

Meeting of the Board of Directors of the  
Rocky Ridge Properties Owners' Association  
Meeting Date: September 2, 2023 at 9:00 am  
Meeting Location: Rocky Ridge Beach Clubhouse

Meeting Minutes

**Advance Notice of Meeting.** William "Yates" Bauder provided notice to homeowners of the Board meeting in accordance with the requirements of the Association's Bylaws. The means of notice included (i) emails of the notice and agenda to each member that accepts emails for delivery of notices; (ii) mailing (via U.S. mail) of the notice and agenda to members that do not accept email notices; (iii) posting of the notice and agenda on the Association's website; and (iv) posting of the notice and agenda on the bulletin board at the Rocky Ridge entrance gate. Yates and Justin "Buster" Fenley also participated in the meeting.

**Attendance and Quorum:** Board members Steve Dohrmann, Bob Schuchardt, Laura Bertone, Frank Pagliaro, Matt Howarth, and Bruce Shepherd attended the meeting in person; Curt Sproul joined by telephone. Director Frank Pagliaro did not participate in the board meeting. Nonetheless, a quorum of Board members was present throughout the meeting.

In addition to the Board members, Yates and Buster and several homeowners attended the meeting in person.

President Dohrmann called the meeting to order at 9:00 am.

**1. Approval of Minutes.** The minutes of the 6-28-2023 Board meeting were reviewed and approved by the Board (motion was made by Curt, 2<sup>nd</sup> provided by Laura, and the minutes were approved by unanimous vote).

**2. Announcement as to Board of Directors Election.** Tyler O'Neal, acting as the Inspector of the election, and Yates, as his assistant, confirmed that only the 4 incumbents (Laura, Frank, Curt and Bruce) signed up to run for the director seats opening at the September 2023 annual meeting of members, and that, accordingly, the 4 incumbents were re-elected by acclamation at the June 13 board meeting.

**3. Election of Officers.** On a motion by Laura, second by Curt, the directors elected Steve as President, Bob as Vice President, Laura as Treasurer and Bruce as Secretary for the period from September 2, 2023 to September 6, 2024.

**4. Update as to Collection of the \$7,500 special assessment:** Yates and Laura reported that 99 of the 100 townhouse owners have paid the special assessment. One homeowner requested payment pursuant to an installment payment plan, and in the June 13 Board meeting, the Board concluded that it would accommodate the request so long as the homeowner continued to make payments per the approved payment plan. Unfortunately, the homeowner has defaulted. The Board (motion by Matt, second by Bruce; unanimous vote) resolved (i) to pursue collection and other appropriate remedies (e.g., sale of the affected Townhome unit) as expeditiously as possible in accordance with California law, and (ii) to engage an experienced enforcement expert to assist with the task.

Laura also reported that she was in the process of completing calculation of the special assessments owed by the owners of the two single family residences. She will be sending them invoices (with supporting calculations) before end of September. Since these owners bear their own fire insurance and do not share in the fire insurance for the Townhouses, the 2023 special assessments for these two residences are less than those required from the Townhouses (most of which were required to cover the increased fire insurance).

**5. Anticipated further assessments and assessment increases:** Laura reported that she has completed a preliminary analysis as to the likely assessments that will be required in 2024. Unfortunately, it appears at this time that the regular quarterly assessments will need to be increased a material amount to cover expenses. Although Laura does not yet have a final number, she reported that she anticipates that the regular quarterly

assessments will be increased to a figure between \$4,500 and \$5,500 per quarter. Once again, the primary cost component compelling the increase in assessments is fire insurance. Laura cautioned that further adverse surprises on the insurance front could lead to even further increased assessments.

**6. Plans for pursuit of insurance in 2024.** The Board concluded that it would like more frequent reporting from its insurance consultants on the facts, policies and strategies pertinent to the Association's insurance premiums. The Association's aggregate insurance premiums now constitute 54% of the Association's annual expenses. These expenses have grown by over 15-fold in the last 5 years. And yet many of the traditional insurance companies providing fire insurance for homeowners associations are leaving the market (EX: In the Spring 2023, the Association's broker approached approximately 40 carriers in pursuit of a competitive policy quote, and yet only 2 carriers provided a response). The Board by consensus concluded to ask its broker to aggressively pursue fire insurance alternatives for 2024 (including perhaps alternative insurers, or alternative insurance policy terms, such as higher deductibles), and further that the broker should be reporting back to the Board on a frequent basis. The Board by consensus resolved to schedule a meeting with its broker in mid-September to discuss a strategy for pursuit of next year's policies. Townhouse owner Roger Gault agreed to serve as a consultant to the Board on fire insurance procurement (and during the homeowners meeting later in the day, Andrew Bousart also agreed to provide consulting assistance to the Board on 2024 insurance issues).

**7. Property Manager's report.** Yates reported as follows:

- (i) Due to the wet winter and spring plus careful attention from the landscaping crew, the grounds look as beautiful as ever. Yates has received particularly positive feedback on the lush lawns and the abundant wildflowers.
- (ii) Other maintenance is proceeding per schedule. The one material hiccup this summer involved the re-surfacing of the pools. Unfortunately, the Association ended up with a pool resurfacing contractor who got over-whelmed and/or did not prioritize Rocky Ridge, which resulted in the pool being closed longer than desired. Yates assured that the Association will not use this contractor for future work.
- (iii) The bear mats continue to work very well. While bears are present every night, they are not breaking into units. Yates estimated that over 90 of the townhouse units have electrified bear mats.
- (iv) Yates recommended that the Board approve the purchase of a newer dinghy for use at the pier. The Board (motion by Matt, second by Bob, unanimous vote) approved the replacement of the non-motorized dinghy at the end of the pier for a cost less than \$1,200. The cost will be included in the pool of costs covered by the annual amounts charged to owners using buoys.
- (v) The Association suffered from the usual cast of summer issues, including:
  - i. Over-crowding at the beach;
  - ii. Use of the beach and pool facilities by individuals that are neither owners, tenants nor guests;
  - iii. Definition of the scope of tasks and duties which should be within the responsibility of the summer pier attendant. For example, there was discussion as to whether (A) the pier attendant should be charged with policing the beach users, to protect against use by individuals that are neither owners, tenants nor guests, (B) the pier attendant's responsibilities should include monitoring and requiring safe swim practices by those swimming at the end of the pier, (C) the pier attendant's responsibilities should include monitoring and requiring safe boating practices of individuals using the pier for boating, (D) assisting boat owners in cleaning boat covers. The breadth of these tasks begs many further questions, including whether it is reasonable to expect the Association to be able to hire individuals capable of all of these tasks, whether additional attendants may be required for certain times (e.g., weekend afternoons), and whether the scope of tasks is too great for the compensation levels the Association is willing to pay.

- iv. Late night noise emanating from some units, in violation of the local noise ordinance and the Association’s operating rules.
- v. Dogs being permitted to run off leash, also in violation of the Association’s clear rule that dogs are to be ON LEASH at all times and in all locations at Rocky Ridge (except when the dogs is **within** a Townhouse unit).

Yates felt that perhaps because of the intense use of the Rocky Ridge townhouses this summer, these issues seemed to be more problematic than they have been in recent years.

The Board by consensus asked Buster and Yates to reflect on these issues and to assess whether there are additional steps that can be taken, or perhaps new technology that can be utilized, or different staffing strategies that can be deployed, so as to better address and police these issues. Buster and Yates will present their thoughts for discussion at the Board’s October meeting, and the Board will consider whether operating new or revised rules should be adopted prior to next summer.

**8. Association governing documents.** In order to enhance awareness of Association policies, practices, rules and other requirements, the Board by consensus agreed that it is due time for re-circulation to the owners of a collection of the major documents governing the Association. The Board asked Yates to put together a brief binder containing these documents. The binder should include the Bylaws, the Association’s CC&R’s (and the amendment adopted in 2021) and the operating rules (including the policies regarding air conditioning equipment and bear mats). The package also should include the Summary of the operating rules prepared in the Spring of 2023.

**9. Adoption of September 2023 to September 2024 schedule for Board regular meetings.** The Board adopted the following meeting schedule for regular meetings of the Board (subject to change by the Board in its discretion):

Date	Location	Date	Location
November 7, 2023 at 1:30 pm	Zoom platform	March 26, 2024 at 1:30 pm	Zoom platform
November 28, 2023 at 1:30 pm	Zoom platform	May 14, 2024 at 1:30 pm	Zoom platform
December 19, 2023 at 1:30 pm	Zoom platform	June 18, 2024 at 1:30	Zoom platform
February 6, 2024 at 1:30 pm	Zoom platform	July 23, 2024 at 1:30 pm	Zoom platform
		August 31, 2024 at 9:00 am	Rocky Ridge beach clubhouse

The Board meeting adjourned at 10:47 am.

Annual Meeting of the Members of the  
Rocky Ridge Properties Owners' Association  
Meeting Date: September 2, 2023 at 11:00 am  
Meeting Location: Rocky Ridge Beach Clubhouse

Meeting Minutes

Notice of the meeting was provided to the members (aka the "homeowners" at Rocky Ridge) in July of 2023. Fifty-four members attended the meeting, including directors Steve Dohrmann, Bob Schuchardt, Laura Bertone, Matt Howarth and Bruce Shepherd..

President Steve Dohrmann called the meeting to order at 11:03 a.m.

1. **Approval of the minutes of 2022 annual meeting.** Laura Bertone moved that we approve the minutes (as drafted and posted on the Rocky Ridge website). Bruce Shepherd provided a second. The motion passed unanimously.
2. **Quorum count and introduction of members.** President Dohrmann next asked for attending homeowners to introduce themselves. Each attending member introduced themselves, noting their unit number and duration of ownership. Several members reported that they or their family predecessors have owned the same unit at Rocky Ridge for over 50 years.
3. **Announcement as to election of directors and officers.** President Dohrmann announced that (a) incumbent board directors Laura Bertone, Frank Pagliaro, Curt Sproul and Bruce Shepherd were re-elected by acclamation at the June 28, 2023 Board meeting, and (b) the directors elected Steve as President, Bob as Vice President, Laura as Treasurer and Bruce as Secretary for the period from September 2, 2023 to September 6, 2024..
4. **President's report.** President Dohrmann dedicated most of his report to a discussion of the challenges that the Association is facing in procuring fire insurance. These challenges also were discussed in the Board meeting immediately preceding the annual meeting of the Members, and Members are referred to the minutes of the Board meeting for further discussion of the challenges covered by Steve.
5. **Property Manager's report.** Yates provided a report similar to the report that he provided at the Board meeting immediately preceding the annual meeting of Members. Members are referred to the minutes of the Board meeting for further discussion of the issues covered by Yates.
6. **Treasurer's report.** Treasurer Laura Bertone provided an annual financial report to the members. She noted that the Association is in good financial condition, with reserves and annual assessment revenues more than sufficient to cover anticipated costs. But Laura noted certain cautionary items, including fire insurance and the likelihood that the Association will be required to increase assessments materially next year in order to continue to cover fire insurance premiums. Laura also discussed these issues in the Board meeting immediately preceding the annual meeting of the Members, and Members are referred to the minutes of the Board meeting for further discussion of the issues covered by Laura.
7. **Member comments.** The reports from Steve, Yates and Laura sparked further questions and comments from some members in the audience, who noted in particular the following:
  - a. Several members voiced concerns about the steps being taken to find competitive insurance bids. Some of these members also expressed outrage that the insurers were unwilling to provide their quotes until moments prior to expiration of the Association's 2022-23 policy (which expired on 5-15-2023). The Board members responded that they have taken several steps to enhance the Association's pursuit of sufficient and cost-effective fire insurance, but the Board members also conceded that those steps have not yet been all that effective. The Board further responded that

it plans to meet with its insurance broker to establish a stricter process for pursuing the Association's 2024-25 insurance package.

- b. One member asked for the Board to consider establishing a "self-insurance" program, in lieu of procuring fire insurance from companies that seem to dramatically increase premiums every year. Discussion on the issues ensued, and one member pointed out that the Association's current CC&R's generally do not permit the Association to "self-insure" against fire and property damage risks, and further that self-insurance program likely would cause owners with mortgages to go into default on their mortgage loans. A switch to self-insurance would require material re-thinking of the manner in which the CC&R's operate and encourage/provide for reconstruction following a major damage event.
- c. Some members felt that participation in a special fire protection program (e.g., the "fire wide" program, or other programs focused upon producing greater "clear space" around buildings within Rocky Ridge) might facilitate negotiation of lower fire insurance premiums.
- d. One member argued that the current system for calculating assessments, pursuant to which net Association expenses are split equally among the units, is unfair and should be changed to call for net Association expenses to be split on a per square foot basis. The Board explained that the current CC&R's mandate the current process, and that it would require a CC&R amendment to change the mechanic.
- e. Some members voiced that they are concerned about boating and swimming safety at the end of the pier. They encouraged the Board to post more signs promoting water safety and to enforce protocols reserving the right side of the pier for swimming only. They also encouraged the Board to consider the scope and nature of the tasks being assigned to the pier attendant.
- f. Some members expressed concern about the number of non-Owners and non-guests that have been gaining access to, and using, the beach facilities.
- g. Some members lamented the increasing frequency by which Owners and guests are permitting dogs to run in common areas off leash. These members noted that the same dog that seems safe and lovable to his or her owner can cause material apprehension for others.

The Board acknowledged the comments from the members and agreed to consider each of them. In particular, the Board aims to focus upon (1) how to better pursue and procure fire insurance for the Association (including by considering some of the tools mentioned in the member comments) and (2) evaluating changes to the Association's operating rules, protocols and technology, so as to better address operating issues such as beach security.

#### **8. Additional Items.**

- a. Yates noted that over the course of the fall, the maintenance team at some point will check all of the Townhouse units to make sure that bear mats are turned on.
- b. The Board reminded Townhouse Owners that should a bear break into an Owner's unit when there is no bear mat, or when the bear mat is turned off, then under the Association's rules, that Owner will bear materially greater financial responsibility for any damages than the Owner would have borne had its bear mat instead been turned to "ON."
- c. The Board reminded Owners that the CC&R's mandate that each Owner shall maintain certain minimum levels of insurance, including fire insurance which contains "loss assessment" coverage. The Board encouraged Owners to double-check with their insurance providers to make sure that they have procured an insurance package that meets the requirements of the CC&R's.
- d. The Board reminded Owners to make sure that they have provided accurate email and mailing addresses to the Association, so as to assure that they are receiving all notices distributed by the

Association. Many of these notices cover important topics and elections, and it is important that Owners have established and maintain contact with the Association so they can participate in important discussions and decisions.

The meeting adjourned at 1:11 p.m.