

## The West Bluff Hills News issue #2

### What's an HOA and how does ours work?

"HOA" stands for Home Owners Association. In this discussion, we will be talking about the WBH HOA.

When you purchase a condo here, you become a member of our HOA and are required to follow the rules set forth in certain established documents. They are called the CC&Rs, the By Laws and other Rules and Regulations. The CC&Rs (Covenants, Conditions, and Restrictions) are the primary rules and can only be changed with a majority of the homeowners votes. In contrast, the rules and regulations such as certain parking rules (as delegated to the board), might change yearly when new board members take over. The extent by which the board can make certain rules are defined in the CC&Rs. Our rules are printed and available from the property manager and, as an off-site owner, you are required to present these rules to your tenants when they move in.

You are also required to pay a monthly fee. Currently at WBH, the smallest one bedroom units (B,C, 575 sq ft) pay \$296, the larger ones (A, D, 750 sq ft) pay \$316, the two bedrooms (1,065 sq ft) pay \$353 and the larger two bedroom units (1180 sq ft) pay \$376. If you are a renter, you might keep an eye on these fees as increases may likely be passed on to you.

There are 80 condos in our development, evenly divided between one and two bedroom units. Our monthly fees bring in about \$26,000 per month or about \$307,000 per year (numbers rounded).

In June of every year, there is an election for board members. Our rules state that there can be no more than five board members. You have to be an owner (in good standing) to vote and to be on the board and any homeowner can run for a board position, no experience necessary. The board can do business with five four, three, or two elected members.

Board positions run for one year and there is no limit on the number of terms one can spend on the board. Board members receive no pay. In WBH, most of the owners don't want to take on the responsibility of being on the board and in some instances they don't even vote. This can create problems. 1) With less than 41 ballots, an election/meeting cannot be held, and board members cannot be elected (so, owners, at least send in your ballots!) and 2) With a limited pool of interested parties, we may not get the best candidates for the board positions.

Some owners who run for board positions are truly dedicated, concerned individuals who want to make our community better. Ideally, each board member should be looking out for the best interest of all owners. We like the term

fiduciary duty. A board member's fiduciary duties involve three basic components: the duty of care, the duty of loyalty and the duty to act within the scope of its authority. A discussion of fiduciary duty is beyond the scope of this newsletter but if you want to learn more, [go here](#).

In 1986, then Governor Deukmejian signed into law a sweeping set of rules called the **Davis-Sterling Act**. It brought stability to the governance of the millions of Californians served by community associations. It did so by creating financial safeguards, disclosures, insurance protections and reserves in a framework that allowed community associations to govern themselves.

Davis-Sterling again went through a major revision in 2014 and the rules and regulations went from 25 pages to over 100. We will be discussing important Davis-Sterling rules in a future issue but one rule states that board business (other than emergencies) must be conducted in a transparent fashion and only during general sessions of a board meeting. If a board wants to get more business done in a shorter period of time, their only solution is to hold general session meetings more often.

The board has the responsibility to pass a budget by the end of each year. You may be surprised by the number of line items in our budget. It's like a small, non-profit corporation ... money in, money out, but in contrast to a corporation, every decision is made by a quorum of the board, not by one person.

Our board members are currently meeting once a month and tackling issues and problems related to the property. They determine how our budgeted \$26,000 per month is spent. We will be examining the budget in a future issue as well. There are some interesting numbers (not bad, just interesting!)

With five members, three votes minimum will determine a quorum. The board officers (president, vice president, treasurer, and secretary), unlike company management, have no more power over the expenditures or HOA decisions than any other board member.

All homeowners are invited to attend the board meetings. Usually the agenda and time and place of the meeting is posted on the bulletin board at the pool and on the website, [westbluffhills.com](http://westbluffhills.com). The board is required by law to post the time, location and agenda at least four days prior to the meeting. Although notice requirements can be satisfied by a posting in the common areas, members can request that notice of board meetings be given to them by mail at an address provided. (Davis-Sterling)

The meetings consist of three parts. 1) Homeowners forum, where you can bring up any WBH topic you like. Unhappy with dog poop on the grass or a spa that is too cool, feel free to vent. 2) The General Session: This might last from one to two hours and is a board discussion and sometimes voting on the agenda

items. The agenda items are those considered to be important business or topics to be discussed at that meeting. By law, the board may only discuss items listed on this agenda and generally the homeowners may not pipe in during the General Session.

By attending meetings you will get a much better understanding of the issues that the board faces and deems important. Minutes of the discussion at the General Session should be taken, but often, they lack detail. Hopefully, the West Bluff Hills News will be able to help out here!

At the end of the General Session, all the non board members are 86'ed and the board meets in what is called "Executive Session". Here they deal with confidential matters like neighbor complaint against neighbor, formation of contracts and delinquent assessments and collections. If you get fined for something like one of your plants touching the building, it is here, in executive session that it happened. General topics are not to be discussed in executive session (again, Davis-Sterling)

West Bluff Hills meetings have been on the second Tuesday of the month and start at 6 pm. With the new property management company, the meetings are now TBD at a location, TBD. Sorry, renters are not allowed to attend these meetings, but, if you are a renter, keep reading the WBH News as some day you might be a condo owner yourself and you will go into the sale with much more knowledge than most.

**Other news:**

- **The New Parking Rules:** We collected 16 signed petitions to reverse the parking rules (issue #1). Davis Sterling states that we needed 5% of our owners to petition, so we had more than enough to allow the homeowners to vote to reverse. For those of you who contributed, Thank You! The law states that the board must now call a special meeting to reverse these rules sometime between May 1st and July 1st. Please watch for a special ballot to arrive in your mailbox and please vote!
- **New Property Manager:** Allure, our property manager, terminated their contract with West Bluff Hills, effective March 9th and the board has chosen Prescott Companies to take over as the new management company. They come on board on April 15th. If you are on auto pay, it means sending in a voided check to renew your auto pay details. You should have received correspondence from them.
- **The pool and spa** have been renovated to the tune of \$22,000. The company, Poolscape, did a beautiful job. At the time of this writing, the pool was at 70.7 degrees! Warm enough for swimming after you get over the initial "plunge-shock". The pool heater will be on as of Memorial Day

and rumor has it that there will be new umbrellas. Enjoy! The spa is at a comfortable 102 degrees.

- **Check out the Spring bloom!** You don't need to drive to Lake Elsinore to see a massive wildflower bloom. Just take a stroll up the stairway, in the parking lot, East of the complex. Here's a [pic we took](#).
- **Crime:** We are starting to keep a running log of crime activity in the development. Cars, and garages have been broken into. If you know of any crime activity during the last year, please send us an email and describe the incident, date, approximate time and outcome. Also, let us know if a police report was filed. At a later date, we will present a report on this data to our subscribers.

Thanks for reading! Please let others know of this resource. All they have to do is send an email to [westbluffhills@gmail.com](mailto:westbluffhills@gmail.com) with "Subscribe" in the subject line. Please include name, Quail address and renter or owner status.

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