

HIDDEN VALLEY VILLAGE OWNERS ASSOCIATION

Board of Directors Meeting

AGENDA

Date of Meeting: January 28, 2025

Time: 5:30 PM

Location: Hidden Valley Village Office Building

Also Join by Zoom Meeting:

<https://us06web.zoom.us/j/2257116731?pwd=ZWM5SXBJR29BMWRvcnJwYS8xWDM4UT09&omn=89363650311>

Meeting ID: 225 711 673

Passcode: 445657

Hidden Valley Office: 760 934-7303 Email: manager@hiddenvalleymammoth.com

I. General

- A. Call to order by President:
- B. Roll call. Record Board Members, Management, owners, and guests present
- C. Announcements/Orders of the day/Items discussed in Executive Sessions
- D. Any items pulled from the consent agenda to be heard special, changes to order of agenda and recusals.
- E. Homeowner Forum: 15 minutes (Comments on Agenda or Non-Agenda Items)
****Homeowners are also encouraged to submit comments and suggestions to the board via email at bod@hiddenvalleymammoth.com*

II. Consent Agenda Items

- A. Approval of minutes from previous meetings-access available on the website. hiddenvalleymammoth.com
- B. Treasurers Review, ratification of expenditures over \$2,000 and/or expenditures from the reserve account. access available on the website. hiddenvalleymammoth.com
- C. Ratification of Architectural Committee approvals of work order requests
- D. Reports and ratification of actions from Rule Enforcement Committee
- E. Informational Reports: Manager Report, Treasurer's Report, Insurance Committee Report, Informational Reports

III. Agenda Items for Discussion and Possible Action. See Reports on the Consent Agenda posted at www.hiddenvalleymammoth.com for additional information.

Agenda Item 1: State Farm Insurance Claim Update and approval for final payment in the amount of \$15,843 to Mavin Consulting

Agenda Item 2: Insurance Committee Report and possible Action

Agenda Item 3: FireWise update & May 17, 2025 BBQ date.

Agenda Item 4: Treasurers Updates and Procedure for routine expenditure approvals and ratification of Monthly Financial Statements and Treasurers Review Excel Sheet.

Agenda Item 5: Board Procedures for routine actions from Rules Enforcement, and Architectural Committees

Agenda Item 6. Discussion and Possible Action Pool Deck and Fence Project

Agenda Item 7. Upper Jacuzzi repairs expenditure approvals contingent upon need.

Agenda Item 8. 2025 plan for CC&R review and updates

Agenda Item 9. BOD Shared File Organization and Board Member Duties Documentation

Agenda Item 10. Adoption of Operating Rule 2.13 and instructions to send new rule to owners.

Agenda Item 11. Account for Hidden Valley Google Docs & Web domain ownership

Agenda Item 12: Secure HVV systems, new PC for Property Managers.

Agenda Item 13: Security cameras for HVV systems common areas.

Agenda Item 14: Management items not listed on Management report

IV. Adjournment

HIDDEN VALLEY VILLAGE OWNERS ASSOCIATION

Board of Directors Meeting – Executive Session

AGENDA

NOTE TO MEMBERS: This meeting is closed to the membership per Civil Code 4935

Date of Meeting: November 2, 2024

Time: From 7:00 PM or immediately following the Regular Board Meeting

Location: Hidden Valley Manager's Office via zoom

<https://us06web.zoom.us/j/2257116731?pwd=ZWM5SXBJR29BMWRvcnJwYS8xWDM4UT09&omn=89363650311>

Meeting ID: 225 711 673

Passcode: 445657

Hidden Valley Office: 760 934-7303 Email: manager@hiddenvalleymammoth.com

I) General

A. Call to order by President:

B. Roll call. Record Board Members & Management present

II. Possible Discussion/Action Items with Management Present

A. Disciplinary hearings-None

B. Rule violations review and action-

C. Warnings and fines-Explanation of fines and timeline is included in the consent agenda.

1. Unit J Pet violation

2. Unit R No notice of occupancy

D. Individual unit owner issues-Unit R: Delinquent dues in the amount of \$6,684.64, recommendation is to proceed with the lien process. If not paid by Feb. 10, 2024

E. Review of contracts or proposals - Upper Spa/Deck/Fence project

III. Possible Discussion/Action Items Board Only

- A. Board operational matters-
- B. Contract, compensation, or performance matters
- C. **Other**
- IV. **Adjournment**

HIDDEN VALLEY VILLAGE OWNERS ASSOCIATION

Board of Directors Meeting

CONSENT AGENDA

January 28,2025

****Board Ratification/Approval Items:**

- A. ** Approval of minutes
- B. **Ratification of Treasurer’s Reviews
- C. **Ratification of Architectural Committee approvals of work order requests
- D. **Report and Ratification of actions from Rule Enforcement Committee
- E. **Reports: Manager Report, Treasurer’s Report, Insurance Committee Report, Informational Reports

A. Approval of Minutes - Minutes are available on the Hidden Valley website:

<https://www.hiddenvalleymammoth.com/> HVVOA INFO>Agendas and Minutes

B. Ratification of Treasurers Review and Treasurers Report-The Treasurer’s reviews are available on the Hidden Valley website: <https://www.hiddenvalleymammoth.com/> HVVOA INFO>Newsletters and Notices

C. Ratification of Architectural Committee approvals and Board ratification of work order requests. The following projects have been reviewed by the Architectural Committee and Management and are ratified by the Board of Directors:

Item 1 of 2: Work Request Approval to Start Project

- Unit 25-complete interior demo and remodel

- Unit 28-Paint cabinets and flooring
- Unit 29-Subfloor insulation
- Unit 108- Replace cabinets, countertops and faucets; new water heater; flooring replacement

Item 2 of 2: Work Completion Recognition & Recording

- Unit 28-Paint cabinets and flooring
- Unit 129-Fireplace retrofit and electrical work for TV; water heater replacement
- Unit 132-Flooring replacement

D. Report and Ratification of actions from Rule Enforcement Committee

Log of Rule Enforcement Actions: -Unit numbers can be cross referenced in the Executive Session Minutes

-Unit A: - All Violations resolved as of Dec. 2024

-Unit B: -All Violations resolved as of Dec. 2024

-Unit C: -All Violations resolved as of Dec. 2024

-Unit D: - All Violations resolved as of Dec. 2024

-Unit E: - All Violations resolved as of Dec. 2024

-Unit F: - All Violations resolved as of Dec. 2024

-Unit G: - All violations resolved as of Dec 2024

-Unit H: -All Violations resolved as of Dec. 2024

-Unit I: - All Violations resolved as of Dec. 2024

-Unit J: - Pet violation December 2024-STR unit with dogs and no service dog information provided.

-Unit K:-All Violations resolved as of Dec. 2024

-Unit L: All Violations resolved as of Dec. 2024

Unit M – All Violations resolved as of Dec. 2024

Unit N:All Violations resolved as of Dec. 2024

Unit O: All Violations resolved as of Dec. 2024

Unit P: All Violations resolved as of Dec. 2024

Unit Q:-All Violations resolved as of Dec. 2024

Unit R-

11/05/2024-10 day notice to pay balance of \$5,214.64 sent from Butner HOA Services

1/13/2025-10 day notice to pay balance of \$6,684.64 sent from Butner HOA Services

1/17/2024-Courtesy Reminder Sent for Past due amount of \$6,684.64

1/20/2025-Call to Owners to discuss past due amount. Owners expect to pay in full by Feb

10

E. Informational Reports

(1) Management Report

(2), Insurance Committee Report

(3). Treasurer's Report

(4) New Operating Rule

(1) Management Report – December 2024 – January 2025 (as of 1/24/2025)

Snow Totals For the 2024/2025 Winter Season:

October 2024 = 3”

November 2024 = 62” (most November recorded snowfall since 2014)

December 2024 = 39”

January 2025 = 5” (as of 1/24/25 more snow forecasted in the next couple of days)

New Metal Rooftops: Performance is good & all shed snow! Still working & managing locations of where the snow falls & lands in the parking lot or ground below. November’s significant snowfall helped and since all snow has melted now waiting for another large storm to help manage snow shed areas.

Snow Removal: We did have extra snow shoveling and use of our loader service during November. The weather has been a bit tricky this year so far with warmer days and colder nights causing a substantial amount of ice to build up in the driveway. With stuck vehicles trying to make it up the driveway was challenging on occasion. Management tried to help and even a couple of large trucks had difficulties maneuvering the big corner near the “D” Building and slid off the driveway and got stuck! HVV contracted Loader Service came to the rescue and was able to move large areas of thick ice making it easier for everyone!

Pool / Spas: Lower Spa is working fine. We did have an unhealthy experience one day over the January holiday weekend when we had closed due to “unidentified material” in the tub! Management had to drain & deep clean late in the day. Due to having to re-fill the tub & tap water this time of year is very cold it took longer to heat to the proper 104 temperature. Unfortunately, the guests were not happy! Since “working fine.” Upper Spa working fine – will address low jet pressure this spring/summer during installation of new decking & fence projects. The Swimming Pool will remain covered until Memorial Day Weekend (weather pending).

Elevated Structural Engineered Inspection / Forrest Cross, P.E. Cross Country Engineering contracted by Hidden Valley performed the California State Mandated inspection of structural integrity of balconies and or landings built six feet above ground. The final analysis report “stamped” & signed off by Forrest received on December 24th, 2024. Hidden Valley received an exceptionally great review. Noted in the report just a couple of repairs need to be addressed this coming summer to include one lower balcony footer beam (sits on ground) replaced and one broken concrete pier replacement.

Units listed for sale: #11 Studio = (currently in escrow due to close February 18th). Both Units: #19 Studio and #28 Studio Loft are currently on the market for sale.

Occupancy – Hidden Valley experienced a remarkably busy holiday season with nights of 60+ units occupied. In December, occupancy of 805 / unit nights. As of this report January is proving to be a busy month.

-Currently have 7 Units – Occupied Full-time (living on property) by rental tenants and or homeowners.

-Currently have 57 Short Term Nightly Rental Units.

Management – December lacking snow and snow removal & other snow related jobs on property management found time to paint the lower common area room & make repairs on property where needed. Complex clean-up is always ongoing & especially when snow begins to recede!

REMINDERS FOR HOMEOWNERS WHO RENT THEIR OWN UNITS & HAVE GUEST STAYS & TO INCLUDE HOMEOWNER OCCUPANCY – PLEASE as a courteous reminder contact via email the Hidden Valley Office of all arrival & departure dates to manager@hiddevallymammoth.com. “Safety – Security & Emergencies” is especially important to you and management.

IMPORTANT SAFETY STATEMENT – PLEASE BE CAUTIOUS OF AREAS THROUGHOUT THE COMPLEX WHERE ROOFS SHED SNOW & ICE!

- Signage warning of snow & ice found on all buildings but not everyone is adhering to the warnings! Please add this to your rental unit information.

Limited parking: Each unit has two parking spots. During weekends and holidays the parking lot is very full and especially during & after snowstorms.

- Find all the homeowner information at hiddenvalleymammoth.com. Included are all HOA Board of Directors Meeting dates and Zoom information.

Unit Modifications: The Work Request Form is available on the homeowner website. Homeowners complete the form and return it to the Hidden Valley Office via email. Forms are then sent on to the Hidden Valley HOA Architectural Committee for review and approval. Note: From the Town of Mammoth Lakes Building Department of updated laws requiring Building Permits for work performed that was not by permit previously for (shared wall) condominiums & apartments. This information was recently communicated to all condominium and apartment managers in Mammoth Lakes.

Unit Front Door Locks: Reminder for those who have recently installed new front door locks – it is the responsibility of homeowners to contact management to have keys keyed to the Hidden Valley “Master Key”.

Renting of Units to “Full-time” tenants: One Year Lease - homeowners wishing to rent units to full-time renters must complete several steps lined out in the Hidden Valley Village CC&Rs. Important information is found on the Homeowners Website. *Also please make sure to contact onsite management.*

(2), Insurance Committee Report

HIDDEN VALLEY VILLAGE HOA INSURANCE COMMITTEE REPORT JANUARY 21, 2025

Purpose: In July 2024, the Board of Directors requested an Insurance Committee (IC) form to research insurance options and determine what, if anything, the HOA can do to reduce insurance premiums while maintaining CC&R required coverage. A report was to be provided in January 2025 to allow for recommended changes to be made prior to the insurance renewal process, which typically commences 90-days prior to policy renewal (March 2025).

IC Members: Ruth Wheeler (Board member), Tricia Luzio (Board member), Karen Shorr (Board Member as of Nov. 2024), Rose Paschall, Peter Spencer, Jason Brooks, Jon McCuskey, Jen Waterman, Karen House (C. House Property Management)

General IC Meeting Dates: 9/16/24, 10/22/24, 11/14/24 and 1/14/25

Specific Subject Meeting Dates:

11/21/24 Informational call with Cavnac, a construction industry insurance broker that Peter Spencer works with professionally

12/02/24 Call with agent Tim Goodrich - FRP and his partner Ted Clayton – CRC Group
12/18/24 Call with agent Karina Guerrero

Point Persons:

Tricia Luzio & Rose Paschall – primary discussions/emails with Ben Romo
Ruth Wheeler – discussions/emails with Karina Guerrero

Rose Paschall – Dec. 2024 building measurements

1. Insurance Coverage Requirements per CC&Rs (Article VIII Insurance) a. HOA Responsibilities for Hazard (8.1)

8.1.A.1 “General Provisions. A master hazard policy insuring all the improvements within the common area in the project against loss or damage by fire or other risks covered by the standard all risk endorsement excluding earthquake and flood but including, without limitation, loss or damage as a result of theft, vandalism or malicious mischief and loss or damage to or as a result of boilers, pressure vessels, pressure pipes or sprinkler leakage and such other risks, perils or coverage as the board in its discretion determines is necessary or advisable.”

8.1.A.2 “Policy Limits. Such hazard insurance shall have policy limits of not less than one hundred percent (100%) of the full insurable replacement cost of all improvements within the common area (as determined not less than every three (3) years by the board in consultation with the insurance company issuing such policy).”

8.1.B General Liability

8.1.C Workers’ Compensation (applicable to and maintained by C. House Property Management)

8.1.D. Directors and Officers

Note: Mortgage Lenders verify that the HOA maintains coverage per CC&Rs.

1 of 9

HIDDEN VALLEY VILLAGE HOA INSURANCE COMMITTEE REPORT JANUARY 21, 2025

b. Individual Owner Responsibilities (8.5)

8.5.B “Each owner shall be required at its sole cost and expense to obtain and maintain real property and personal property insurance which insures the personal property...or otherwise protecting the condominium.”

8.5.C “Each owner shall also be required, at its sole cost and expense, to obtain and maintain insurance for premises liability which includes protection for bodily injury and property damage...The minimum amount of such liability insurance shall be one million dollars (\$1,000,000.00) or such other amount as the board may reasonably determine from time to time.”

8.5.E “Each owner shall be required to file a copy of the policy or policies required under this section with the board at the time of the owner's purchase of a Unit and shall provide

evidence to the board (or to the manager or other designee of the board) of the insurance coverage required by this section from time to time...The board shall have the authority to adopt rules in accordance with Section 5.2.C to monitor and enforce compliance with provisions of this section.”

c. HVV HOA’s Risk Profile

Fire Score

Preston Cavnac (Cavnac Insurance), during an informational call with the IC, indicated that in the last 5 years underwriters write to Fire Scores due to the many extreme fire events in the country. Premiums have jumped dramatically as a result. Mammoth Lakes, Lake Tahoe, Big Bear are all having issues. Preston ran a Fire Score for our complex: our property is at 92 out of 100; over 90 it’s really challenging to get coverage. Currently the number one issue for the HOA is Fire Score.

Previous and Future Claims

Insurers also look back to claims made within the past 5 years when determining whether to offer coverage and/or renew coverage. They want a loss ratio of 20%, which is calculated by the premium divided by the loss. ‘Normal’ is 20%-40%, much over 50%-60% is unappealing to insurers. For example, HVV HOA paid approximately \$150,000 in premiums over 5 years prior to 2024. Our 2024 claim of ~\$1.144M resulted in a loss ratio of over 130%! In addition to that, we have the high Fire Score and old buildings (see item 3.b). These combine to influence how insurers view the risk. See item 1.d.ii., below, regarding future claims.

Admitted vs. Non-Admitted Carriers

All agents interviewed indicated there are only 30-40 carriers that write HOA’s across the market. They are a mix of admitted and non-admitted companies, with most being non-admitted. An admitted insurance company has met regulations set by the state department of insurance, whereas a non-admitted insurance company has not met those requirements. Non-admitted markets and insurance carriers are not covered by the state if the insurance company becomes insolvent. In this situation, a claim may not be paid. It’s often considered high risk to work with a non-admitted insurance carrier. Our existing policy is non-admitted. Per all agents interviewed, in the current insurance market there are no admitted companies interested in writing our HOA. However, most admitted companies are unwilling to write in California at all.

d. Summary of Existing HVV HOA Coverage (6/18/24 – 6/18/25): i.

Coverage Type	Insurance Carriers	Coverage Limit	Premium
Property Insurance: Fire	CA Fair Plan	\$19,678,684*	\$ 82,363
Property Insurance: Wrap	Bridgeway Insurance Co.	\$19,678,684*	\$175,069
General Liability	Northfield Insurance Co.	\$ 1,000,000	\$ 5,849
Directors & Officers	Philadelphia Indemnity Insurance Co.	\$ 2,000,000	\$ 1,903
Subtotal			\$265,184
Taxes & Fees			\$ 6,957
Total			\$272,141

* Includes Buildings, Business Personal Property, Business Income and Extra Expenses and Other Structures, which total \$652,084 of the Coverage Limit

ii. Current Insurance Plan Deductibles

CA Fair Plan = \$75,000 deductible

Bridgeway Insurance Difference in Conditions (DIC) policy lists two deductibles: \$75,000 for “All risk of direct physical loss or damage” and \$150,000 for water damage.

The IC learned that a reasonable rule of thumb when considering making an insurance claim is if the cost of repairs will be at least double the deductible. The board may wish to consider setting aside funds to pay a large deductible in the event of a loss. An HOA can special assess owners to pay the deductible or the HOA can save for it. Davis-Stirling has an article about this which can be found at:

<https://www.davis-stirling.com/HOME//Insurance-Deductible>

e. Valuation for Existing HOA Coverage:

Brokers typically use a valuation calculator software such as CoreLogic to determine replacement cost (aka Coverage Limit). Per our property's May 2024 CoreLogic report, the reconstruction value was approximately \$16.3 million. Our agent used the 63,273 square feet he was provided by the HOA and calculated an average of ~\$300/sf (a figure confirmed by a couple of HVV unit owners with experience in the current construction market to be reasonable for the building 'shell' since individual owners are responsible for the interiors) to get to the above Coverage Limit.

f. Property Structure Square Footage (sf) Confirmation

Rose Paschall previously worked at property insurer Chubb for 16 years in the personal lines department as an underwriter and home appraiser. She offered to confirm that the property structure square footage was accurate since the data on file with Management was undated and its origin was unknown. She was able to obtain the original floor plans for Phase II buildings from local realtor Paul Oster and was able to confirm that the buildings for Phase II were identical to those of

3 of 9

HIDDEN VALLEY VILLAGE HOA INSURANCE COMMITTEE REPORT JANUARY 21, 2025

Phase I. The result of her research was that the sf according to the original floor plans is 60,588 (the pool and office buildings were not included) vs. the 60,236 sf included for our existing policy (excluding pool and office), leaving an inexplicable variance of -352. The existing policy uses the total of 63,273 sf (including 3,037 sf for pool & office), which included a typo by the insurance agent in the square footage for one of the buildings, while Rose's measurements totaled 65,112 sf (61,777 + 3,335), a variance of 1,839 sf (~2.8%) more than the existing policy.

g. Property Valuation Going Forward

In December 2024 Rose conducted phone interviews with three local building contractors which recently completed construction projects in town and were familiar with HVV. Each provided ballpark figures which ranged from approximately \$350/sf to \$450/sf for the main living areas, \$175/sf to \$400/sf for lofts and \$400/sf to \$550/sf for office and pool buildings.

h. IC Recommendations

i. It is recommended that the buildings replacement cost be increased to \$20,439,303 (from \$19,026,600) to reflect a blended average of \$320/sf, based on the lower range of the contractor provided estimates, and minor corrections to square footage (see item iii, below). This is about a 7% increase from the 2024-2025 policy and reflects ongoing price increases due to natural disasters both in California and nationwide. The three contractor interviews provide good insight, but are a small sample of local builders. The board should also consult with the insurance agent for its suggested replacement cost and use of replacement cost calculators.

ii. All agents interviewed recommended securing the best coverage at the best price, then negotiating the highest available deductible to reduce premiums.

iii. It is recommended that the original floor plan square footage of 63,923 (including office and pool buildings) is used as the property documentation going forward for accuracy and consistency, and it's within 3% of the physical measurements completed. Any documentation forwarded to insurers should be dated and reference origin.

iv. The HOA does not currently carry earthquake insurance coverage, which is not required by the CC&Rs. The Board can elect to purchase earthquake insurance at any time.

2. Insurance Agents

The following agents were considered/interviewed:

a. Ben Romo – Kirk Miller Insurance Agency, Crowley, CA

Existing HVV agent who primarily sells Farmers policies but has access to other insurers. His office has 30 agents. He is a long-time local and a member of a multigenerational Mammoth family with many local connections. He has a firefighting background, knows local fire requirements well and attends many training sessions about Firewise. He has been helpful in finding ways to make the HOA more appealing to insurance companies. Ben worked very well with the board during the 2024 renewal process. He has been extremely attentive in answering questions from Tricia & Rose over the last 6 months as well.

4 of 9

HIDDEN VALLEY VILLAGE HOA INSURANCE COMMITTEE REPORT JANUARY 21, 2025

b. Tim Goodrich – Foundation Risk Partners, Torrance, CA

He did a mass marketing effort in Mammoth in Q3 2024 after hearing of many HOAs being non-renewed/cancelled. Tim's primary experience is in Lake Tahoe, a similar market, but he has no experience in Mammoth Lakes. He partners with Ted Clayton, a wholesale

broker with CRC Group that specializes in insuring HOAs. He currently insures 50-60 HOAs with an office staff of 26. FRP is a large, integrated, company, and according to Tim they're about 10x larger than the agency Ben Romo was with (stated when Ben was with ISU prior to him joining Kirk Miller), his inhouse staff assists with claims. Tim's office hires and pays for a 3rd party consultant to complete a wildfire pre-inspection report. They include this report with all applications, which can help influence carriers to offer coverage. He suggested we focus on how our HOA can stand out in this market. Working with a larger firm can do this since FRP has access to more insurance carriers. They currently manage \$229M in written premiums for HOAs across all FRP offices, which gives them leverage with HOA-specific carriers.

c. Karina Guerrero – Troy Guerrero Insurance Agency, Napa CA

Referred to us by Cindy Butner. Karina has experience in Mammoth working with Property Managers, Developers and HOA Boards. She primarily sells Farmers policies but has access to other insurers. There are 5 agents in her office and a customer service representative. Provided Ruth with valuable additional information and resources after a zoom call with IC.

d. IC Recommendations

i. Pursue a dual agent approach. If the HOA gives one agent exclusive access it guarantees they will win the account. But the HOA is under no obligation to provide exclusive access and has the power to decide what's best for the HOA. Choose one agent as the primary agent to obtain quotes from all carriers available. Choose a second agent to reach out to additional carriers within their circle who haven't been quoted yet.

The goal of the dual agent approach is to cover as much of the market as possible to obtain the best coverage for the lowest price. This allows the primary agent to have priority (he will likely have access to 90% of the

market) and the ability to play two quotes off of each other more easily. ii. The IC recommends Ben Romo as primary agent and Tim Goodrich as secondary agent.

iii. Board to select broker(s) at January 2025 meeting to begin renewal process in February 2025.

3. Property Improvements

a. Rationale

i. Potential insurers evaluate the risk of insuring properties based on a property's location and characteristics. Older properties experience a higher incidence of declines to offer

coverage due to lack of fire sprinklers, older roofing, siding materials, older plumbing and electrical, etc. Adopting proactive risk strategies (e.g., 2024 roof replacement) may enhance HVV's appeal to more insurers, improve our chances of getting more quotes and/or more favorable quotes.

ii. Proactive risk strategies have the potential to reduce premiums

5 of 9

HIDDEN VALLEY VILLAGE HOA INSURANCE COMMITTEE REPORT JANUARY 21, 2025

b. Physical Improvements

i. The HOA's existing agent, Ben Romo, recommended considering the following proactive strategies regarding building systems:

1. Interior Unit Circuit Breaker Panel Boxes ("Boxes") Replacement. A [Davis-Stirling.com article](#) identified Zinsco electrical panels as potential fire hazards. "For this reason, many insurance carriers are requiring condominium associations with Zinsco panels to replace them with a safer product. Failure to do so could make a condominium complex uninsurable."

Management accompanied High Altitude Electric (HAE) to inspect the interior electrical boxes in a sampling of the entire complex on 12/06/24. In addition, Management walked every unit on the property and documented all interior electrical boxes with photos. HAE indicated that current code requirements for the location of boxes prohibits installation in a closet, under staircases or in a bedroom or bathroom. The conclusion of the 12/06 walk was that the Phase I units have General Electric (GE) boxes that, although old, are in excellent condition and compliant with the current code's location requirements. The inspection of Phase II units determined

that 90% of the units have Sylvania/Zinsco boxes. According to online research, Zinsco was purchased by GTE-Sylvania in 1973 and although the boxes are labeled with Sylvania, they are still Zinsco boxes, therefore pose a potential fire hazard and should be replaced. To summarize the inspection:

Phase I - 48 units + the pool building, all boxes are 'code compliant' and of an acceptable manufacturer. HAE highly recommended contacting GE and advise of the age of boxes (50 yrs) and ask if GE has 'age requirements' for replacing boxes.

Phase II - 36 units + the office building (which has 3 boxes). Electrical boxes in 33 units and 2 in the office building should be replaced (only units 103, 120 & 128 have acceptable boxes).

The board can either require that affected owners hire a licensed electrician to replace their box or the HOA can hire an electrician to do the work and impose a special assessment to pay for the materials and labor. Allowing owners to hire an electrician may result in non-licensed and/or non-insured work and the necessary tracking by management and the board would be extremely

burdensome. The board may also have to resort to threatening some owners with lawsuits if they refuse to do the required work. The cost of electrical box replacement was roughly estimated by HAE at \$1,500 - \$1,800, not including drywall work, for the more straightforward replacements, it will be much higher for boxes which need to be moved to a code compliant location in the unit. Some of these box replacements could involve extensive related and/or surrounding work that will add to the cost of replacement for a given unit. Without further research it is unknown what the cost per box replacement would be.

6 of 9

**HIDDEN VALLEY VILLAGE HOA
2025 INSURANCE COMMITTEE**

E REPORT JANUARY 21,

2. Exterior Electrical Panel Box Replacement for Phase II is scheduled, per the Reserve Study, for 2027. HAE to advise if existing panels should be replaced sooner. Phase I buildings were completed in 2021 & 2022.

3. Plumbing – The Phase I galvanized plumbing was replaced with copper in 2003. Phase II copper plumbing replacement is scheduled for 2030, however the HVV HOA Reserve study consultant indicated copper plumbing typically outlasts the ‘useful life’ and recommended against replacing until problems develop.

4. Wall Heater Inspections and Replacement

5. Installation of water leak detection system/automatic water shutoff devices (by a licensed contractor)

6. Installation of interior fire sprinkler systems

7. Installation of automatic fire alarm systems

8. Installation of fire-resistant siding

ii. Several of the above 'voluntary' improvements (i.e., 4-8) would be extremely costly and invasive and an undue burden to the HOA and/or owners. Each of these should be studied carefully and perceived value further discussed with insurance agents prior to decision-making.

c. Operations &/or Program-Related Improvements

i. Firewise USA "is a voluntary recognition program that provides a framework to help neighbors get organized, find direction, and take action to increase the ignition resistance of their homes and communities from wildfire."

1. HVV can become a 'Firewise USA site' by A) assigning a Resident Leader, B) completing a wildfire risk assessment with TOML fire department (minimum every 5 years), C) completing action priorities, and, D) reporting activities via the Firewise Portal.

2. Requires an annual minimum HOA investment of approximately \$2,187/yr. (calculated using the Firewise USA 'equivalent of one volunteer hour valued at \$25.43' x 86 residential dwelling units).

3. Examples of potential actions not already in practice: replacement of wood fencing and 'skirt' sections, were attached to buildings, with a noncombustible product; mesh screening added to vents (HVV has several door and wall vents at both upper and lower pool /jacuzzi equipment buildings). A complete list and related costs will need to be compiled for evaluation and approval.

4. Ruth Wheeler is providing a separate detailed report for the board for the January 2025 meeting.

ii. Eastern Sierra Fire Safe Council is a parallel program with Firewise USA programs. HVV is automatically part of ESFSC by having a Mammoth Lakes address. This affiliation may be an additional benefit for the HOA.

iii. CC&R and Operating Rules Enforcement (per CA Fair Plan adjuster) 1. Proof of Owner Liability Insurance on file with Management.

2. Wood Storage on balconies – Per Mammoth Lakes Fire Protection District Ordinance 2022-01 Section 4907.5 Ember Protection of

Firewood: "Fire resistive tarps or covers are required...Effective

June 1 through September 30th of each year."

HIDDEN VALLEY VILLAGE HOA INSURANCE COMMITTEE REPORT JANUARY 21, 2025

3. Barbeques on balconies - Per Mammoth Lakes Fire Protection District Ordinance 2022-01 Section 308.1.4: “Charcoal burners, wood BBQs, and other open-flame cooking devices shall not be operated on combustible balconies or within 10 feet of combustible construction. Enclosed pellet grills, electric grills, and smokers are allowed.” See also CC&R Section 7.16.

d. IC Recommendations

- i. Contact GE and advise of the age of Phase I interior electrical boxes (50 yrs) and ask if GE has 'age requirements' for replacing boxes.
- ii. Commence scope definition and pricing to replace Phase II interior electrical boxes in 33 units and 2 in the office building, for a total of 35 box replacements. Determine if owners will be required to replace or if the HOA will replace and assess each owner.
- iii. Management to have HAE to inspect the Phase II exterior electrical boxes to determine if replacement should be earlier than 2027.
- iv. Research costs of Physical Improvements not already budgeted, evaluate cost vs. actual benefit, incorporate into future HOA budgets, and resulting HOA dues impacts, going forward as necessary.
- v. Ruth Wheeler has already started the process for HVV to achieve Firewise Community recognition status by registering and designating our property as the ML Hidden Valley Firewise Community. Currently the Chateau D'Oex complex (consisting of 19 units) and one of the 18 single family homes on neighboring Hidden Valley Road are interested in joining HVV as part of Community. The goal will be to also include the triplex and as many of the single-family homes on Hidden Valley Road as possible in the ML Hidden Valley Firewise Community to maximize the benefit for all.
- vi. Compile list of improvements to increase the ignition resistance of the property and get prices to determine budget priorities.
- vii. Gather more information on Eastern Sierra Fire Safe Council programs to determine if there are additional benefits to HVV participation.
- viii. Informed owners, via letter from Board President, appropriate real and personal property insurance and minimum \$1,000,000 liability insurance are required per CC&R

Section 8.5. Letter to explain the importance related to HOA insurability and direct owners to send proof of insurance to Management within 45 days of the dated letter. Management to create log for tracking both short term and annual follow up, as needed.

ix. Property Management to continue inspecting all balconies on a regular basis to confirm wood stored on balconies between June 1 and Sept 30 is fully covered by a fire-resistive tarp, and notify the board of any violations.

x. Property Management to continue inspecting all balconies on a regular basis to confirm non-compliant open flame cooking sources are removed, and notify the board of any violations.

4. CC&Rs

a. Future Update of CC&Rs

The January 2025 BOD Agenda includes discussing commencement of the next regular review of CC&Rs. Article VIII Insurance should be included in that review, at a minimum.

8 of 9

HIDDEN VALLEY VILLAGE HOA INSURANCE COMMITTEE REPORT JANUARY 21, 2025

b. IC Recommendation

i. The next overall CC&R update by the board should include a revisit of HOA & owner required insurance coverages to determine if new and/or additional language is required.

ii. Address/clarify other Articles which reference risk strategies, including but not limited to clarification of Article 2.4 as it references Section 7.16.

SUMMARY OF IC RECOMMENDED BOARD ACTION ITEMS:

➤ Q1 2025

o January Board Meeting:

- Determine property structure square footage and confirm existing HOA coverage (\$/sf) is appropriate
- Select agent so HOA is ready for February 2025 commencement of insurance renewal process
- Determine Immediate Property Improvements list (Physical &

Operations/Program-related) and direct Management to request proposals

- Draft letter from Board President to owners reminding them that appropriate real and personal property insurance and minimum \$1,000,000 liability insurance are required per CC&R Section 8.5. Letter to direct owners to send proof of such insurance to Management within 45 days of the dated letter.

- o Implement Immediate Operations/Program-related Improvements

- o Begin pricing research for Physical Improvements

➤ **Q2 2025**

- o Continue pricing research for Physical Improvements

- o Schedule implementation for required future Physical Improvements

➤ **Balance of 2025 and Beyond**

- o Incorporate pricing for Physical Improvements into 2026 budget

- o Overall CCRs update has been suggested for 2026, this should include a revisit of HOA & owner required insurance and clarification within related articles.

9 of 9

(3). Treasurer's Report

Treasurer's Report for January 28, Regular Board Meeting

As of December 31, 2024 the financial status of HVVOA is:

Operating Fund = \$468,186

Reserve Fund = \$560,424

Contingency Fund = \$51,727

Total Funds = \$1,080,337

28, 2025 Meeting:

Owners in arrears and recommended action

As of 2024 Year end we had 7 owners in arrears. Butner HOA services has followed all the HVVOA policies regarding delinquent owners and I sent Courtesy email reminders to 4 owners each owner was over \$1,500 in arrears. These emails were positively responded to by three of the four owners. As of January 20 all but one of the owners with large delinquency amounts have brought their accounts up to date. The remaining owner has a

past due balance of over \$6,000. This owner stated in a phone conversation that the total amount owed for the February billing cycle will be paid by February 10, 2025. It is my recommendation that the Board postpone immediate action to send the owner to ALS collections and lien the property. If the funds to pay off the entire delinquent property assessment have not been received by February 10, 2025 and cleared the bank by February 15, 2025 the owners should be subject to all actions specified in the HVVOA collection policy.

It should be noted that a second property which was over \$5,000 in arrears has been brought up to date and is paid in full through January 31, 2025. Good news!

Year End Balances and state of the Operating Fund

The Operating Fund balance for the Year End 2024. Show that we overspent the Budget by \$120,664. This is primarily due to the huge jump in insurance costs created by the Non-renewal of our policy last June. The over budget for insurance alone is about \$150,000! Some good news is that we were under budget for Maintenance and Supplies and Utilities which gave us a savings of about \$29,00. The 2024 Operating expenditures can be found on the Treasurer's Review on the HVVOA website.

Even though we ran a \$120,000 negative for spending from the Operating Fund this year we have plenty of money in the fund due to the long-awaited payment from State Farm for the roofing claim. On 12/12/24 we finally received a check for \$332,057.37 for the increased payment amount for the cost for the "like for like" replacement of our roofs. It is recommended that we leave these funds in the operating fund to help cover unexpected insurance costs in 2025. The Healthy balance in our Operating Fund is good news for Hidden Valley. Many thanks to the Board and Management, especially Tricia Gomez and Karen House for their tireless efforts on behalf of Hidden Valley in dealing with Insurance issues.

Year End Balances and state of the Reserve Fund

As of December 31, 2024 the balance of our reserve funds is \$560,024 this exceeds the predicted year end amount in our new Reserve Study by about \$7,500 and we are on t to crack to collect the target amount of \$188,500 for 2025 via our regular common area dues.

Our reserve fund spending this year exceeded the predicted amount of spending because we invested in our new metal roofs. Total cost for the re-roofing project was: \$929,060. The amount spent from our reserve funds for this project was \$387,494. The balance of \$541,566 was paid from our insurance claim funds. It was hoped that we could deposit the final \$332K check from the State Farm Insurance claim less the approximate \$16,000 paid to Mavin, (the insurance consulting firm that we hired) into the Reserve account, however

our Accountant, Cindy Butner recommends that we leave the Insurance claim funds in the Operating Fund account so that we will not need to borrow funds from Reserves if we have a large insurance payment this June.

Planned projects for 2025 include: replacement of the Concrete deck around the pool and upper spa and a partial replacement of the pool fence, a complete driveway slurry coat, routine inspection of sewer lines and snaking as needed and replacement of up to 10 residential doors if needed. These are all projects that have been planned with funds collected in the Reserve account. So the money's in the Bank, so to speak.

One reserve fund item that should be noted is painting. Because we anticipated a depletion of Reserve funds due to the roof replacement, the reserve fund is set up to have staggered painting projects spread out over several years. We would paint three buildings each summer for 5 years. This scheduling of painting has been done in the past successfully. Painting of 3 buildings in 2025 was deemed to be unnecessary so painting this year has been deferred. An estimated \$61,500 will not be spent this year. This does not represent a savings, it just postpones the inevitable cost of painting. Funds for painting and all reserve fund expenses are collected over time.

Year end Balance and State of the Contingency Fund

The \$51,727 in our contingency fund is the result of interest earned in our Vanguard Account.

Information about the Vanguard Investment account.

The Account was set up in April 2023. The rate of return on the account as of 12/31/24 was 5.2%. The account has a current Balance of \$902,485.24. The account is accessible for trades by The President and Treasurer of the Association and accessible for viewing by our Accountant, Cindy Butner. Prior to transferring funds from the HOA Checking account to the Vanguard investment account I always confirm with Cindy the amount of money recommended by her that we should move to the Vanguard account. By California Civil Code (The Davis Stirling Act) HOA's are limited to investing in CD's and Treasury Bonds. The maximum amount for a CD in a Federally Insured Bank is \$250,000 so CD's must be distributed to various Banks. Until recently, T-Bills were yielding higher returns than CDs; thus, the majority of our dividends have been derived from T-Bills. T-Bills have the advantage of the ability to withdraw funds early without penalties. I believe it is very important for all board members to participate in tracking expenditures and Funding for the HOA so I will include information on our Vanguard Account each Month when I receive the monthly financial Statement from Butners Office and compose the Treasurers Review Excel sheet.

Requirements for Board Approval of Spending amounts.

Any check written from the Operating Fund account that is over \$2,000 must be approved by the Board of Directors. Every check (no matter how large or small) written from the Reserve Fund account must be approved by the Board of Directors. Some of these expenditures are routine and others come up between Regular Board meetings. Procedures for approval of these expenditures will be discussed at the January 28, 2025 regular Board meeting.

(4) Hidden Valley Village Owners Association, Proposed New Operating Rule 2.13 and Suggested CC&R Pet Rule Amendment

Proposed on September 24, 2024 at the open Board meeting

You are hereby notified that the Board of Directors will vote on the adoption of the Proposed Rule as a new Operating Rule at the January, 2025 regular Meeting of the Board. The following rule will be added to the HIDDEN VALLEY VILLAGE OWNERS ASSOCIATION [HVVOA] RULES, REGULATIONS, POLICIES & PROCEDURES section II General Rules of Conduct following the required 30 day review by owners and adoption of this rule at an open Board Meeting.

Notice of Proposed Rule Number 2.13

2.13 Invasion of Privacy

Video and audio recording devices may not be installed for units in the common area exterior walls, eaves, exterior unit doors or railings. This includes but is not limited to video ring doorbells and surveillance cameras

Purpose and Effect of Proposed Rule Change

The Board has created this Operating Rule with the purpose of addressing complaints of invasion of privacy and to ensure that homeowners are aware that in buildings with multiple residents video ring doorbells and surveillance cameras create issues of invasion of privacy. The creation of this rule will also help owners comply with CC&R Section 7.10 Architectural Control which addresses installation of anything in the common area

The intended effect of this Operating Rule is to ensure that Hidden Valley promotes health, happiness and peace of mind of the majority of the unit owners and respect for their rights of privacy to not be video and audio recorded when in the common area associated with their unit.

Suggested re-write for CC&R section 7.6 Animals. Drafted by Board members Susan Kirkgard and Ruth Wheeler.

CC&R Section 7.6 Animals – Recommended Amendment to Existing Pet section of HVVOA Governing Document

Purpose and Effect of Proposed CC&R Change

The purpose of the change for section 7.6 Animals of the CC&R is to update the existing rule to accommodate the following:

- Desire of Owners and Long-term rental tenants to have more reasonable limitations regarding the number of pets that they are allowed
- Maintenance of the existing policy of no pets in short term rental units
- Clarification of liability issues which may arise due to pet behavior
- Maintenance of liability requirements for owners with pets or long-term tenants with pets.
- Clarification that Operating rules regarding pets may be implemented at the discretion of the Board of Directors.

The intended effect of this CC&R Rule change is to assure that owners at Hidden Valley can offer reasonable accommodations for owners and long-term renters with pets, while maintaining the rights of quiet enjoyment and cleanliness of the complex for all. It is hoped that the clearly stated CC&R Pet Rule will assist the Management Team along with the Board of Directors to equitably enforce the rules for the benefit of all home

CC&R Section 7.6 Animals: Proposed CC&R Language.

A reasonable number of common household pets may be kept within an owner's Unit so long as the same are not kept, bred or maintained for commercial purposes. Tenants under a lease with a term of at least one year may have up to two common household pets. Owners and tenants under a lease with a term of at least one year with common household pets in a Unit are required to maintain liability insurance with coverage of at least one million dollars (\$1,000,000). All others shall be prohibited from having any kind of

pet in a Unit for any length of time, however short. Owners and tenants with animals in a Unit must complete an animal registration form, as specified in the Hidden Valley Village Owners Association Rules, Regulations, Policies and Procedures, Section 3.1 and submit the registration form and a copy of the liability insurance policy to management for record-keeping.

Pets shall be allowed on the Common Area only when they are leashed and are otherwise under the supervision and restraint of an individual capable of controlling the pet. No animal shall be left chained or otherwise tethered in the Common Area including but not limited to stairways, decks and balconies. Animal owners shall prevent their pet from soiling all portions of the Common Area and shall promptly clean up any mess left by their pet.

If animals are found unleashed on the property, after making a reasonable attempt to notify the animal's owner, management and/or the Board may contact the appropriate authorities (Mono County Animal Control) to have the animal removed and detained at an animal shelter under the jurisdiction of the Town of Mammoth Lakes. or Mono County. The animal owner is responsible for payment of all expenses associated with reclaiming the animal.

Each owner, or tenant with a lease term of at least one year, bringing or keeping an animal on the Property shall solely be responsible for the conduct of said animal. Pet owners shall be solely liable for the conduct of the animal and any damage to persons or property caused by or resulting from the animal. The Association, its Board, officers, employees and agents, shall have no liability (whether by virtue of this Declaration or otherwise) to any Owners, their guests, invitees, tenants and contract purchasers, for any damage or injury to persons or property caused by any animal. The Board may establish and enforce additional rules and regulations concerning pets, including, but not limited to what constitutes a "reasonable number" of pets and the factors for determining the same, such as size, disposition and/or maintenance requirements, and imposing standards for the control and keeping of animals in, upon and around the Property. The Board may prohibit the maintenance of any animal which, in the Board's opinion, constitutes a nuisance. Further the Board may require the removal of a dog from the project due to excessive barking, a dog bite incident, or excessive rule violations which are set forth in the Hidden Valley Village Owners Association Rules, Regulations, Policies and Procedures section 3, Pets.

In addition to other remedies of the association as provided herein, the board has the authority to require pets in violation of this section to be removed from the project and impose other discipline against owners for violation of this section after notice and a hearing as provided in the Bylaws.

This rule applies to pets, as distinguished from ADA Service and Support Animals. All Federal and State of California laws regarding Service and Support Animals will be followed and enforced. Documentation by owners of short term rental units with Service/Support animals is required.

EXISTING RULE FOR COMPARISON

CC&R Section 7.6 Animals: Current CC&R Language.

7.6 Animals: No animals of any kind shall be raised, bred, or kept in any unit, or on any portion of the property; except pets kept in cages or aquariums and one (1) usual and ordinary pet, such as a dog or cat, provided they are kept under control at all times. Only owners and tenants under a lease with a term of at least one year may have a pet (of any kind) in a unit. All others shall be prohibited from having any kind of pet in a unit for any length of time, however short. All owners who have a pet (of any kind) in a unit, or who have tenants with a lease term who have a pet (of any kind) in a unit, must maintain a policy of liability insurance with coverage of at least one million dollars (\$1,000,000). Notwithstanding the foregoing, no pet may be kept on the property which is obnoxious or annoying to other owners or occupants. No pet shall be allowed in the common area except as may be permitted by rules of the board. No owner shall allow his or her dog to enter the common area except on a leash. After making a reasonable attempt to notify the animal's owner, the association may cause any unleashed dog found within the common area to be removed to a pound or animal shelter under the jurisdiction of the Town of Mammoth Lakes, or the County of Mono, by calling the appropriate authorities, whereupon the owner may, upon payment of all expenses connected therewith, repossess the dog. Animal owners shall prevent their pet from soiling all portions of the common area and shall promptly clean up any mess left by their pet. Both animal owners and owners of the unit occupied by the animal owner shall be jointly and severally responsible for any damage caused by their pet. In addition to other remedies of the association as provided herein, the board has the authority to require pets in violation of this section to be removed from the project and impose other discipline against owners for violation of this section after notice and a hearing as provided in the Bylaws.

Recommendation

This report is presented by Susan Kirkgard and Ruth Wheeler with the intent of gaining Board approval to submit this to our legal team, Adams/Stirling Corp. for final revisions to be completed and ready to submit to owners for a vote

Other areas in the CC&R may warrant review and updating. It is recommended that the Board move forward with CC&R Review and update in 2025

