AGM Update from Carson and Sheila Re: Cabin HVAC Options

We have current quotes from 2 companies, the summaries of which are attached. (CE Plumbing & Heating, and Brown Mechanical Services)

We recommend either Option 1A or Option 3 from CE Plumbing & Mechanical.

Option 1A (two-stage HE furnace and A/C) is cheaper in its initial cost; Option 3 (Heat Pump and Air Handler) is more environmentally friendly and would be cheaper in operational costs moving forward. Both options provide heating in cold weather & cooling in hot weather and the heat pump has an electrical backup (air handler) in the event the outside temperature is lower than -25C.

The difference in price between the two options is about \$4500. Moving forward, the furnace and A/C operational costs would be greater than the heat pump and air handler option, due to furnace propane and A/C electricity costs. The heat pump and air handler does not burn fuel; rather, it draws heat and cold from the environment. Its electricity costs only operate a compressor and a fan, but it is more electrically efficient than a furnace with A/C. Therefore, the heat pump option would reap savings in energy costs annually and, in addition, we would no longer need the propane tank whose annual rental fee is \$178. The committee would like to further investigate the exact cost savings that a heat pump and air handler would generate versus a furnace and A/C option in our particular cabin situation.

Both options would require yearly servicing.

Regarding Option 3, it should be noted that present ductwork in the cabin is 4" (ducts to kitchen, living room and main bathroom) while the new duct runs to the bedrooms would be 6", which is the current standard. CE Plumbing and Heating recommends keeping the present ductwork with the proviso that if we were to find that airflow was inadequate for the heat pump to work properly, ductwork upgrades to the present ductwork may be required at a future time. (Brown Mechanical recommends upgrading all present ductwork at the outset.)

Carson believes that the present electrical panel would not need to be updated for either of the CE Plumbing and Heating options recommended.

While we understand that the view has been expressed at our meetings that a Signant Two committee is empowered to make a decision that all shareholders would abide by, Carson and Sheila believe that in this case, the shareholders should discuss the pros and cons of the two options offered and arrive at a decision through a vote, given the amount of money involved and the fact that there are two very different approaches that are possible for our heating & cooling needs, each with important advantages.

A further consideration is that Sharyn's neighbour, an HVAC specialist, has offered to give his opinion on the quotes provided and has mentioned the possibility of acquiring equipment for us at a better price and putting us in touch with someone he knows in the Kelowna area to install the equipment, possibly resulting in additional savings to us. The committee would inform the group regarding any further options that might arise due to input from Sharyn's neighbour.

Family needs to be aware that there is a lot of volatility in the costs for equipment and trucking. The quotes presented in this report reflect present costs only and we have been advised that costs will likely increase by approximately 10% by Spring 2024.

Respectfully submitted by Carson and Sheila, Nov 25, 2023