

Meeting Minutes

Regular Meeting of the Board of Directors of the Rocky Ridge Properties Owners Association

Meeting Date: **May 12, 2020**

Location: ZOOM Internet Meeting

Scheduled Meeting Time: 9:00 am

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: Yates participated by patching into the ZOOM internet meeting room from his office. Steve Dohrmann, Bob Schuchardt, Curt Sproul, Laura Bertone, Frank Pagliaro, Nick Farwell and Bruce Shepherd participated by joining the ZOOM internet meeting room from remote internet connections. Accordingly, a quorum of directors was present at all times. Ray O'Neal (and Leah from Ray's office), Greg Harnage and Matthew Howarth also participated in the call.

President Steve Dohrmann called the meeting to order at 9:02 am.

1. **Approval of Minutes of 4-14-2020 Board Meeting.** The minutes for said board meeting, in the form circulated to the directors, were approved. Motion Frank; second Laura; 6-0 unanimous vote. [Nick joined the meeting shortly after the vote approving the minutes.]
2. **Property Manager's Report.** Yates reported as follows with respect to property operations:
 - Yates lined up an electrician to fix the electrical breaker panels in certain of the units, as discussed in the last two board meetings, but the work has been interrupted by the COVID-19 crisis. Yates hopes the work will be completed in the next week or so.
 - Yates has received 23 applications for buoys for summer 2020, and 15 applications for kayak rack spots. Yates plans to complete the assignments in the next week.
 - Yates noted that both boats and kayaks should be careful to not introduce non-native species to Lake Tahoe. This can happen if a boat or kayak has not been thoroughly cleaned and dried after being placed in other waters. At present it appears that the TRPA is cracking down on this issue by issuing launch permits only to "Tahoe Only" boats.
 - The State Parks System has completed the cutting and clearing for the Burton Creek forest clearance project. Yates is unsure as to whether the Parks System will seek further controlled burns during the summer or fall of 2020.
 - Tom Griffin has left employment with Rocky Ridge; a replacement will start on or around June 1st.
 - Yates reported that the raking of the grounds is almost done, the roads/parking lots/pathways have been sealed (and paved, to the extent appropriate) and the upper pool, tennis courts and basketball court are ready to be opened. This work has been completed within the aggregate amounts budgeted. Unfortunately, the painting team is stuck in Mexico due to coronavirus restrictions, so painting has been delayed (any savings relative to budget likely will be depleted when the work is pursued later this year).
3. **Insurance Update.** At the 12-27-19 board meeting, the board approved procurement by the Association of a 2020 insurance package consisting of the following:
 - Aggregate property damage insurance coverage of approximately \$53,000,000 from 1-1-20 to 5-15-20 with a deductible of \$25,000 and a premium cost of just less than \$74,000.
 - an option in favor of the Association to extend the policy for an additional 12 months in exchange for premium costs of 198,000.

Last week, Chuck Ott informed Yates that the insurers have requested to increase the deductible amount for wildfire damage to \$250,000. Chuck indicated that this change would be accompanied by a premium

reduction to \$189,000. Chuck suggested that the homeowners could protect themselves from the higher potential deductible exposure by procuring an endorsement to their condominium policy to cover any loss assessment (i.e., an assessment imposed by the Association to cover any deductible payments). Chuck believes that such an endorsement should cost no more than \$25 per homeowner.

With respect to the proposal from the insurer, the board asked Chuck to take the following actions:

- The board asked Chuck to confirm whether the insurers would proceed with the extension with the policy terms (e.g., coverage, premium and deductible amounts) the board approved in December.
- In either event, the board asked Chuck to provide a memorandum describing with layman's language, but with greater specificity, the nature, scope, duration and cost of the coverage provided by the policy, and the nature of potential losses that might be excluded from the coverage.
- The board asked Chuck to provide language as to the nature of insurance that each homeowner should procure for his or her unit in order to best mesh with the coverage provided by the fire insurance procured by the Association. This language should include the language for an "H-06" policy and the language for the loss assessment coverage. The goal here is to assist Rocky Ridge homeowners with suggested insurance coverage language that they can use when they talk with their individual insurers about their Rocky Ridge coverage, so as to best mesh with the Association's coverage.
- The board asked Chuck to examine the language of the policy to make sure that the insured properties are properly described in the policy. For example, the policy should reference the correct number of residential townhome units within Rocky Ridge, and it further should properly reference the two single family residences. The policy also should specify covered common area improvements. The goal here is to assure that the policy uses appropriately precise factual language, so as to reduce the risk of coverage glitches.

Chuck said he would get back to the board with further information within 24 hours. Given the upcoming 5-15-20 deadline, however, the board (motion by Nick; second by Curt) resolved as follows:

- The board approved the extension of the fire insurance coverage on the terms approved in December.
- Alternatively, if that insurance is not available, the board approved the procurement of approximately \$53,000,000 in fire insurance coverage on the terms described by Chuck Ott (e.g., 12 month coverage duration to 5-15-21; \$250,00 wildfire deductible; \$189,000 premium).
- The board resolved to provide the homeowners, through a newsletter, with the language from Chuck Ott describing the endorsements which he recommends each homeowner procure for their own property damage insurance policies.

4. **Coronavirus Issues.** The board discussed at length various steps that should be taken to address coronavirus concerns and restrictions. The board instructed Yates to take the following steps (in addition to others that he might believe to be appropriate in his discretion so as to promote compliance with applicable laws and/or to promote public safety):

- **FACILITY ISSUES:**

- Yates will post signs at all of the facilities to the effect that "Use of Rocky Ridge facilities and common areas is subject to all restrictions imposed by State or local law on account of the coronavirus pandemic, including in particular applicable restrictions with respect to wearing masks and social distancing. ***Use of the facilities and common areas is at the risk of the user.***"
- The lower pool and hot tub, and the surrounding pool deck area, will stay closed, and the present unappetizing pool water will not be remedied, until the State permits the use of common area pools. The upper pool and hot tub will stay closed until the State permits the use of the same, but Yates will put out furniture in the vicinity of the playground and bocce ball court. Near the pools, Yates will post a sign to the effect that "Pool use is prohibited until permitted by applicable law." Near the hot tubs, Yates will post a sign to the effect that "Hot tub use is prohibited until permitted by applicable law."

- Yates will put up the nets on the tennis courts, but (as noted above) use of the tennis courts will be subject to applicable restrictions under State or local law.
- Yates will not put up nets on the basketball court until he believes group use is permitted by applicable law.
- The beach clubhouse will stay closed until Yates believes use of the same is permitted under applicable law, but Yates will put out furniture within the open-air beach area. Until Yates in his discretion believes it appropriate to unlock the front gate, Yates will keep it locked, but Yates will unlock the side gate during daytime hours. The volleyball nets will stay down until the State lifts social distancing restrictions that may be applicable.
- Upon a motion by Steve, with a second by Bob, the board (7-0 unanimous vote) authorized Yates, in his discretion, to hire a pier attendant earlier in the summer than normal (e.g., if Yates feels the presence of the pier attendant will facilitate control of the use of the beach area).

• SUMMER RENTAL ISSUES/LEASE ADJUSTMENT:

- The coronavirus pandemic has dramatically impacted the summer leasing of units at Rocky Ridge. Coupled with the State and County business closure orders, Ray O’Neal’s rental program business has been materially adversely affected. Recognizing the various contributions that Ray makes to the operations at Rocky Ridge, the board (motion by Laura; second by Frank; 7-0 unanimous vote) determined to reduce Ray’s rent for the month of May from \$2,272 to \$1,000. Ray is hopeful his business will revive in June and the balance of the summer. NOTE: Ray confirmed that he has timely paid the utility, real property tax and insurance premium amounts that he is required to pay under and in accordance with his lease, and he agreed to provide Yates with an insurance certificate confirming that the Association has been added as a named insured under his insurance policies that are required under his lease.

5. Financial Report. Laura provided the following financial report:

- 2020 expenditures so far have been within the aggregated funding parameters set forth in the budget.
- Laura has reviewed the checking account reconciliations and they are in order.
- Laura remains cautiously optimistic that we will not need to increase homeowner regular assessments during the current calendar year.
- Laura reported that there has been a small amount of delinquencies with respect to homeowner assessments, and that the respective homeowner(s) attribute the delinquencies to the impacts of the coronavirus. The board adopted the following motion by Frank (second by Curt; 7-0 unanimous vote) with respect to the handling of such delinquencies:

“RESOLVED, that the timely payment of homeowner assessments is critical to the financial strength of the Association. Nonetheless, to the extent that a homeowner provides evidence satisfactory to the board that his or her ability to pay such assessments with respect to calendar quarters within 2020 has been temporarily impacted on account of the coronavirus (and/or on account of restrictions imposed as a consequence of the pandemic), the board in its discretion will consider entering into a payment plan for the payment of such assessments over a modestly delayed schedule. The details of any such payment plan shall be set forth in a writing signed by the homeowner and Steve, as board President. The board reserves the right, on a case by case basis, to waive late fees and/or interest charges that otherwise might be triggered by the late payment of such assessments. The board’s discretion to allow such payment adjustments shall be implemented by a subcommittee consisting of Laura and Steve. Notwithstanding the foregoing, no such payment adjustments shall be structured to diminish the homeowner’s ultimate responsibility to pay, in full, the assessments attributable to the homeowner’s unit.”

6. Update as to 2020 Director Election. Yates confirmed that Matthew Howarth, Nick Farwell, Steve Dohrmann and Bob Schuchardt all have duly informed him of their candidacy for the 3 board seats that will be filled in the September 2020 election. Additional homeowners have until 5:00 pm on June 2nd to

inform Yates of their candidacy. All candidates then will have until 5:00 pm on June 9th to submit a candidate's statement (by email to Yates and Bruce Shepherd, as Association Secretary: bruce.shepherd@outlook.com), in accordance with the procedures adopted earlier this year by the board. Yates has posted a copy of the election procedures on the Association's website and on the bulletin board at the front gate to Rocky Ridge.

7. **Placer County Ordinance Pertaining to Short Term Rental ("STR")**. A brief summary of the ordinance (and its permit requirements) is included in the 2-18-2020 board meeting minutes. The ordinance suggests that an owner seeking exemption from the permit requirement, on the basis that its property is part of a residential owners' association, should obtain a letter from its association addressing certain matters as to noise, parking, safety and enforcement of HOA rules. Leah reported that the County has approved the draft letter that the Association submitted to the county. The board (motion by Bruce; second by Bob; 7-0 unanimous vote) adopted a resolution authorizing Yates to submit the letter to the County with respect to any units for which a homeowner uses the HOA exception to seek exemption from the STR permit requirement.
8. **Newsletter**. The board will circulate an early summer newsletter informing homeowners generally as to ramifications arising out of the new fire insurance policy and the evolving coronavirus conditions/restrictions.
9. **Suggestions by Board Members for other future Agenda topics (subject to change)**.
 - July 7, 2020 Meeting: Consideration of website formatting issues
 - July 7, 2020 Meeting: Update as to issues arising out of coronavirus crisis.
 - July 7, 2020 Meeting: Consideration of the installation of mechanized gates, locks, and/or other security infrastructure at the entrances to the beach property.
 - July 7, 2020 Meeting: Consideration of the Association's insurance procurement representation
 - July 7, 2020 Meeting: Update as to 2020 director elections.
10. **Adjournment**. The board meeting was adjourned at 10:44 am.

SCHEDULE FOR FUTURE BOARD MEETINGS (subject to change):

- July 7, 2020 at 9:00 am (Location: ZOOM Internet Meeting Room)
- September 5, 2020 at 9:00 am (Location: Rocky Ridge Beach Clubhouse)
- October 12, 2020 at noon (location: ZOOM Internet Meeting Room).

SCHEDULE FOR FUTURE HOMEOWNER/MEMBER MEETINGS (subject to change):

- September 5, 2020 at 11:00 am (Location: Rocky Ridge Beach Clubhouse)