

MINUTES
22 STATION OWNERS' ASSOCIATION BOARD MEETING
April 20, 2022

Meeting Participants:

Name	Title/Affiliation	Present or Dialed-in
Arthur Chiang	Board President	Dialed-In
Jon Grant	Board Treasurer	Dialed-In
Mike DeGross	Board Commercial Director	Dialed-In
Stacia Lange	PTH, Owner Experience	Dialed-In
Christy Beck	PTH, General Manager	Dialed-In
Michelle Smith	PTH, Asst. General Manager	Dialed-In
Ronnie Whitelaw	PTH, Maintenance	Dialed-In
Mike Martin	PTH, Building Services	
Celine Sanie	Homeowner, 5230	Dialed-In
Meredith Rosenberg	Homeowner, 5411	Dialed-In
Jeff McNeil	Homeowner, 4328	Dialed-In
Ani Serebrakian	Homeowner, 5105	Dialed-In
Steven Rutledge	Homeowner, 5426	Dialed-In

Call meeting to order

The meeting was called to order by Arthur and there was a quorum presents. Arthur noted the call is being recorded. Arthur reiterated the HOA's meeting guidelines: do not interrupt, please indicate when you have finished speaking, limit to each speaker of 3min, and to be courteous to one another.

Adoption of Agenda

Arthur proposes the agenda be modified to move the renovation applications for those in attendance to the front of agenda, Jon makes a motion to adopt the agenda with this modification, Arthur seconded, and it was approved.

Approval of Minutes

Jon made a motion to approve the minutes from March, Mike seconded, and they were approved.

General Reports

A. Management Presentation

- a. April has remained strong. This weekend we are looking to be 85% occupied.
- b. Spring concerts on Saturday and Earth Day in the Village this weekend,
- c. Storm coming in over next couple days, clear for weekend, will help drive business.
- d. CA State law effective in 2023 will prohibit single use plastic bottles, like shampoo and conditioner in rental units. Christy wanted to make all owners aware of this CA law.

PTH will be moving the dispensers installed in all bathrooms. PTH will execute Transition this summer.

- e. Working on project to update signage with Village at Palisades Tahoe logos.

B. Commercial Presentation

- a. April has been a pleasant surprise. With weather, some mountain closures have negatively impacted volume. But overall commercial corridor is happy.
- b. Labor shortage continues to impact businesses
- c. Palisades Tahoe will be open weekends in May, Fri-Sun

C. Financial Presentation

- a. Jon made a motion to approve the Feb & March 2022 financials, Mike seconds and these are approved.
- b. Jon noted that 2 CD's have matured. Investment will continue with short term horizons until interest rates improve.
- c. Delinquent Accounts
 - i. 3 accounts 1Q delinquent, all owners contacted.
 - ii. 1 accounts 2Q delinquent, owner contacted and payment was made, but not yet received.
 - iii. A few other accounts with small balances, Stacia has reached out to these owners.
- d. Energy trends
 - i. Electric
 - 1. Usage is below average.
 - 2. Rates have declined slightly but remain above average.
 - ii. Propane
 - 1. Usage is at seasonal average.
 - 2. Cost per gallon remains high, causing above average expense.
- e. Fiscal Year 2021-2022 Forecast
 - i. Based on the March YTD financial results and the trends, fiscal year 2022 could result in a deficit of roughly \$30,000-\$40,000. The primary cause of the deficit is the variance in snow removal stemming from the heavy snowfall in December.
 - 1. Electricity less than budget: Positive (lower than expected) variance of \$40,000
 - 2. Propane greater than budget: Negative variance of (\$10,000)
 - 3. Major Maintenance (e.g., boiler, spas, plumbing, elevator): Negative variance of (\$18,000)
 - 4. Snow removal greater than budget: Negative variance of (\$50,000)
 - ii. Since 22 Station has deferred Painting, if 22 Station doesn't have any further painting expense this fiscal year, 22 Station would have a positive painting expense variance of \$29,000 which would nearly offset the other negative variances. The Board will wait until the utility expenses for April are reported to

decide whether to proceed with painting in late May and June. Depending on the decision with painting, a Deficit of \$30,000-\$40,000 is possible.

- iii. At the end of FY 2021, we had a \$27,000 deficit because of higher than expected electricity and legal expenses. These deficits reduce equity, which at some point 22 Station may need to replenish.

f. Fiscal Year 2022-2023 Budget Preparation

- i. Expense levels will likely increase further in FY 2023 versus FY 2022.

1. Property Management is indexed to inflation and will increase around 6.5%
2. Liberty Electric is proposing additional rate (per KWH) increases: 21% increase in the summer months and lowering rates 6% in the winter months, for an estimated net impact of 5% increase in electricity expense with no change in consumption.
3. Propane price per gallon will likely increase
4. Consumption of energy may increase: increase above or stay at pre-pandemic levels depending on the weather
5. Repair costs will likely stay or increase from prior year levels: Aging of infrastructure and inflation of labor rates
6. G&A (Insurance, Accounting) increases
7. Painting, if 22 Station defers painting this fiscal year.

- ii. These potential expense increases do not include Liberty Electric's proposed rate structure to apply a \$100,000 fee per meter. 22 Station has seven (7) meters – three (3) meters serve the commercial units and four (4) meters serve the 22 Station Common areas and Residential Units. The PUC is scheduled to render a decision in June.

1. The PUC may reject, amend, or accept a portion or all of the Liberty Utilities proposal. The net effect is uncertain, unknown at this time, and unpredictable and may be extraordinary.
2. Also, it is not clear whether this per meter surcharge will be a one-time (one year) event or a recurring charge.

- iii. The \$100,000 per meter expense or \$400,000 for the four (4) Common Area and Residential Unit meters indicates an order of magnitude of the additional amount that Liberty is seeking and which it will try to obtain either in KWH rate increases, per meter charges, or other means. \$400,000 would double the current annual electric 22 Station budget estimate of \$380,000. \$400,000 represents 22% increase in total expenses. In the meantime, the Board has asked Mike Martin and Ronnie to estimate how much it would cost and how long it would take to consolidate the four meters to fewer or one meter and submeters. 22 Station will also have to consider whether meter reduction and consolidation lead to a higher rate classification – large commercials (vs. the current small or medium commercial) and the consequences and relative rate and expense impact.

- iv. 22 Station will have to approve a FY 2023 budget at the May Board meeting. Between now and that time the Board will continue to work on and review the budget estimates and alternatives.
- D. Maintenance presentation
 - a. Bullseye leak detection has injected epoxy to repair leak in large tub of Bld 5; Filing and testing tub in next couple days.
 - b. County permits for Village at Squaw Valley require name change. Ronnie is working through that process.
- E. New Business
 - a. The Board considered the application from 5426 to update flooring
 - i. Application indicates and IIC rating of 72.
 - ii. Jon motions to approve the application, Mike seconds and this is approved.
 - iii. Arthur reminded the owner to coordinate with Stacia and that the contractor must be mindful of the common areas.
 - b. The Board considered the application from 4328 for remodel
 - i. Mike commented that in past issues have occurred with noise associated with tile removal and plugging of drains when changing fixtures.
 - ii. Owner notes the contractor has vetted the scope with Placer County and Placer indicated permits are not required.
 - iii. Jon makes a motion to approve the application, Mike seconds and this is approved.
 - c. Bullseye
 - i. The Board formerly approved the Bullseye leak Detection proposal to repair the leaking pipes under the spa deck for \$7,875. Jon motioned to approve this expense, Mike seconded and this was approved.
- F. Open Forum
 - a. Celine commented that the Euro Fresh and the poke restaurant are awesome and encourages owners to visit them!

Meeting Adjourns to Executive Session