

**HIDDEN VALLEY VILLAGE OWNERS ASSOCIATION**  
**Board of Directors Meeting**  
**AGENDA**

**Date of Meeting: September 27, 2022**

**Time:** From 6:30 pm to 7:30 pm

**Location:** Hidden Valley Manager's Office via zoom

Join Zoom Meeting

<https://us06web.zoom.us/j/88316838378?pwd=ZkhtYjV0cWx5WVBTOS9MTGVGZm5GZz09>

Meeting ID: 883 1683 8378

Passcode: 846747

Hidden Valley Office: 760 934-7303 Email: [manager@hiddenvalleymammoth.com](mailto:manager@hiddenvalleymammoth.com)

**1. General**

- a. Call to order by President: Tony Cole
- b. Roll call. Record Board Members, Management, owners, and guests present
  - **Board:**
  - **Owners:**
  - Management
- c. Announcements/Orders of the day/Items discussed in Executive Sessions
- d. Any items pulled from consent agenda to be heard, changes to order of agenda and recusals.
- e. Homeowner Forum: 15 minutes (*Comments on Agenda Items or Non-Agenda Items*).  
*\*\*\*Homeowners are also encouraged to submit comments and suggestions to the board via email at [bod@hiddenvalleymammoth.com](mailto:bod@hiddenvalleymammoth.com)*

**2. Consent Agenda Items**

- a. **Approval of Minutes** for July 19, 2022 Regular Board Meeting
- b. **Management Report** and project/item updates and related property matters.
- c. **Ratification of Treasurer's Report** 1) Financial Review data.2) Informational Report for 2023 Budget. 3) Documentation for Units with fines and warnings: Unit numbers can be cross referenced in exec. minutes:
- d. **Ratification of Board approvals of Work Requests**
- e. **Informational Report on Roofing Considerations for Future HV Roofing Projects**
- f. **Ratification of Steve Latshaw as inspector of election selection approved by all board members via email prior to Sept. 12 deadline**

3. **Agenda Item 1-Discussion and Possible Action**-Air conditioning units at HV (5 minutes)
4. **Agenda Item 2**-Approvals for reserve fund items-A) increase in cost of the lower Jacuzzi project. B) addition of 1 door replacement for unit 19 to make the total of doors replaced in 2022 nine doors. C) Sewer cleanout access for building H. D) Jacuzzi pump
5. **Agenda Item 3**-Adoption of change for section 3.1-B in the Pet rule
6. **Agenda item 4**-Discussion and Possible action quiet hours for construction (3minutes)
7. **Agenda Item 6** Heater Servicing
8. **Agenda Item 7** fidelity bond, CD's and T-Bills
9. **Agenda Item 8** billing homeowners for services through Butners
10. **Agenda Item 9** 2023 DRAFT Budget.
11. **Agenda Item 10** Lower Jacuzzi project
  
12. **Announcements:** Future Meeting  
Dates:  
November 12, 2022 9:00 AM  
Annual Meeting November 12, 2022 2:00 PM

13. **Adjournment**

**HIDDEN VALLEY VILLAGE OWNERS ASSOCIATION**  
**Board of Directors Meeting – Executive Session**  
AGENDA

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**Time:** 6:00 PM

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

**1. General**

- A. Call to order by President: Tony Cole
- B. Roll call. Record Board Members & Management present

**2. Discussion and Possible Action Items with Management Present**

- A. Lower Jacuzzi Deck Contract Issues
- B. Rule violations review and action
- C. Disciplinary hearings
- D. Warnings and fines

- E. Individual unit owner issues
- F. Review of contracts or proposals-snow service providers for 22-23 season, heater cleaning

### 3. Adjournment

## Support Items for Consent Agenda

**Item A** Approval of Minutes from July 19, minutes 2022  
 -**Meeting minutes for the July 19, 2022 Meeting** are posted on the Hidden Valley Website: [hiddenvalleymammoth.com](http://hiddenvalleymammoth.com)

**Item B**- Management Report and project/item updates and related property matters

**ITEM C)-1** Treasurers Review Data:  
 -**Financial Review Summaries** are posted on the Hidden Valley Website: [hiddenvalleymammoth.com](http://hiddenvalleymammoth.com)

**Item C-2-Informational Report on 2023 Budget:**

The Hidden Valley Budget has three components: Reserve Funds, Operating Funds and Contingency Funds. Planning and budgeting for each component is listed Below. This Draft Budget will be submitted to our accounting firm Butner HOA Services for review and possible additions and corrections. The final Budget will be adopted at the November Board Meetings.

## **DRAFT-Reserve Fund Budget for 2023**

<b><u>Painting:</u></b>	
Annual Paint Touch Up	\$5,150
<b><u>Pools &amp; Spas &amp; Saunas:</u></b>	
Two Spa Filters:	\$3,914
Pool and Spa Pumps:	\$3,502
<b><u>Balconies, Walkways, Landings:</u></b>	
Balcony/Stairway Inspection Required	\$23,250
<b><u>Buildings Miscellaneous:</u></b>	
Front Doors: Replace 10/year:	\$15,450
Water Heater: Replace one:	\$1,030
<b><u>Unscheduled Capital Expense:</u></b>	<b>\$10,300</b>
<b><u>Roofing:</u></b>	
Preventative Maintenance:	\$2,575
Chimney Chase Rebuild (6 year plan)	\$15,450
<b><u>Items carried over from 2022:</u></b>	
<b><u>Plumbing:</u></b>	
Sewer Line Clean Out:	\$2,000 to \$5,000 estimate.
<b><u>Managers Units:</u></b>	
Refurbish Managers Unit:	\$12,500
<b><u>Anticipated Spending for the year:</u></b>	<b>\$98,121</b>
<b><u>Recommended Funding for the Year:</u></b>	<b>\$184,890</b>

Note: This funding plan represents a 3% increase over the amount collected in 2022. The increased dollar amount is \$5,385 which equates to increasing dues approximately \$5.40/month. This increase will be absorbed in reductions in operating fund spending,

## **DRAFT-Operating Fund and Contingency Fund Budget for 2023**

This Budget reflects a decrease in Operating Fund Collections for the 2023 budget. This Savings can be used to offset the increased funding for the Reserve fund.

### **I Recommend keeping the dues the same for 2023**

The Operating Fund is used for non-capital regular recurring expenses. It is based on a zero balance principal. Yearly projections for regular expenses are calculated as accurately as possible based on past expenses, multi-year averages, predictions of inflation, cost increases issued by vendors, and anticipated maintenance items.

It is not an exact science. Being overly conservative and padding line items unnecessarily results in large surplus funds at the end of each year which indicates overcharging owners unnecessarily. Being "penny wise and pound foolish" creates yearly deficits and the potential for "emergency" assessments.

From 2015-2020 we ran an average surplus of \$38,670. In 2021 we reduced dues and in 2022 we held dues steady so we had more conservative surplus amounts of around \$20,000.

The most difficult line item of budgeting is Snow Removal. As yet we have not found a crystal ball that accurately predicts the yearly snowfall in Mammoth. We did however, change the way we pay for snow removal in 2019. We failed to recognize our snow cost savings, so this is the first year that a significant reduction in the Snow Removal line item is being proposed.

Here is the history lesson: Prior to 2019 we paid our management company a significantly lower monthly salary. Every time the management team shoveled snow on stairs and walkways we were charged an hourly rate. In 2019 we switched to management companies that provide ground shoveling. While the management monthly fees went up, our snow removal costs were significantly reduced. This reduction was not incorporated into the budget. Our snow removal costs for 2023 will include: the cost of driveway snow removal from a loader service at a fee of \$200/hour. (Be sure you and your tenant's park in the correct places and move your vehicles as directed by management). When we have huge snow dumps (more than 2 feet in 24 hours) Management calls in paid ground and roof shovelers and the HOA picks up the bill.

This operating budget reflects the snow removal savings for the first time. To calculate potential cost Snow Loader data from 2012-2021 was collected. Over the 9 year period we averaged 80 hours/year. At \$200/hour the yearly cost estimate is \$16,000. \$4,000 was added to this for the potential of ground and roof shoveling if we have more than 2 feet of snow in 48 hours (I checked my crystal ball for the \$4,000 number). Kidding aside, heavy snowfall and snow droughts in Mammoth happen periodically. Rather than assuming we will have huge snow storms each year and padding the budget every year we can assume that heavy storms are a contingency to be planned for and keep the contingency fund at a healthy level to cover high costs for snow removal in heavy storm years.

Below is the Draft Operating Fund Budget:

	2022	2023		
	2022 Budget	2023 Budget Recommendation	Budget variance from previous year	Comments
<b>OPERATING REVENUES</b>				
Common Area Assessments	\$ 349,758.00	\$ 344,600.00	\$ (17,758.00)	
Late Charges & Lien Fees	\$ 800.00	\$ 1,000.00	\$ 200.00	Based on a 2022 year end projection of \$1,280
Miscellaneous Income	\$ -		\$ -	
Vending Machine Income	\$ 850.00	\$ 500.00	\$ (350.00)	Vending Machine income was down this year. Fewer Full time residents
<b>TOTAL REVENUES</b>	\$ 351,408.00	\$ 333,500.00	\$ (17,908.00)	
			\$ -	
<b>ADMINISTRATIVE EXPENSES</b>			\$ -	\$ -
Accounting Services	\$ 13,000.00	\$ 12,500.00	\$ 500.00	Electronic signature for checks reduces cost

Board & Meeting Expenses	\$ -	\$ 200.00	\$ (20.00)	Physical Attendance expected at 2023 Annual Meeting
Insurance	\$ 28,000.00	\$ 28,500.00	\$ (50.00)	Complex Policy + Truck Insurance + Fidelity Bond paid through 2023 at \$27,865. No increase expected
Legal Services	\$ 2,000.00	\$ 2,000.00	\$ -	Actual in 2021=\$1700 2022=\$1215, Potential spending in 2023-CC&R change-pets, posts, contract issues
Management Fee	\$ 140,415.00	\$ 141,450.00	\$ (1,035.00)	estimating 5% increase in June 2023
Office Supplies & Postage	\$ 2,000.00	\$ 1,500.00	\$ 500.00	Based on a 2022 year end projection of \$1,496 and reduced printing cost in 2023.
Taxes	\$ 50.00	\$ 50.00	\$ -	
Telephone	\$ 4,500.00	\$ 4,800.00	\$ (300.00)	6.5% increase in July 2022. On budget for 2022. Increase 2023 budget by 6.5%
<b>TOTAL ADMINISTRATIVE EXPENSES</b>	<b>\$ 190,965.00</b>	<b>\$ 192,000.00</b>	<b>\$ (1,035.00)</b>	
			\$ -	
<b>MAINTENANCE &amp; SUPPLIES</b>			\$ -	

Truck Expense	\$ 5,000.00	\$ 5,500.00	\$ (500.00)	Truck is mechanically sound-increase fuel and routine service costs. Possibility of chains needed in 2022
Buildings	\$ 10,000.00	\$ 11,000.00	\$ (1,000.00)	Projected 2022 Year End =\$10,330. This includes \$2,360 for unit repairs (Chase leaks).2023 project to improve path from Pool to lower Units. 4% increase
Landscaping	\$ 3,000.00	\$ 3,500.00	\$ (500.00)	Increase \$500 potential Tree removals in 2023
Pool, Jacuzzi & Sauna	\$ 3,500.00	\$ 5,100.00	\$ (1,600.00)	Projected 2022 Year End =\$4,836-One Spa not used for 4 months-5% increase of Projected Year End cost.
Tools & Equipment	\$ 1,500.00	\$ 500.00	\$ 1,000.00	No predicted large expenditures for tools in 2023. We have caught up on tool depletion from 2018 manager problems
<b>TOTAL MAINTENANCE &amp; SUPPLIES</b>	\$ 23,000.00	\$ 25,600.00	\$ (2,600.00)	
			\$ -	
<b>UTILITIES</b>			\$ -	
Cable TV/Internet (Manager's Unit)	\$ 1,800.00	\$ -	\$ 1,800.00	Managers will assume Cable TV costs
Snow Removal	\$ 37,481.00	\$ 20,000.00	\$ 17,481.00	12 year average hours for loader service = 80 hours. 80x200/hour = \$16,000. \$4,000 padding for heavy storms requiring ground shovellers

Electricity	\$ 22,201.00	\$ 21,000.00	\$ 1,201.00	Projected 2022 Year end =\$20,500 3% increase
Propane	\$ 16,000.00	\$ 25,000.00	\$ (9,000.00)	Projected 2022 Year end = \$24,000. 4%increase
Trash Removal	\$ 19,442.00	\$ 20,000.00	\$ (558.00)	Projected 2022 year end = \$19,000. 5.5% increase in trash fees.
Water & Sewer	\$ 39,000.00	\$ 41,000.00	\$ (2,000.00)	Projected 2022 year end cost = \$40,000. 2% increase in water and Sewer.
<b>TOTAL UTILITIES</b>	\$ 135,924.00	\$ 127,000.00	\$ 8,924	
<b>TOTAL OPERATING EXPENSES</b>	\$ 349,889.00	\$ 343,600.00	\$ 6,289	RECOMMENDATION: Keep dues the same for 2022.

**DRAFT-Contingency Fund Budget for 2023**

The Contingency fund has \$60,000 as of September 2022. In 2021 we pulled \$30,000 out of the contingency fund and placed it in the reserve fund to defray the costs associated with additional major capital expenses. This allowed us to keep dues steady for 2022. No expenditures from the Contingency Fund are anticipated in 2022. It is recommended that 2022 surplus operating funds estimated at \$10,000-\$20,000 at year end be transferred to the Contingency fund once the year end financials are completed in January 2023.

Contingency funds are used to cover unanticipated costs in the operating fund such as excessive snow removal costs, and other non-capital expense items. Contingency funds can also be transferred to the Reserve Fund if capital expense items run significantly over budget, however Reserve funds may not be used for operating expense items such as snow removal. Keeping a healthy contingency fund helps to avoid Special Assessments.



With this in mind, it is recommended that we work toward having a Contingency fund balance of \$100,000 over the next few years

### **Item C-3**

#### **-Documentation of Units with Warnings and Fines**

. Unit numbers can be cross referenced in Executive session minutes:

Unit A: Warning sent for Service animal in unit without documentation, and failure to notify management of occupancy.-Warning letter sent to Butner's for delivery to owner on July 24, 2022.

-Unit A: Notice of hearing for proposed \$250 fine-STR rental with 10 people and 3 vehicles. Hearing scheduled for Sept. 27 Exec meeting

Unit B:- Recommendation to waive late fee due to the extenuating circumstance. Phone communication with owner on July 21, 2022

Unit C: Notice of hearing for proposed Fine of \$500 for second offense of failure to notify management of occupancy..

Unit C- Email reminder of 90 day past due amount sent on July 21, 2022. Follow up with Butner's on August 1.

Recommended 30 day suspension of Common area (pool, jacuzzi, laundry) for 90 days past due account (\$125).

Hearing scheduled for Sept 27 Exec meeting

Unit D: Email reminder of 90 day past due amount sent on July 21, 2022. Follow up with Butner's on August 1.

Recommended 30 day suspension of Common area (pool, jacuzzi, laundry) for 90 days past due account (\$125).

Hearing scheduled for Sept 27 Exec meeting

Unit E: Email reminder of 90 day past due amount sent on July 21, 2022. Follow up with Butner's on August

1. Recommended 30 day suspension of Common area (pool, jacuzzi, laundry) for 90 days past due account

(\$578.88). Hearing scheduled for Sept 26 Exec meeting

Unit F: Email reminder of 90 day past due amount (\$102.58). Amount paid by owner as of July Monthly Financial Report.

Unit G -90 days Past due on common area fees (\$1,771.13). In a phone conversation on Sept. 23, 2022 between John and Treasurer, Ruth E Wheeler, John Stated that he was in Mammoth and he would go by Butners office to pay the past due common area fees.

### **Item d) Ratification of Board approvals of Work Requests**

The following four work requests will be ratified by the board. All work requests were approved by the Architectural Committee, installation has been approved by management, and copies of permits have been received where required.

unit 11, tub & surround

unit 45, floor & lighting

unit 47, shower & surround, countertops (copy of permit obtained)

unit 106, water heater & washer/dryer install (copy of permit & Hold Harmless obtained)

### **Item E) Informational Report on Roofing Considerations for Future HV Roofing Projects:**

#### **Report on Roofing Replacement Options and Costs**

Disclaimer: This report is a collection of data. It begins with an overview of our current scope for roof replacement. It then uses the bid presented by Mike Freeman to estimate the cost of replacing roofs with improved crickets and metal rather than composite shingles and concludes with a short (probably incomplete) list of other factors that may influence a decision to change the current scope of replacement). It is not advocating an opinion for or against a change in roofing replacement.

Current 2021 Reserve Study Funding Recommendations based on a scope of replacing existing roofs at end of usefull life with Composite shingles and no cricket improvements. Wear of Chases is progressing such that Replacement of Shingled Cases with T1-11 siding and 8 inches of metal under the siding at the base is funded from 2022-2028 at an initial yearly cost of \$15,000. This funding amount increases 3%/year to accommodate inflation.

So this is where we are at present. The information copied below is taken from the 2021 Reserve Study, which is posted on the Hidden Valley Mammoth website:

Items of Note:

- 1) The predicted increase in the cost of materials, labor and inflation for re-roofing was taken into consideration and an 18%-20% increase in cost compared to the data in the previous Reserve study is reflected. (Reserve Studies are updated every 3 years, mandated by State Law)
- 2) If the scope of a project is significantly changed or the date of replacement is pushed up several years, the increased expense is usually covered by special assessments or increases in monthly dues.
- 3) The Grouping of Buildings described below is a result of the fact that at the time the original shingled roofs began to fail the HOA did not have sufficient funds to replace the roofs all at once. Owners at the time of replacement had to pay a special assessment to cover the cost of roof replacement.
- 4) The Dates of replacement for the various buildings is not “set in stone” If the roofs on Buildings G, H, I, J, and K are still in good shape in 2036 the Board at that time may postpone the re-roofing. If they fail prior to 2036 the Board would re-roof earlier than 2036.
- 5) If the HOA does a good and responsible job of maintaining the Reserve fund, variations in the timing of replacements can work well. For example, a Board may push out the 2036 reroofing and shorten the 2041 reroofing plan to have the entire complex reroofed in one year to minimize prolonged construction and housing expenses for workers, possibly reducing cost for the project.
- 6) If we want to look at changes in the scope of the replacement roofing in the form of changing to metal roofs and improving cricket design there are several good approaches to facilitate the change, but it requires data collection as well as surveying owners to ascertain what they want and how much they are willing to spend on the change.
- 7) Before we begin to study the options for various roofing changes all board members and interested owners should familiarize themselves with what we have on the plate right now by reading the info from the 2021 Reserve study. In 2021, the Reserve Fund increased cost as well as the scope of many of the items that were listed on the previous Reserve fund. This should have resulted in significant dues increases to owners. We avoided the increase by transferring \$50K into the reserve fund. This money came from surplus funds in the operating fund and the Contingency fund.

-----Info from the Reserve Fund:

RECOMMENDED ANNUAL RESERVE FUNDING: For Hidden Valley Village

Owners Association, the Optimized 30-Year Cash Flow Analysis funding plan indicates that your association should consider raising reserve funding to \$179,505 per year -- followed by cost-of-living increases thereafter -- to adequately build reserves for future expenses.

The recommended first-year funding represents an increase of \$4.24/month per unit in the reserve funding portion of your overall budget.

SPECIAL ASSESSMENTS: May be necessary if there are variances in projected expenses or replacement scheduling. Or if capital expenses not listed or unknown to this analysis become apparent and if there are insufficient reserve funds to pay for them.

\*Chimney Chase Rebuild (6/year)

Location: Tops of structures. Quantity: 6 Chimney Chase Rebuild (2/year).

Remaining Life: 0 Year (within next 12 months). Typical Useful Life: 1 Year.

Comments: The HOA has had some leaks in Chimney Chase in 2016-17-18 and the roofer identified about 8 faulty ones. Some have been repaired and the HOA is considering either replacing about 2 or 4 or 6 per year on average OR rebuilding all in 2022 (44 X \$5,000=\$220K). Given that all are not impaired, it makes more sense to do a progressive rebuild in phases.

There are 6 per building, so it makes sense to do 6 at a time until done in 7 years. (2 are being done in 2021 at about \$2,215 each).

Current Replacement Cost: \$15,000 at \$2,500 per Chimney Chase Rebuild (2/year).

Roofs: #A,B,C Bldgs (2013)

Location: ABC bldg roofs. Quantity: 1 Group of building roofs.

Remaining Life: 22 Years. Typical Useful Life: 30 Years.

Comments: The roofs on buildings #A,B,C were replaced in 2013 for \$20,403, \$21,208, and \$21,403 respectively. **Cost shown has been adjusted for inflation since then. Very high cost of inflation since 2018 (in 2021), so about 18-20% inflationary increase shown.**

Current Replacement Cost: \$95,000 Per prior cost adjusted for inflation.

Preventative Maintenance: Routine inspection. Roof maintenance programs can extend roof

Roofs: #D,E Bldgs (2012)

Location: D & E bldg roofs. Quantity: 1 Group of building roofs.

Remaining Life: 21 Years. Typical Useful Life: 30 Years.

Comments: The roofs on buildings #D, E were replaced in 2012 for \$16,967 and \$25,155 respectively. Cost shown has been adjusted for inflation since then. Very high cost of inflation since 2018 (in 2021), so about 18-20% inflationary increase shown.

Current Replacement Cost: \$65,000 Per prior cost adjusted for inflation.

Preventative Maintenance: Routine inspection. Roof maintenance programs can extend roof

Roofs: #F Bldg (2010)

Location: "F" bldg roof. Quantity: 1 "F" building roof.

Remaining Life: 19 Years. Typical Useful Life: 30 Years.

Comments: The roof on building #F was replaced in 2010. Cost shown has been adjusted for inflation since then. Very high cost of inflation since 2018 (in 2021), so about 18-20% inflationary increase shown.

Current Replacement Cost: \$32,000 Per prior cost adjusted for inflation.

Preventative Maintenance: Routine inspection. Roof maintenance programs can extend roof

Roofs: #G,H,I,J,K, Office (2005)

Location: G,H,I,J,K, Office bldg roofs. Quantity: 1 Group of building roofs.

Remaining Life: 14 Years. Typical Useful Life: 30 Years.

Comments: The roofs on buildings #G,H,I,J,K and the Office were replaced in 2005. Cost shown has been adjusted for inflation from prior listed building roofing costs. Very high cost of inflation since 2018 (in 2021), so about 18-20% inflationary increase shown.

Current Replacement Cost: \$214,000 Per prior cost adjusted for inflation.

Preventative Maintenance: Routine inspection. Roof maintenance programs can extend roof

Roofs: Pool Bldg (2014)

Location: Pool bldg roof. Quantity: 1 Pool building roof.

Remaining Life: 12 Years. Typical Useful Life: 20 Years.

Comments: The roof on the pool building was replaced in 2014 for \$10,186. Cost shown has been adjusted for inflation since then and very high cost of inflation since 2018 (in 2021), so about 18-20% inflationary increase shown.

Current Replacement Cost: \$14,400 Per prior cost adjusted for inflation.

Preventative Maintenance: Routine inspection. Roof maintenance programs can extend roof

8) There have been several changes suggested with regard to roofs. At this point a general consensus seems to be that the existing roofs are water tight with the exception of chimney chase leaks. These leaks can be eliminated with chase repairs which are funded over the next 6 years and proactive snow and ice dam removal.

9) In looking at the current plan of replacing roofs in 13 years with like for like roofing an option of replacing with metal roofs with improved Gambrel style crickets has been put forward.

10) Preliminary rough estimates for cost increase for the change in crickets and roofing material are:

-Using the bid presented by Mike Freeman May, 2022 for a half metal roof with improved cricket design with a 33% increase comparison of small building footprint to large building footprint (if the useful life of the existing buildings is accurate) the overall cost increase is approximately \$700,000. Options for funding a project with this scope could be

- Increase the amount collected for the Reserve fund starting 2023 by an estimated amount of about \$35-40/month
- Special assessment at time of re-roof:  $\$700,000/84 \text{ units} = \$8,334 \text{ per unit}$
- \*\*\*\*This data needs to be fact checked by our accountant and the Reserve Study specialist, Chris Andrews. (these checks will cost the HOA in the form of fees)

11) Suggestions for further research

- Find out if owners want metal roofs. (along with the increased cost) In the past advisory votes were implemented for this.
- Find out what yearly maintenance requirements are for Metal roofs
- Find out: Is liability insurance increased if you have metal roofs? Does fire insurance decrease?
- Will we still need to shovel roofs in big storms, what is the difference in cost (time spent on the roof shoveling with metal roofs)

Roofing Report....Submitted in 2020 with updated info from 2022 below

Many of the Chimney Chases on HV Buildings are showing signs of wear. Singles and trim pieces at the base are askew. In addition to being unsightly this is leading to concerns of water intrusion. We must consider the urgency of this problem. I know of five water intrusion issues at Hidden Valley. I have listed a description of the five issues at the end of this report. Only two of

the five leaks involve chimney chases and one of these happened prior to the composite roof being put on the building. If any of you have information regarding chimney chase leaks please share the information with all of us

Based on discussions with roofers and management the mechanics of possible chimney chase leaks involve the following factors:

- **The crickets behind every Chimney Chase are poorly designed.** The horizontal base measure that abuts each chimney should exceed the width of the chimney chase itself. The Cricket should extend up the back of the chimney chase to a height that is 4” below the top of the chimney chase.....Our Crickets meet neither of these criteria.
- While our crickets are unsatisfactory, they are not totally inefficient, they work ok on average snowfall years, but on heavy snowfall years (2016-17) and (2018-19) they do not work unless we proactively shovel our roofs when the snow depth on the roof backs up above the cricket height against the chimney chase. The weight of the snow on the backside of the chase can cause a waterproofing failure at the backside base of the chimney chase. Believe it or not last years heavy snow resulted in zero chase leaks. I believe this was primarily because resident homeowners were proactive in getting Steve Black to call in the roof shovelers sooner rather than later.
- Having shovelers on the roofs creates extra wear and tear on the composite shingles as well as the chimney chases
- Ice dams: Ice dams build up primarily on the “non-sunny” side of the roofs for two reasons. First: The composite shingles do not shed snow as readily as the original shake shingles that the roofs were designed for. Metal roofing would be superior for snow shedding from the roofs. Second and perhaps even more critical: Each building has approximately 5 feet of overhang over the balconies on the building. Heat radiates from units up through the ceiling to the roof causing melting. The overhangs have no radiant heat from the unit. The melting water freezes creating the ice dam and liquid water backs up behind the dam. This water will find the path of least resistance which is usually the chimney chase, if the chase waterproofing fails water intrusion usually occurs behind the chase and works it’s way into the bottom unit via the walls and closet area.
- **Now that the source of possible chase leak problem is identified** we can take a look at various ways to fix the issue. Once we have all of those bases covered we must take a realistic view of how to fund the fix. Unfortunately we have inadvertently lead our management on a wild goose chase. We have asked them to get bids for us without giving them proper parameters or a realistic knowledge of what we can afford. Lucky for us Curt, Karen, and Klark have secured four (maybe 5) bids for us to look at.

Before taking a look at the bids here is the reality of roof repair funding:

Roofing is funded through the Reserve study. It is one of the proportional dues items, so larger units pay more than smaller units. The reserve study funds \$5,000 every three years for roof preventative maintenance (every three years the amount goes up slightly with the cost of inflation) I’ve attached a spreadsheet for everyone to take a look at. The first actual roof replacement is the pool building in 2034, (\$17,917) Then all the Phase II buildings (G,H,I,J,K) in 2036 (\$260,158) bottom line is that we are not scheduled to spend “big money” on roofs for 16 years. There is a strange anomaly between the 2015 Reserve Study and the 2018. From 2015-

17 we budgeted \$15,000 every three years for roof maintenance. The 2018 Reserve fund only budgets \$5,000 every 3 years. Not sure why this amount was decreased???

\*\*\*We now have funded \$15,000/year for the next 7 years (there is a 3% increase compounded over the next 7 years so in year 7 it is \$17,911

We spent \$2,240 (Freeman Roofing) for repairing the chases on building E in January. And we spent \$1,200 repairing fascia on building J. These amounts are currently listed under the operating fund. To track roofing funds accurately they need to be transferred to the Reserve fund. As far as I know these are our only roofing expenses to date.

Roofing Bids that we received in 2020:

1) Repairing Chimney chases and Metal on eaves: This does not get to the root of the problem (the crickets), but it provides a temporary fix (I equate "temporary fix wording to "Band-aid") we have 4 bids the scope of the bids vary greatly due. It's very important for everyone to read the bids or we will be talking on the phone at the meeting forever:

- Kuppens – Large building \$24,000/building. This is for chase and metal along eaves 4' back (this involves significantly more than just repairing the chase, you need to read the detail in the attached bid.\*\*\*This "fix" was done at another complex with no success due to the overhang and radiant heat issues. Ice dams built up behind the metal **Not a good precedent for partial work.**
- Kuppens – Small Building \$18,000/building (same as above read bid)
- Freeman – Eave metal 3' back - Small building \$6675, Large building \$8925 (no bid on Chase Repair) but based on work done on E building this year possibly \$2,250/building for chase repair added on.
- Loan Pine Roofers – Management sent out request for bid the fourth week in March. This bid request included specifications to conform to the Kuppens bids - waiting on bid.
- LCC Inc. - (Oregon company that gave us a bid last summer) repair chases, replace shingles \$3,900/chase---This is for Chase repair only! No metal on eaves
- LCC Inc.- (Oregon) repair chases, replace with hardy board \$3,200/chase-- This is for Chase repair only! No metal on eaves

3) Rebuilding the crickets – Only one bid so far (this is because we did not supply our contractors with accurate scope of work)

- Kuppens - \$18,000/cricket- Read bid so you can understand the cost.

I spoke to Kuppens to get his assessment of how "dire" our need is to move forward with these proactive measures. My generalization of our conversation is this:

**1) Question: Does it make sense to spend money on cricket repairs and 4' of Metal on the edge of our buildings then spend to replace the entire roof 15 years down the road.**

**Answer: Yes, because the new roof can tie into the 4' of metal edging. Another bandaid fix that likely won't match future roofing.**

Kuppens is willing to give us a bid for Metal roof replacement for both small and large buildings. This is imperative for assessing our reserve needs. For upcoming roof replacements in 2034-36

**2) Question: Can we just do the north side of buildings a few at a time so that we can stay within our budget and not exhaust our Reserve funds**

**Answer: Yes...this was refreshing to read and by adjusting our future budgets, we can do this right.**

One last item of note: The deadline for replacing fireplace inserts is 2022. This work may involve workers on the roof and opening up chimney chases. We may get a better idea of previous or current chase leaks at that time.

### Historical Data Regarding Roof Leaks as of 2020

This is the research that I did on the number of water intrusion issues at Hidden Valley. I used Curt's explanations and knowledge of building F and B from the years prior to 2013. I used old manager's reports and minutes, and I requested information from owners.

West side of B building. This happened before current roofs were installed in 2013. The Nov. board meeting minutes reflect that Freeman replaced plywood and siding on chase walls on buildings B and C for an extra charge to the bid price of standard re-roofing. The minutes also reflect a reimbursement to an owner for water damage done prior to the new roofs.

The East side of E building Units 39 and 40, I sent an email to Greg Stone and Jana Prezbiada, the homeowners. Jana got back to me to report that the leak occurred during the heavy snow winter of 2017. The repair was paid by the insurance claim filed by the association. They did not have water intrusion issues during last winter's heavy snow. As far as I can tell we did not have leaks last year except for the one in Olson's building F and that was not a chimney chase leak. The flue pipe cap was displaced so water leaked in from the top....Greg Stone replied to my email on April 7. Greg is a previous board member during the time when we did the major stairway, roofing, pool and office building construction. The reply to the email is copied in full:

"Hi Ruthie,

What occurred a couple of years ago was that the snow build -up on the roof exceeded the allowable amount. Cecilia, our structural engineer, explained to me that the total amount of snow on the roof should not exceed 5 feet (cumulatively) . We kept having snow build -up against the chimney stacks, pushing them away from the flashing and water was getting in behind the chimney stacks. I was told the water was bypassing the upper unit and running across our ceiling and causing damage. The flashing was repaired and we had our ceiling refinished and painted. With this new snow coming we should heed the 5 foot rule and clear the roofs as soon as possible . When all that weight sits on our roof, damage will occur.

Thanks,

Greg"

North side of Building F.-This building has had multiple leaks. Back in 2012 (or so) there was water damage caused to both North downstairs units. These units are currently owned by English, and Olson. Curt was onsite manager at the time. Water damage occurred due to snow buildup against the front siding of the building (side facing driveway) Snow had to be dug away from the building, waterproofing and repairs were made. A retaining wall was constructed to fix the problem. Kevin English was aware of the damage when he remodeled his unit he took steps to correct mold issues. Not sure if Olson did this when he purchased his unit, He did mention to me in the only phone conversation I had with him that he was aware when he purchased the unit that there had been a previous mold problem. Chimney chase leak during winter of 2019 was caused by the absence of chimney caps, not leaking at the chase and roof junction. Water came in from the top of the chimney, not from the siding of the chase.

North side of Building J: There was some water intrusion that was caused by the fascia pulling away from the building. The owner Matt McDonald brought it to the board's attention. Freeman repaired the roofing issue at a cost of \$1,000 and management supervised a drywall repair of around \$700 (I think). In addition to this Ed Jeeter previous owner of unit 102 brought suit against the association for mold damage in his upstairs bathroom. This suit was considered totally bogus by the association, Ed had modified his upstairs bathroom by dropping the ceiling

without installing a fan. Candy cane vents were installed in the roof and the association insurance covered the claim. To my knowledge there have never been chimney chase problems in building J.

South side of Building A: Unit 6 damage and leaking around upstairs window. I'm sure there are plenty of these type of water intrusion issues that go unreported. Buildup of snow on deck roofs and subsequent need to shovel causes damage to the window casings. This is more of a siding problem than a roof problem as far as I know.

Respectfully Submitted to HVV Board on April 4, 2020

### 2022 Leaks:

2022 saw the most chase leaks in a single year. These chase leaks resulted from the unusual heavy snow received in Oct-Dec., 2021 Management did an excellent job of having the roofs shoveled. However the extremely atypical situation of thaws and freezes created ice dams which seemed to be dissipating until erratic March thaws. An early snowfall in October, 2021 which prevented the routine maintenance of sealing chimney chases exacerbated the issue and we had chase leaks in 4 buildings affecting 4 individual units: The following units were involved: K Building, Unit 117, F building, Unit 41, D Building, Unit 27, Building C, unit 23. K Building: Chase leak from ice dam. Damage to drywall and ceiling in unit 117-Nick Roberts. Repair costs paid to Chris Florez \$675, Nick was able to recoup his lost rental income from an insurance policy through air-b-n-b. Service Master was hired to remediate the water damage for all 4 units. The bill included costs for all units affected this year and was: \$549.40. It should be noted that when management contacted Service master they were told that the company had been unusually busy due to roof leaks and broken pipes due to the radical freeze/thaws. Hidden Valley did not experience any broken pipes. This is most likely due to the fact that we have onsite managers who walk the units to be sure heaters are set properly.

Roof Shoveling in December & Januray 2021-22 (Billed in 2022) cost: \$5,312 and March 2022 cost: \$2,925.

Total Cost so far for 2022 for repairs and roof shoveling created by the atypical weather is: Repairs \$549 + \$675 = \$1,224. (This represents 12 % of our Buildings budget) Roof Shoveling \$5312 + \$2,925 = \$8237. (This represents 22% of our Snow Removal Budget) Grand total: \$9,461

### **Item F) Ratification of inspector of election selection approved by all board members via email prior to Sept. 12 deadline.**

Email Sent to the Board on August 31:

The Voting Rules established by state law in 2020 require us to appoint an inspector of elections 30 days prior to the mailing of Ballots. In the past we have used a local notary, however he is no longer available. As an alternative we are allowed to have an owner who is not a member of the board act as the inspector of elections.

I have reached out to homeowner Steve Latshaw and he is willing to be in Mammoth on Nov. 12 and count our ballots for the Board election and the CC&R amendment for 2 pets.

Because the ballots will go out around Oct. 12, we need to appoint the inspector by Sept 12. I propose that we appoint Steve Latshaw as our inspector of elections via this email and ratify it at the Sept. 27 meeting on the consent agenda.



**Please reply to this email to affirm that you approve of the appointment of Steve so that we have record that we complied with the requirement to appoint an inspector of elections:**

**NOTE: All Board Members Replied to Ratify the Appointment of Steve Latshaw as inspector of Elections.**

**By unanimous decision of the board Steve Latshaw will be the inspector of elections at the 2022 Annual meeting.**