

Meeting Minutes

**Special Meeting** of the Board of Directors of the Rocky Ridge Properties Owners Association

Meeting Date: December 10, 2019

Location: Telephonic

Scheduled Meeting Time: 9:00 pm

**Notice of Meeting:** Bill (Yates) Bauder confirmed that he provided notice to the property owners of the board meeting in accordance with the requirements of the Association's Bylaws (e.g., by the means permitted by the Bylaws and with sufficient advance notice to comply with the Bylaws).

**Quorum:** Steve Dohrmann, Bob Schuchardt, Laura Bertone, Frank Pagliaro, Nick Farwell, Curt Sproul and Bruce Shepherd were in attendance (each participating by dial-in to the teleconference call); accordingly, a quorum of directors was present. Yates also attended the meeting from the Association's office in the building behind the real estate office (the latter of which is the building near the Rocky Ridge entrance gate).

President Steve Dohrmann called the meeting to order at 9:03 am.

1. **Approval of Minutes of 11-24-19 Board Meeting.** The minutes for said board meeting, in the form circulated to the directors, were approved. Nick motion; Frank second; unanimous vote.
2. **Fire Insurance Update:** Yates reported that he received the following report from Chuck Ott of Heffernan (the Association's insurance broker of record):
  - A Texas insurer has provided a written quote to Chuck with a stated premium of just under \$74,000 for coverage into May of 2020 (with a deductible of \$25,000, rather than the \$5,000 deductible that applied in 2019). The Association will have an option to extend the term for an additional 1 year at the same premium level. The insurer is an A-15 rated company.
  - It is possible that CIBA may make an offer for 2020, given that the State of California Insurance Commissioner is pressuring insurance companies to provide renewal offers. So... it is possible that a lower quote may surface before the end of December.
  - Roger Gault (a Rocky Ridge homeowner with insurance expertise) and Frank Pagliaro both have offered to look over the proposed policy to help the board in its review. Frank will work with Roger so they can complete their review expeditiously (and in any event at or prior to the December 27, 2019 board meeting).
  - The board will select the insurance provider at or prior to the board meeting on December 27.
3. **2020 Budget Approval; Election update:** After considering the revised outlook for the Association's premiums for property damage (fire) insurance in 2020, the board determined as follows (Bruce motion, Frank second, unanimous vote):
  - Laura has considered the budget ramifications. Assuming that the insurers follow through with the proposed quotes, Laura is comfortable that the increase in annual ("regular") assessment required for the 2020 calendar year will be less than 20%, thereby eliminating the need for the homeowners to approve (through an election) the proposed increase in assessments. However, since we still need to review and approve the final insurance policy, the board determined to proceed with the election, just in case there is a hiccup in the proposed policy from the Texas insurer. If the elections yields a vote approving the assessment increase, then the board will be

in a position to procure fire insurance even on a “worst case” basis (i.e., utilizing the \$325,000 premium quote provided by Lloyd’s). But to be clear – if the Texas insurer’s premium is consistent with the quote discussed with Chuck and the policy terms otherwise are reasonably acceptable, then the board anticipates approving the policy at the 12-27-19 board meeting.

- Concurrently with the selection of the final insurance policy, the board also will approve a revised budget for 2020 (which budget will reflect the final insurance premium and the anticipated charges for summer boat buoys and kayak rack spots).
  - The board further plans to send out invoices for the first quarter dues promptly following the 12-27-19 board meeting (and in any event by 12-31-19). In such event, the first quarter dues would be due on 2-1-20 and delinquent if not paid by 3-2-20. Laura confirmed that the Association should have sufficient cash flow to cover expenses through the receipt of the first quarter assessment payments. The quarterly assessments for subsequent calendar quarters will be due on the first day of each such calendar quarter.
4. **Report of Property Manager on Other Matters (if any).** Yates reported that on a year to date basis, the Association is operating at a slightly lower aggregate cost than anticipated in the approved 2019 budget. Yates noted that the savings have been achieved notwithstanding the fact that the maintenance crew has undertaken material additional brush removal work around the buildings (in part to provide greater underwriting comfort to potential insurers that have been considering providing a quote for 2020 property damage insurance).
5. **Suggestions by Board Members for other future Agenda topics (subject to change).**
- December 27, 2010 Meeting: Tabulation of the ballots from the election pertaining to a potential increase in regular assessments.
  - December 27, 2019: Approval of final revised budget for 2020
  - February 18, 2020 Meeting: Consideration of election rules.
  - February 18, 2020 Meeting: Consideration of the manner in which the Association should respond to the new Placer County Short Term Rental Ordinance.
6. **Adjournment.** The board meeting was adjourned at 9:28 am.

**ANTICIPATED SCHEDULE FOR FUTURE BOARD MEETINGS (subject to change):**

- December 27, 2019 at 9:00 am (Location: Telephonic)
- February 18, 2020 at 9:00 am (Location: Telephonic)
- April 14, 2020 at 9:00 am (Location: Telephonic)
- May 19, 2020 at 9:00 am (Location: Telephonic)
- July 7, 2020 at 9:00 am (Location: Telephonic)
- September 5, 2020 at 9:00 am (Location: Rocky Ridge Beach Clubhouse)