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# The Countdown to Compliance

## Electrical Panel Replacement

*Speakers:*



**Tom Sheltraw**  
*The Tradesman Electric*



**Steven Roseman, Esq.**  
*Roseman Law, APC*



**Marti Mello**  
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# Insurers Are Calling the Shots (The Countdown Is On)

## Main Point (Problem):

- Underwriters are flagging **Zinsco, FPE, Pushmatic/ITE** and tying **coverage** to replacement.
- Communities are facing **non-renewals, exclusions, or conditional binders** with tight deadlines.
- This isn't about opinions; it's an **insurer-driven mandate** with real timelines.
- Proactive plans earn flexibility; **inaction risks cancellation**.

**Dynamic — Impact on HOA:** Preserve community insurance by proving a credible plan now.

**Takeaway:** Start immediately: inventory panels, secure bids, define a funding path, publish a dated schedule.

- How to communicate "insurance-driven" urgency without causing panic.
- Setting a single point of contact for owner questions.



## Legal: Association Duty of Care

### Knowledge Creates Obligation

Once a board **knows** of a safety hazard, it must act **reasonably and promptly**.

### Demonstrate Duty

Duty is demonstrated through **inspection, planning, funding steps, and documentation**.

### Documentation Is Defense

**Minutes, resolutions, and notices** from your legal defense if challenged.

**Dynamic — Impact on HOA:** Limit board liability by showing timely, documented diligence.

**Takeaway:** Adopt a formal resolution and launch a documented process—now.



# What Panels Are Unsafe (and Why)

## FPE

Breakers that **fail to trip** under fault/overload.

## Zinsco

**Bus/stab arcing** and hidden heat behind the dead front.

## Pushmatic/ITE

Aging mechanisms with **degraded reliability**.

Service life exceeded (40–60+ years) with **documented field failures**.

**Dynamic — Impact on HOA:** Reduce fire risk - protect residents - keep insurance

**Takeaway:** These are **proven hazards**—not hypotheticals—warranting replacement.





# Legal: Association vs. Owners— Who Replaces, Who Pays



## Ownership Determines Responsibility

Responsibility follows **ownership** (common area vs. separate interest) per CC&Rs.



## Centralized Execution

Boards can **centralize execution** even when owners are financially responsible.



## Clear Communication

**Resolutions and notices** must clarify **cost allocation** and expectations.

**Dynamic — Impact on HOA:** Avoid disputes and delays by defining obligations up front.

**Takeaway:** Put responsibility and payment rules in writing—clearly and early.

- Drafting plain-English owner notices that explain **who pays** and **why**.
- Tracking acknowledgments so no one "misses the memo."

# Why Centralized, Contractor-Led Execution Wins

## The Problem

**Dozens of owner-run jobs** = inconsistent spec, missed permits, schedule collapse, asbestos possibility.

## The Solution

- One contractor = **standardized equipment**, coordinated **utility work**, and **QA**.
- A single project file yields cleaner **documentation for insurers** and resales.

**Dynamic — Impact on HOA:** Maintain control over quality and timeline.

**Takeaway:** Centralize scope, schedule, and communication for predictable results.

- One **master schedule** beats ad-hoc calendars.
- Consistent **resident messaging** keeps access and cut-overs on track.







# Legal: Unanticipated Costs & Change-Order Governance

1

## Potential Surprises

Surprises: **asbestos/abatement**, hidden **structural** issues, **utility** delays.

2

## Pre-Authorization

Pre-authorize **contingency thresholds** and **change-order rules** to avoid stalls.

3

## Cost Communication

Communicate cost allocation **before** work begins.

**Dynamic — Impact on HOA:** Keep the project moving despite inevitable surprises.

**Takeaway:** Write contingencies into contracts and resolutions up front.

# Timeline & Supply Reality (Why Waiting Backfires)

## Project Duration

Expect **~5–6 months** from kickoff to installations (permits, utility, inspections).

## Supply Chain Issues

**Panels/breakers** can go on **backorder** during regional surges.

## Contractor Availability

**Contractor capacity** fills fast once underwriting tightens.

## Implementation Strategy

**Phasing** (6–12 months) spreads cost and keeps momentum.

**Dynamic — Impact on HOA:** Keep coverage by proving a realistic, phased schedule.

**Takeaway:** Build a dated timeline now; pre-order materials and lock utility/inspection windows.

- Publishing a community calendar and **access windows** early.
- Door tags and batch email/SMS reminders to keep units on schedule.



# Legal: Funding via Emergency Special Assessment

## The Challenge

Reserves may be insufficient for **safety-critical** replacements.

## The Solution

**Emergency special assessments** are justified when coverage/safety is at risk.

## The Process

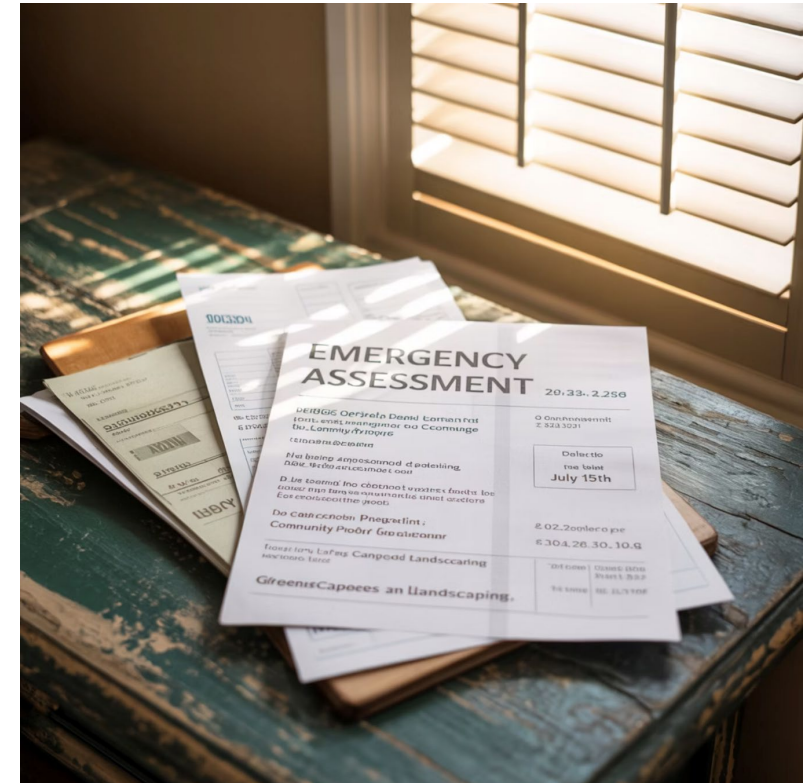
Must follow **statutory steps**: notice, findings, (vote if required), documentation.

**Dynamic — Impact on HOA:** Unlock funds in time to meet insurer deadlines.

**Takeaway:** Use the emergency assessment tool correctly—and quickly.

## PM

- Messaging assessments with empathy; offering **payment schedules** aligned to phasing.
- Centralizing owner payments/receipts so accounting stays clean.





# Homeowner Pushback & Compliance (Stopping DIY Chaos)

## Main Point (Problem):



DIY later = **inconsistent quality, coordination failures, insurance gaps.**

Centralized execution keeps the **community policy** protected.

**Dynamic — Impact on HOA:** Prevent policy risk caused by scattered non-compliance.

**Takeaway:** One unified plan reduces resistance and secures community-wide compliance.

## PM

- **Simple scripts:** what/why/when, and what residents must do.
- Offering **hardship options** aligned with the phased schedule.



## Legal: Impact of SB 382

### Raised Standards

SB 382 raises expectations for **timeliness, documentation, and transparency.**

### Board Authority

Strengthens **board authority** and supports consistent **enforcement.**

### Alignment

Aligns legal compliance with **insurer requirements.**

**Dynamic — Impact on HOA:** Strengthen your legal footing to act decisively and defend decisions.

**Takeaway:** Use SB 382 as your framework: adopt resolutions, set timelines, and keep records pristine.

# Legal: AB 130—Fines to Ensure Participation

## Main Point (Problem):

- AB 130 supports fines for **non-compliance** with safety-critical directives.
- Requires **due process** and published **enforcement policies**.
- Legal Options Fines, Injunctive relief and/or TRO, timing, etc.

**Dynamic — Impact on HOA:** Ensure full owner participation so one holdout doesn't stall the project.

**Takeaway:** Enforce consistently—fairly, transparently, and on schedule.





# Action Plan: Your 30-Day Roadmap



**Dynamic — Impact on HOA:** Gain insurer flexibility by showing credible progress immediately.

**Takeaway:** A dated, documented plan buys options and prevents crisis pricing.

# Questions???



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**THANK YOU**