

Meeting Minutes

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

Meeting Date: **February 18, 2020**

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, Nick Farwell, Frank Pagliaro and Curt Sproul participated by dial-in to the teleconference call. Bruce Shepherd also participated in the phone call from the Association’s office in the building behind the real estate office. Accordingly, a quorum of directors was present. Yates and Ray O’Neal also attended the meeting through call participation at the Association’s office.

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

1. **Approval of Minutes of 12-27-19 Board Meeting.** The minutes for said board meeting, in the form circulated to the directors, were approved. Curt motion; Nick second; unanimous vote.
2. **Property Manager’s Report – Water Leak and Outdated Power Panels.** Yates reported as follows with respect to property operations:
  - After noticing an increase in recent water bills, Yates examined the units to assess whether there might be a water leak. Yates discovered a leak in the pipes outside the building for units 1-4. Yates and his team are in the process of fixing the leak. Yates also has set up a process for the future so the water utility will report to him directly as to aggregate water usage, so he can better detect unexplained increased consumption.
  - Yates has learned that the electrical breaker panels for some of the units are outdated and may pose a fire hazard. Yates is confirming the affected units and exploring the cost of replacing the panels (which would be borne by the unit owner). Yates also is looking into potential cost savings by finding a single firm to handle the replacement work. The board approved a motion by Frank (second by Curt; unanimous vote) that once Yates has confirmed the details of the work and the likely expense, he should inform the affected unit owners that the replacement of the outdated electrical panels is a mandatory work item (consistent with the approach taken a few years ago when other defective electrical panels were discovered).
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:
  - property damage insurance from 1-1-20 to 5-15-20 for 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 just less than \$200,000.

In approving the package, the board further directed Yates to continue to explore procuring alternative insurance for the period subsequent to May 15, 2020. However, as of the date of the 2-18-2020 board meeting, the Association has not yet received any alternative offers (and informal feedback suggests that the Association may not receive an alternative proposal prior to the date to elect to exercise the extension option). The board directed Yates to report back to the board on this issue at the next board meeting.

4. **Financial Report.** Laura provided the following financial report:
- Due to careful cost control efforts (mostly due to savings on maintenance items), the Association ended 2019 with aggregate operating expenses approximately \$22,000 below budget. As approved by the homeowners at the September member meeting, the savings may be rolled forward for application against 2020 expenses.
  - Laura has reviewed the checking account reconciliations and they are in order.
5. **Establishment of Allocation Process for Summer 2020 buoys and kayak rack spots.** Consistent with past practice, Yates will notify homeowners in early March as to the process for applying for a buoy at the beach for summer 2020. The cost of the buoy for the summer of 2020 will be \$1,450 (which represents the board’s calculation of the costs fairly associated with providing and operating the buoys, including a portion of the costs of the beach attendants). The allocation and use of the buoys are further subject to provisions in the Association’s CC&R’s and Operating Rules.

This year the board also will allocate spots on the kayak racks (for storage at the beach of kayaks, paddle board and related equipment). The cost of each kayak rack spot will be \$50 for the summer (again, this amount represents a pass-through of costs which the board has concluded the Association incurs in providing the kayak rack spots).

The board directed Yates to prepare a notice to the homeowners covering the allocation process for the buoys and kayak rack spots, and to administer the allocation process.

6. **Consideration and Approval of Election Rules.** Curt described new election rules which he has prepared and proposed for board approval and adoption (Curt is a recognized expert in California with respect to the operation of, and the documentation pertaining to, common interest developments such as the Association). Curt briefly described that recent amendments to California law mandate the adoption of election rules by associations. The rules set forth the procedures for administration of Association elections, including elections for the selection of board members. Bruce moved, with a second from Bob, that the board approve and adopt, as of the date of the board meeting, the proposed operating rules (subject to a few non-substantive changes). The motion passed by unanimous vote. The election rules will be posted on the Association’s website.
7. **Consideration of New Placer County Ordinance Pertaining to Short Term Rentals.** The board discussed the new ordinance. Placer County says that the ordinance is intended to strike a balance in reducing neighborhood nuisances like noise and parking issues related to vacation rentals without undermining the market for short-term guest accommodations.

Generally speaking, the new ordinance conditions the rental of residential properties for less than 30 days upon the owner possessing a short-term rental permit. This requirement goes into effect on April 1, 2020. Owners renting properties on a short-term basis also are required to obtain a transient occupant tax (“TOT”) certificate and to pay TOT as it accrues.

The new short-term rental ordinance permits an exemption from the permit requirement (but not the TOT payment obligation) for properties within residential homeowner associations (each, an “HOA”), so long as certain requirements are met:

- The owner must notify the County that the owner plans to utilize the exemption.
- The HOA must have CC&R’s (or like restrictions) which establish requirements that satisfy the parking, noise (quiet time 10 pm to 7 am) and trash/bear standards of the County’s short-term rental regulations. The board believes the Rocky Ridge CC&R’s probably satisfy this requirement, but interested owners should confirm this with the County.

- The HOA must have a history of enforcing the requirements. The board believes the Rocky Ridge HOA probably satisfies this requirement, but interested owners should confirm this with the County.
- The owner must designate a representative (e.g., a leasing agent or property manager) who can be available at the unit within 60 minutes should a “problem (e.g., excessive noise) arise at the property. The Rocky Ridge HOA will not serve in this capacity; owners seeking to “short-term” rent their units must address this requirement on their own. The ordinance envisions that a local leasing agent or property manager – such as O’Neal Associates – could act in this manner for an owner, should the owner enter into such an arrangement with the leasing agent or manager.

The above is a summary only, and owners should be aware that there are further County requirements applicable to short term rentals. These include (a) capacity limitations (the occupants cannot include a number of persons age 16 or older greater than (i) 2 times the number of bedrooms plus (ii) 2 more adults; kids younger than 16 are not counted), (b) requirements that the unit have fire extinguishers and smoke and carbon monoxide alarms, and (c) the interior of the unit must have a “good neighbor” posting containing contact information for the local contact person, emergency evacuation information and a notice of penalties for violation of the Short Term Rental Ordinance. These further requirements apply whether or not a short-term rental permit is obtained

Further information with respect to the ordinance can be found at the following websites:

<https://www.placer.ca.gov/DocumentCenter/View/40947/02A->

<https://www.placer.ca.gov/6109/short-term-rental-program>

The County also will respond to telephonic questions at **530-581-6234**.

Note that the short-term rental ordinance suggests that an owner seeking an exemption on the basis that its property is a part of a residential owners’ association should obtain a letter from its association addressing the above summarized matters. Bruce agreed to prepare a draft letter for the Association to use in such situations. He will circulate the letter to the other board members for review.

Given that the ordinance is new, there is uncertainty as to how it will be applied. The board will consider the evolving status of the ordinance at its next board meeting. In the meantime, the board also will provide notice to the Rocky Ridge homeowners about the new ordinance.

8. **Suggestions by Board Members for other future Agenda topics (subject to change).**

- April 14, 2020 Meeting: Consideration of any new available alternatives for Association procured property insurance.
- April 14, 2020 Meeting: Consideration of the manner in which the new Placer County Short Term Rental Ordinance is being applied.

9. **Adjournment.** The board meeting was adjourned at 9:58 am.

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

- 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)
- October 12, 2020 at noon (location: Telephonic).

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

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