

Second Supplement to Memorandum 2020-35

Emergency-Related Reforms: Common Interest Development Meetings

The Commission¹ has received two more submissions commenting on Memorandum 2020-35. They are attached as an Exhibit.

The first comment is a letter from Gus Petraborg. He is opposed to the proposed reforms. If they are pursued, he believes they should be expressly limited to emergency-related topics. One of his main concerns is that many homeowners will lack adequate Internet service to participate in a meeting conducted by teleconference. That is part of the reason for the Commission's proposal that a teleconference meeting must include the option of participating by telephone.

The other comment is from A. L. Stanaway, who supports the proposed reforms.

Respectfully submitted,

Brian Hebert
Executive Director

1. Any California Law Revision Commission document referred to in this memorandum can be obtained from the Commission. Recent materials can be downloaded from the Commission's website (www.clrc.ca.gov). Other materials can be obtained by contacting the Commission's staff, through the website or otherwise.

The Commission welcomes written comments at any time during its study process. Any comments received will be a part of the public record and may be considered at a public meeting. However, comments that are received less than five business days prior to a Commission meeting may be presented without staff analysis.

ATTN: Victor King, Chair, California Law Revision Commission
Brian Hebert, Commission Members and Officers

RE: "HOA Meetings During an Emergency"

DATE: August 13, 2020

Hello, my name is Gus Petraborg. I am a Communications Professional with decades of experience in communications, most recently serving as a Sr Specialist-Business Management on AT&T National Staff.

I am a Senior Citizen and a Placer County Association Home Owner, and former elected Owners' Association Board Director. I agree with former Governor Brown that not all HOA's are the same when he returned two CID bills recently. I own a SFR home on it's own Private Lot in a small 76 unit community that collects no funds for, and provides NO residential services, (no lawn care, utilities, bldg maintenance or painting, etc.) and yet has an overzealous and over-stepping Management Trade Agent history with an agenda outside of our (properly) Recorded Governing Documents.

My Associations' Management Agent last month already ran a ZOOM meeting and did not properly notice or invite all Owners, including Owners living off-premis, intentionally violating California Civil Code 4090 "Open Meeting Act" that governs HOA Meetings.

Their Agenda indicates they are in a hurry with use of this ZOOM meeting ability to push thru & enact their imported 13 pages of an alien new set of Election Rules in an assault to try and attempt to circumvent the new SB323 Consumer Rights Law that was recently passed by the California State Legislature and signed into Law by the Governor. Our current Governing Document contains rules that work fine with the new Law when followed. I was active in supporting the new SB323 draft proposal and on the Legislation's passage along with numerous Consumer Protection Groups.

Let me start my testimony with this message I received from my Association neighbor Reuben:

"I'm not in favor of HOA zoom meetings. Thats because not everybody has good internet connection. There will always be signal drops and you might miss some important points."

Reuben - Sent from my iPhone

I agree.

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Allow me to recap the points I wish to share in this memo:

There are TECHNICAL issues embedded in the draft legislation before the Commission that are unanswered and are based on the assumptions that:

- 1. internet service is available throughout every corner of California.
- 2. all homeowners have the right equipment and know how to use it.

The proposed legislation is written as though every homeowner in California has readily available and with dependable strong internet/cell service and the equipment to access meetings - - and they DON'T - - even in a County like PLACER which is right next door to Sacramento and the State Capital.

Here are the important Points that I wish to add comments and share:

1. lack of internet/cell service
2. lack of proper notice to owner(s)
3. need to record and archive Zoom meetings vs inaccurate & costly transcribed records
4. Board meetings are the place where decisions about assessing and spending association money are made. This is a sacred position of trust and should not be subject to a ripe opportunity for deceit and abuse, and as an excuse for not allowing ALL Owners their RIGHT to attend association meetings.

Reuben was an Engineer at Frontier Telephone. I was an OSP/DESIGN/DEG/LEC/EE Engineer & a Sr Specialist Business Management Deep-Dive Analyst at ATT on National Staff. I also checked with colleague Susan who was a Circuit Engineer at CCI (and formerly Roseville Telephone) and she too agrees about dropped service and also reports she is now experiencing dropped connections along with her classmates during their on-line Nursing Classes at Sierra College.

I am also a WAVE residential customer and EVERY internet ZOOM & Join.Net Meeting I have attended in the past few weeks has frozen and/or crashed. Every Meeting! And my Consumer Cellular Phone service now searches for wi-fi internet service to place calls when cell service is full. There will be a growing added burden and demand on the internet service required for these HOA ZOOM type Meetings for this proposal before the Commission.

I would comment STRONGLY with a need for caution to DEFINE only permitted Essential Emergency-Related HOA uses for this internet ZOOM proposal, and to NOT include superfluous business that can wait for an Emergency situation to pass. Such as questionable imported attempts by the Special Trades Management Industry. An Emergency Meeting to keep normal services flowing is an inappropriate time to try and sneak this type of questionable benefit & purpose through. It can wait and follow the existing Laws.

A temporary ZOOM Emergency meeting is not the place make improper decisions on the ASSETS & FUNDS commonly under the disguised and “rubber-stamped” control of an Associations’ Board of Directors and their 3rd Party (non-owner) Management Agents.

Remember also that not every person or home has a required internet connection that is needed for on-line meetings. The Companies offering internet service also in fact DO restrict access and speed known as "CHOKING" when usage gets high. There are a lot of companies and folks now doing pandemic related internet meetings causing added stress on existing internet services bandwidth and impacting the ever growing-more-limited internet network services facilities.

Budgeting, Funding, Permitting approvals, the Engineering & Construction logistics of additional internet facilities will ALL need to be successfully accounted for to meet increased demand. That will take time and money.

This Commission proposal acknowledges there are over 48,000 California HOA's, each conducting multiple Board Meetings with a countless estimated 13,000,000 Owners. Multi-MILLIONS of HOA/OA OWNERS all with the LAWFUL RIGHT to be properly notified and included in their Association Meetings. Plus the potential countless additional miscellaneous management company clerks and invited guests for non-emergency matters..

Lets not forget to account for social distancing growth of on-line classrooms, family weekly meetings, and other businesses, and stay at home demands such as internet shopping, growth of internet television (ie: ROKU, NetFlix, etc) and growth of numerous movie channels on-demand riding on the internet sparking a need for network growth, all placing a great demand on the unprepared internet.

This proposal opens up the ripe opportunity and the earned reputation for abuse and corruption by the CID Management Trade Industry, absent a direct supervision provision of the Attorney General or other Consumer Protection Agency that currently does not exist.

Not everybody has a State of California Government Account with Premium level service. And there is a wide spectrum of different computers, laptops, tablets, with different operating systems such as apple, android, Linux that will require a very large squad of IT support. Will a meeting stop until EVERY Association Owner that experiences a crash is re-booted and working before a meeting may proceed? How will this work?

I Urge you to select the Narrow Reform for Emergency use only, and NOT for use for non-emergency business matters.

Posting of meetings needs to be provided to Owners including those living off-site and those who have chosen NOT to opt-in to electronic Trade Mgt Company run websites, and prefer delivery by other normal and existing methods.

The process to produce written and often subjectively written and approved minutes of meetings is without question more expensive and with potential questionable subject matter than recording a ZOOM meeting to TB Archive storage that should capture an actual real-time

record of a meeting, and be easily accessed by all members. Regardless, this cost factor should be a decision and cost borne by each Associations' proper Membership vote and not the worry of a Trade Company's special agenda in opposition. There should be no doctored records, and time spent looking for somebody else to approve (rubber-stamp) questionable written records.

Thank you for your consideration.

EMAIL FROM A.L. STANAWAY
(8/11/20)

Comments on Memo for Tomorrow's Meeting — Emergency-Related Reforms for CIDs

I will not be able to attend the live meeting on August 13 as I have another commitment all day on other homeowner association issues. I did want to let you know that the California Association of Community Managers (CACM) is notoriously anti-homeowner rights in their lobbying activities. I do hope the Commissioners take their advocacy history into account when reviewing what I feel is an excellent proposal from the Law Revision's staff.

Thank you for your efforts on behalf of the millions of Californians living within the HOA paradigm!

A.L. Stanaway
Honnei soit qui mal y pense