

SAN SIERRA HOMEOWNERS ASSOCIATION

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Comment Period – Pending Spa Building Remodel

July 13, 2015

San Sierra HOA
P.O. Box 953
Mammoth Lakes, CA 93546

Dear San Sierra Owners:

During the annual homeowners' meeting held on July 11, 2015, the owners voted to approve a motion directing the Board of Directors to issue a sixty (60) day comment period to the ownership prior to conducting a vote on proceeding with financing and construction for the potential spa building remodel. The following paragraphs will explain the process and the action that needs to be taken on your part.

History:

Since construction of San Sierra Condominiums in the early 1970's, the spa building (building "E") has been renovated various times culminating in its current design. The actual spa was an outdoor in-ground spa with no permanent structure enclosing it. During the late 1980's / early 1990's work was completed by a contractor (also a San Sierra condo owner at the time) to enclose the spa, build an elevated deck with a new fiberglass spa, and build a manager's workshop. This is the floor plan / design we have today. It is our understanding that no building permits were applied for or approved for this project, either by the Town of Mammoth Lakes, or Mono County. Only minor aesthetic upgrades have been completed since the early 1990's, i.e. painting.

The Pending Project:

Understanding it was time to consider remodeling the current floor plan, the Board decided to look at options to increase the square footage, install a larger spa, add an outdoor deck / seating area, and realign the manger's workshop, sauna, and restrooms. On March 12, 2014, the Board approved the funding for an architect to produce two preliminary floor plans. At the annual owners' meeting on July 12, 2014, a motion was approved to continue the project, instructing the architect and engineer to produce working drawings, which would allow us to receive contractor bids and submit for a building permit. This brings us to the present day.

Owners' Meeting, July 11, 2015:

The lowest contractor bid was presented to the owners at the meeting in the amount of \$92,100 from Hennarty Construction. This bid (as well as all others) was a rough estimate and excluded the actual spa and installation and the sauna mechanical equipment and installation. We received an estimate from a pool & spa store in Reno, NV for \$7,000 for a base model, shell spa and delivery. We anticipate being able to use our existing sauna equipment. The owners discussed various financing options including 1.) special assessments 2.) raising HOA monthly dues 3.) taking a mortgage out on the manager's condo, which is currently debt free, and 4.) any combination of the above. A motion was made and approved, directing the Board of Directors to issue a sixty (60) day comment period from the ownership to obtain feedback. The Board will discuss all comments received, choose an option to proceed and present it to the ownership this October asking for a "Yes" or "No" vote from each owner.

Current Issues:

Current issues with the spa building (excluding general aesthetics) include but are not limited to; heavy use of the spa & sauna during peak weekends and holiday periods. Our manager has witnessed up to eight people in the spa on more than one occasion. This heavy use in our current four person spa drains the water level so low as to put extra pressure on the spa pump and filter equipment. The 2x6 wood deck in the spa is starting to have structural issues. One handrail into the spa has been broken off. The wall heaters in both restrooms are non-functional and need to be replaced. Both toilets need to be replaced. The cedar wood in the sauna is extremely old. The current floor plan causes the manager to walk through the spa area to reach his workshop, interrupting the peace that some owners, guests, and renters may desire.

Summary:

Whether the ownership decides to move forward with this project or not, we need to act in a timely fashion so the Board can plan and budget accordingly. According to our most recent Reserve Study, we should be allocating \$27,259 over the next five years to begin an "as-is" remodel in phases. These are budgeted funds (per Reserve Study) that the Board will give consideration to if construction of the project is approved. It should be noted that constructing the building using the "official" route by means of a building permit may limit our liability exposure should an accident ever happen in the spa building. Also of note, the building will now meet all ADA handicap access requirements. The Board reserves the power to determine the final dollar amount necessary to complete the project and the selection of the contractor for the project.

Comment Period:

The Comment Period will begin on July 20, 2015 and ends on September 17, 2015. Please note that the Comment Period is not a vote. It is to give the Board guidance only. The Board holds the ultimate decision making power on what will be voted on.

Action Needed:

This is your opportunity to provide input before a vote is held on this project. Please take some time to do so. We have created a default comment form on the website which you may use or feel free to write or email us directly. The comment form and dedicated webpage for this project can be found at: www.sansierrahoa.com/spa

Sincerely,

Mike Quirk
President, Board of Directors
cell: (619) 957-7666
mike@sansierrahoa.com
www.sansierrahoa.com