



1973 - 2023

SERVING & EDUCATING
HOA BOARDS & HOMEOWNERS

We're Here for You.



The Echo Club at Oakmont TECO September 17, 2025

Who is Echo?

A trusted resource for HOAs



Echo Mission...

To foster a better quality of life in community associations through **education, advocacy, and networking.**

The Echo Club at Oakmont (TECO) Leadership Team

**Thank you to the Oakmont Villages Association &
Oakmont leadership team!**

Debbie Kiddoo, LOMAA Board President

Christel Antone, OVA General Manager

Peggy Cummins, LOMAA Board Treasurer

Jerry Gladstone, OVA-LOMAA Liaison



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EDUCATIONAL COMMUNITY
FOR HOA HOMEOWNERS

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A dark blue rectangular box with a red top border. On the left is the Farmers Insurance logo, which includes a red shield with a white sunburst and the text "FARMERS INSURANCE". On the right is the Spina Insurance Agency logo, which includes the text "SPINA INSURANCE AGENCY". At the bottom of the box, the phone number "415.382.9714" and the website "www.spinainsurance.com" are listed.



Disclaimer

None of what is said during this seminar shall be construed as specific legal or expert advice from the speaker, sponsors, or Echo. If you wish specific advice, we encourage you to contact your attorney or another suitable expert.

The information we provide during this Presentation is educational in nature and should not be relied upon for specific decision purposes.



SERVING & EDUCATING
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The Echo Club at Oakmont (TECO) Up Next:

From Reserves to Resilience: Preparing for Tomorrow, Today

Andrew Hey, CEO | The Helsing Group



Why Reserves Matter



Protects community assets & property values



Ensures fairness between current & future owners



Avoids surprise special assessments



Meets legal requirements in California

The Bigger Picture



- Well-funded reserves = higher real estate values
- Well-maintained properties = even higher real estate values
- Financial stability reduces board liability
- Well-funded and well-maintained reserve components protect the largest assets in an Association.

CA Legal Requirements (Davis-Stirling)

- Visual inspection of major components every 3 years
- Annual review & adjustment of the reserve study
- Identify **components** with ≤ 30 years of useful life
- Board needs to adopt funding plan at an open board meeting

Professional Standards of Practice

- A Reserve Study is a budgeting tool not a maintenance plan
- Two key parts: Physical Analysis (every 3 years) + Financial Analysis (every year)
- Three service levels:
 - Full – First visit
 - Update w/ site visit – All subsequent visits (every 3 years)
 - Update w/o visit – all off years

What's In a Reserve Study

- Major components with predictable life ≤ 30 years
- Examples: Roofs, HVAC systems, pool pumps, boilers, asphalt paving, major irrigation components
- Includes costs, lives, condition, and funding schedule
- Upgrades to existing components
 - E.g. – energy efficiency upgrades, change from asphalt to pavers
- Funding plan **accounts for** timely replacements

What is a Major Component?

- CA Law does not define this.
- Civil Code 5550 states:
 - “...reasonably competent and diligent visual inspection of the accessible areas of the major components that the association is obligated to repair, replace, restore, or maintain as part of a study of the reserve account requirements of the common interest development...”
- Something the Association is required to repair replace or maintain
 - Know the law, know your documents
- > than 1-year useful life < 30-year useful life

What is a Major Component?

- What about items that are not visible or accessible? (SB 900)
 - CC5550(c) For purposes of this section, “major components” includes gas, water, and electrical service to the extent that the association is responsible for repair or replacement of those lines pursuant to Section 4775.
- Can use ‘Fund’ accounts for multi year components.
 - E.g. Landscape (valves, tree trimming, bark replacement)

What's Excluded

- Minor items handled in operating budget (light bulbs, small tools)
- Non-owned assets (utility mains, public sidewalks)
- Ultra-long-life items (building foundations, utility lines)
- Insurance-covered losses (fires, natural disasters)
- Capital Improvements (items that don't exist already)
 - Solar installation, conversion of open space to usable parks, etc.
- Not a 'rainy day' fund



Funding Plan Mechanics



This is the first step in annual budget preparation



Study or Funding Update reviewed in advance of budget meeting (start early)



Plans must be realistic, stable, and equitable

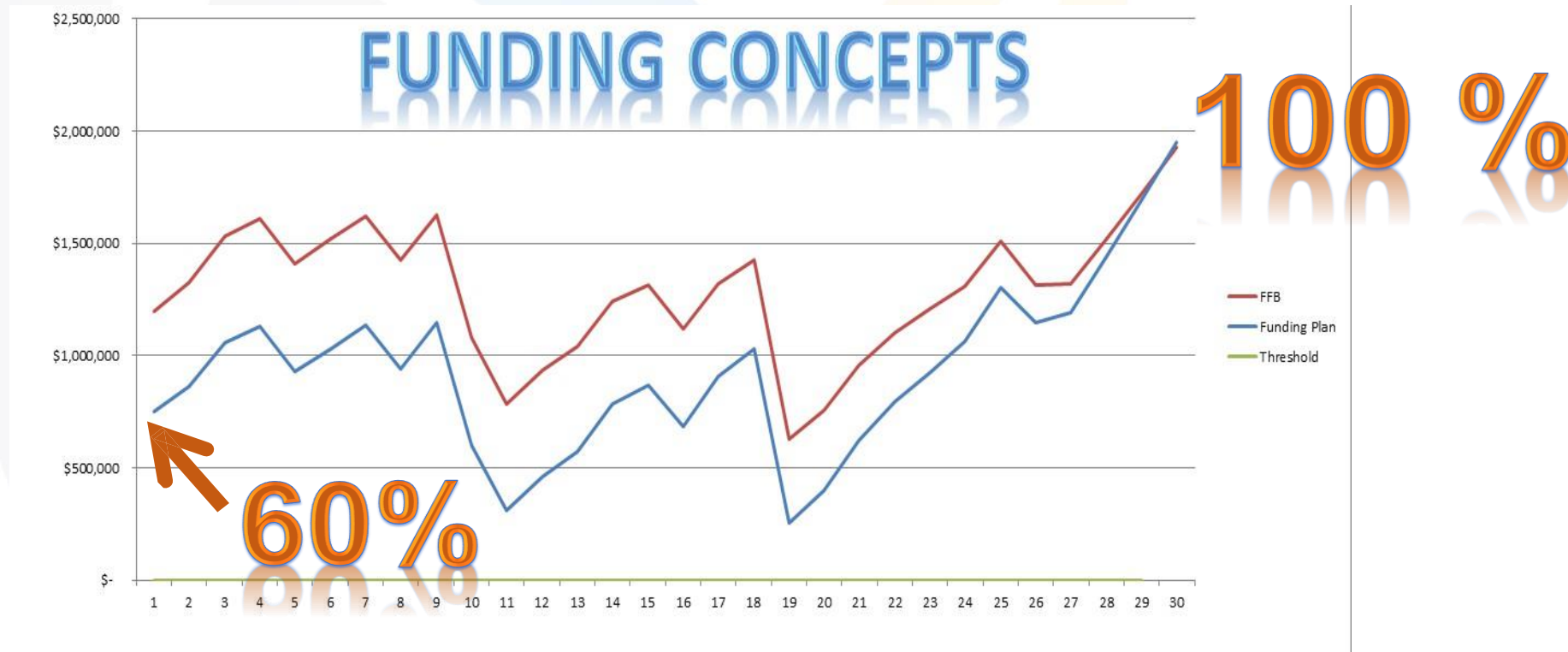
Share as much information with the analyst as possible.



Consider multiple funding plans (Fully Funded, Baseline, Threshold)

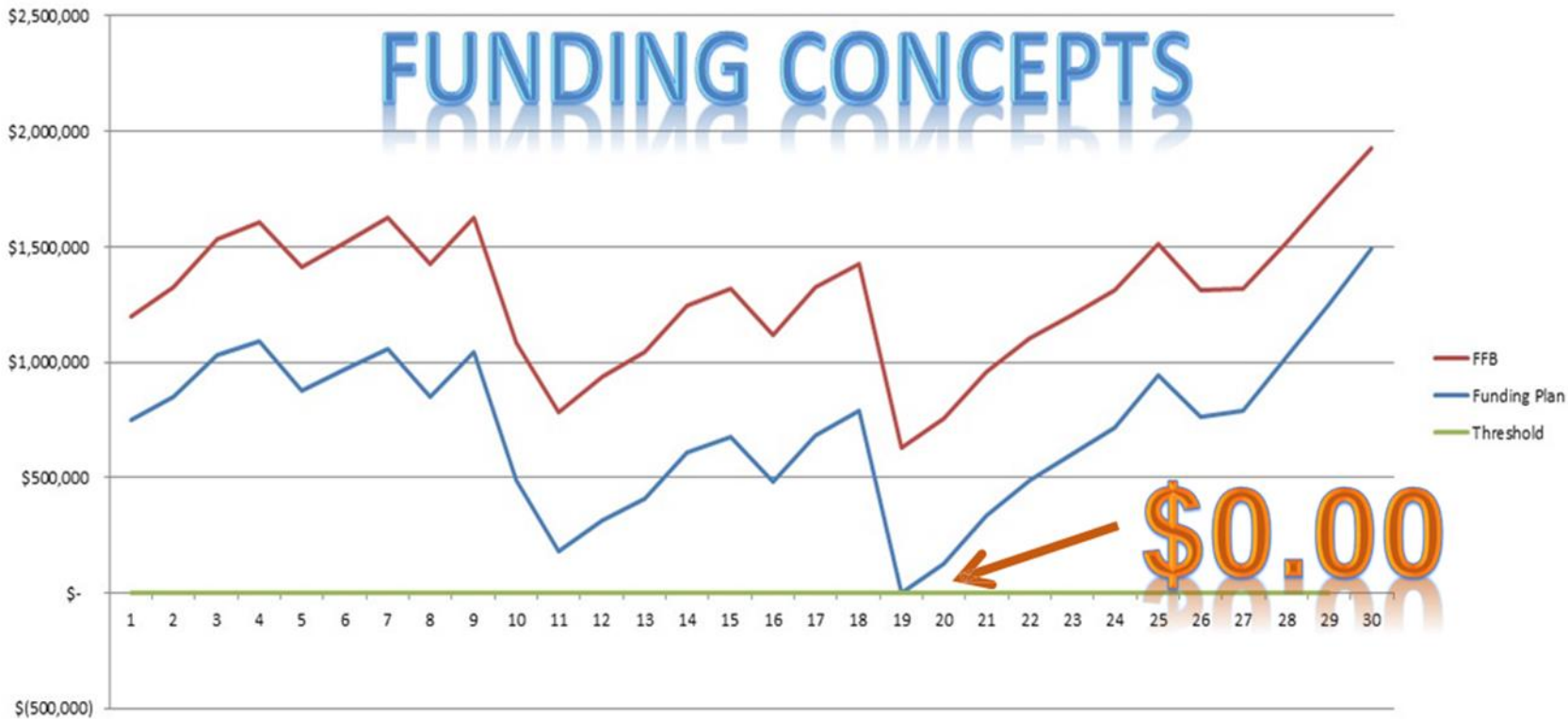
Funding Strategies Explained

- Fully Funded: goal of getting to 'Full Funding' sometime in the future



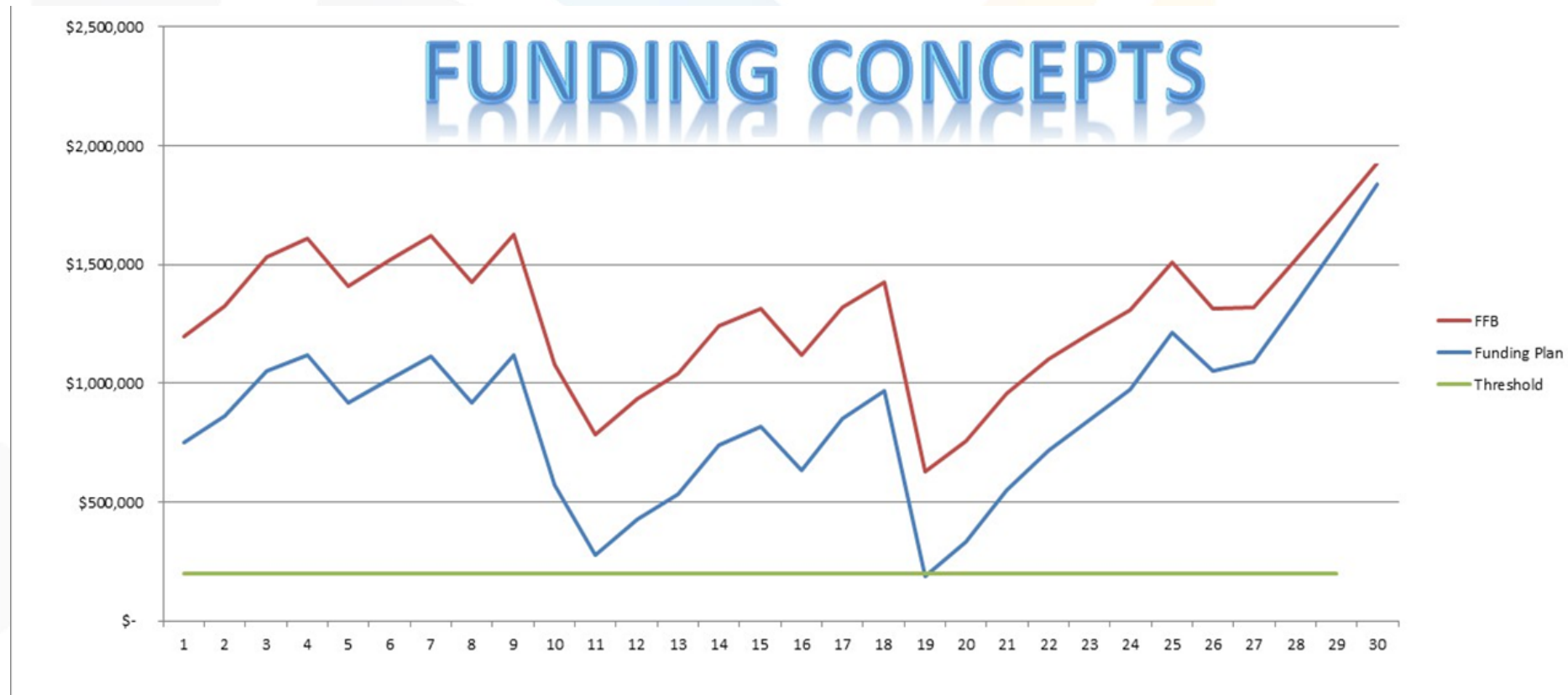
Funding Strategies Explained

- Baseline: Goal of not running out of money in the future.



Funding Strategies Explained

- Threshold: maintain minimum balance set by board



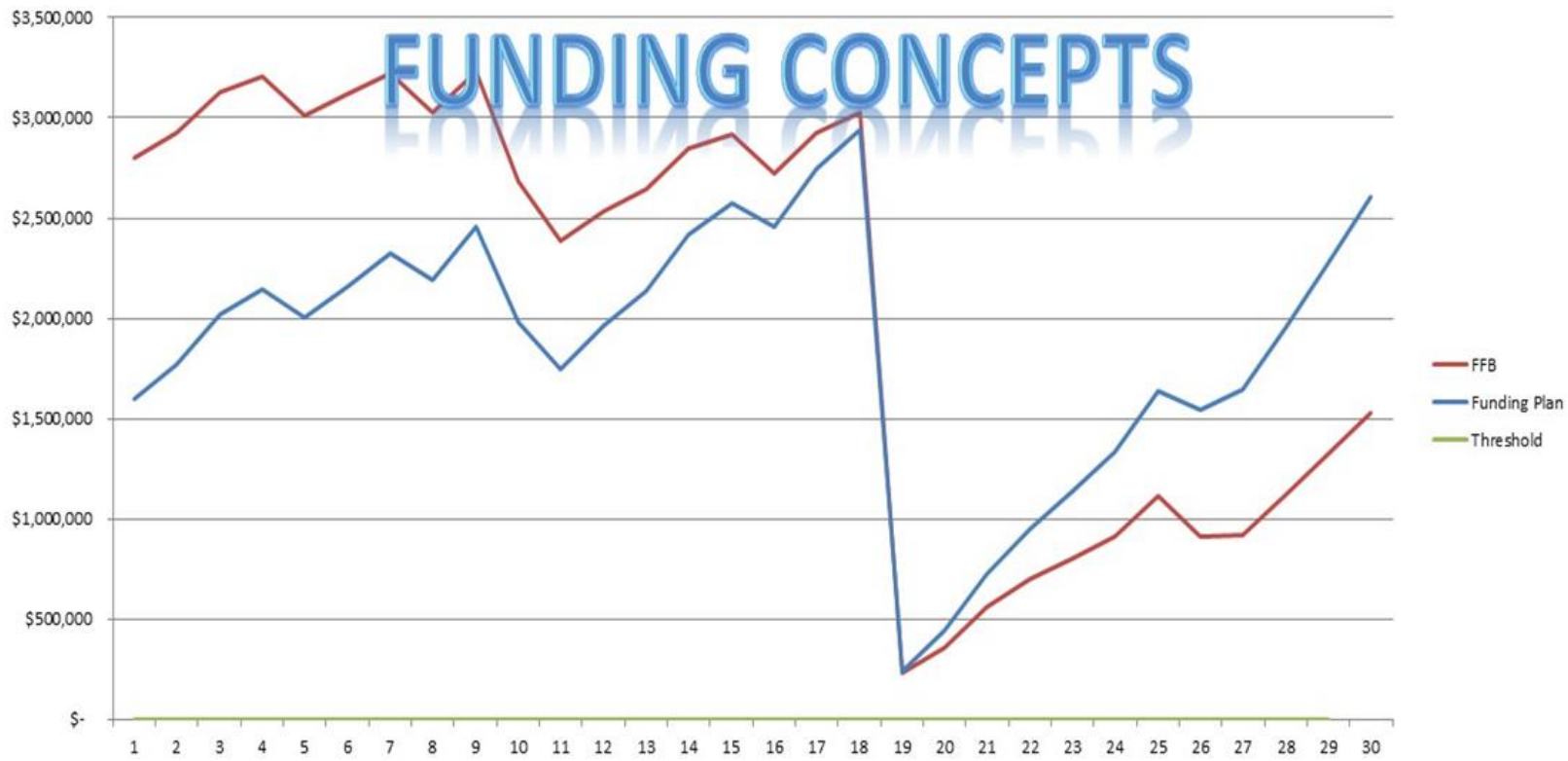
Funding Strategies Explained

- Not mutually exclusive: Can reach Threshold and Full Funding plans in the same 30-year period.
- **Choose based on Boards risk tolerance**
 - Identify 'critical years' when reserve balances dip the lowest
 - Consider total expenditures
- % Funded isn't always a measure of low risk.



Funding Strategies Explained

- 100% Funded – But at HUGE Risk



Best Practices



Update study annually, full inspection every 3 years



Maintain stable component list with accurate pricing

Consult with experts (including legal counsel)

Prepare for the future



Communicate funding strategies clearly to homeowners and commit to these long term.

Other Considerations

- AB 1572
 - Non-functional turf still being defined
- Proposed Legislation requiring minimum reserve funding (other states adopting)
- Fanny and Freddie Lending Guidelines (Federal)





Thank you!

Open Forum Q&A

Andrew Hey, CEO | The Helsing Group



The Echo Club at Oakmont “TECO”

Wed., December 17, 2025, 3 pm - 5 pm, West Rec Center

***Ask the Experts: New Laws and Legislation**

And **Holiday Fun!**



Echo Board Members Club

Next Meeting: October 14, 2025

***BMC meets via Zoom on the second Tuesday of the month
from 5:30 PM to 7:00 PM***

Board members or former board members only.

**Join the Board Members Club
BUDDIES**

To join the Board Members Club contact:
Connor Zepponi at connor@echo-ca.org.

In-Person Educational Seminars (In-Person)

**Southern California Educational Seminar
October 11, 2025 – Laguna Hills**

**Legislative Update & NorCal Seminar
November 15, 2025 – Rossmoor, Walnut Creek
(Saturday)**

Future Forward Planning

**Legal Expectations, AI for HOAs, Maintenance Planning, &
Planning for Insurance Risks & Tradeshow**

Upcoming Online Events

September 18, 2025 – Community Conversation
Fencing for Privacy and Aesthetics

September 25, 2025 – Ask the Experts
Ask about The Management of HOAs

October 16, 2025 – Educational Workshop
Good Governance – Meetings and Best Practices

October 25, 2025 – Ask the Attorney
Judicial Interpretations – HOA Case Law

October 30, 2025 – Community Conversation
Things to Know About Selecting a Contractor

Echo Northern California Resource Panels (In-Person)

Sacramento Resource Panel – Tuesday, September 30, 2025

Mastering Budget Season: Strategies for HOA Success

East Bay Resource Panel – Thursday, October 2, 2025

Help Wanted: How to Find Your Manager and Management Firm

Wine Country Resource Panel – Tuesday, October 21, 2025

HOA Harmony or Horror: A Conversation about Navigating Scary Neighbors

North Bay Resource Panel – Wednesday, October 22, 2025

Fair Housing Faux Pas and Compliance for HOAs

San Francisco Resource Panel – Wednesday, October 22, 2025

Insurance Problems & Funding Solutions: The Good, the Bad, & the Ugly

Resource Panel Meetings are Free to Echo HOA Board Members

Food and Beverages are usually provided



Echo Northern California Resource Panels (In-Person)

San Pablo Bay Resource Panel – Tuesday, November 4, 2025
Getting Your Projects Off to a Great Start

South Bay Resource Panel – Wednesday, November 5, 2025
Landscaping and HOA related issues

Central Coast Resource Panel – Thursday, November 6, 2025
Managing Boards thru Conflict Resolutions

Resource Panel Meetings are Free to Echo HOA Board Members
Food and Beverages are usually provided



Echo Southern California Resource Panels (In-Person)

Los Angeles Resource Panel – Tuesday, October 8, 2025

Pending

Orange County Resource Panel – Wednesday, October 9, 2025

Color Code Workshop

San Diego Resource Panel – Thursday, October 7, 2025

How to Properly Vet Your Management

Resource Panel Meetings are Free to Echo HOA Board Members

Food and Beverages are usually provided





Earn a Certificate of Board Member Preparedness

Curriculum:

Good Governance Series (100 series):

- 100 - Leadership & Governance
- 101 - Elections, Voting, and Candidacy
- 102 - Meetings and Best Practices
- 103 - Board Evaluation of HOA Management

HOA Legal Environment Series (150 series)

- 150 - Ask the Attorney: Davis-Stirling Act Overview
- 151 - Ask the Attorney: Laws Other than the Davis-Stirling Act
- 152 - Ask the Attorney: Judicial Interpretation - HOA Case Law

Board Ethics (120 Series)

- 120A - Foundations of HOA Ethics Workshop
- 120B - Ethics in Practice Workshop

HOA Financial Management & Reserves (170 Series)

- 170 - HOA Financial Management & Reserves

HOA Board Member Preparedness Capstone Course (199)

- 199 - A Strategic Approach to HOA Management

- Courses live via webinars
- 8 out of 10 courses recorded & on demand
- 2 courses require live, online participation
- 3 years to complete, pass exam

Connor@echo-ca.org



Echo Volunteer Corps

**Grassroots
talents and time**

***Join the Echo Volunteer Corps.
Where it's fun to give back.***

- Board Members Club
- Marketing
- Advertising
- Journals
- **Volunteer at Events for Setup**
- **Volunteer at Events for Sign-in**



**Thank you and
See you at the next
TECO Talk!**

