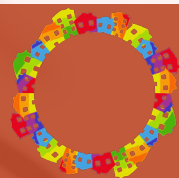


# Community Insights

*A newsletter from the Common-Interest Communities  
and Condominium Hotels Program*

*October / November / December 2022  
Volume 19, Issue 4*



## **The Mission of the CICCH Ombudsman's Office:**

To provide a neutral and fair venue to assist homeowners in handling matters that may arise while living in a common-interest community or condominium hotel.



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# From the Ombudsman's Desk

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It has been remarkable observing the continued evolution of common-interest community associations progressing forward, embracing a post pandemic future. Nimble and resourceful have been hallmarks of this industry through the several volatile circumstances that have been dealt in recent times. This epoch of change is not lost on the Ombudsman's Office or the Nevada Real Estate Division.

The Governor's Interim Finance Committee approved the Division's contract with its innovation partner in mid-September and work on replacing the Division's decade's-old licensing platform has officially commenced. Such a massive transition will utilize all the resources Division staff can muster, resulting in much needed improvements for all those involved in the licensing, compliance, and education processes. A new end user experience awaits, and the continued patience exhibited by all is truly appreciated. Such a transformative change will usher in a new era of innovation and efficiency in the office and overall Division.

On September 13, 2022, the Commission for Common-Interest Communities and Condominium Hotels (CICCH) convened and approved several revisions to the provisions of Nevada Administrative Code 116, 116A, and 116B. The office will work to ensure the public is informed of these changes and how they impact common-interest communities through our education and training program.

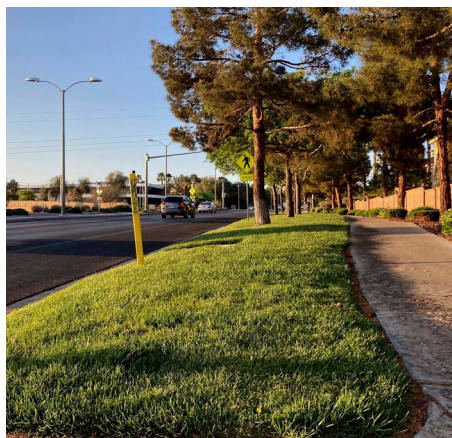
The Division has not been spared by the ever-

changing labor market, operating over the last year with nearly 30% of positions remaining unfilled. I want to express my sincerest gratitude to the office staff for continuing to keep things functioning during this shortage, often performing the work of two or more employees. As the market begins to settle somewhat, it is my hope that we will be fully staffed once again. A promising indication consists of the newly hired staff members being announced in this fall issue of Community Insights, including welcome and necessary additions to our education team. I have no doubt great innovations will be forthcoming in the realm of our educational programming and I wish our newest members all the best in their tenure with the office. Please continue to check our website at <https://red.nv.gov/Content/CIC/Main/> for updates as we move forward together.

- Jason O. Wyatt  
CICCH Ombudsman

# Nonfunctional Turf Conversion

by Damon Hodge, Sr. Public Outreach Coordinator for the Southern Nevada Water Authority



Nearly all the water Southern Nevada uses indoors is recycled. However, water used outside evaporates and cannot be recycled. For this reason, the Southern Nevada Water Authority's (SNWA) conservation rebates and programs focus on reducing outdoor water use.

The SNWA has identified a few thousand acres of nonfunctional grass throughout Southern Nevada, within business complexes,

neighborhoods, schools, parks, government facilities, along streets and in traffic circles and medians. Nonfunctional grass provides no recreational value, is largely decorative or not safe to access and use. In June 2021, the Nevada Legislature enacted AB 356, which prohibits the use of Colorado River water to irrigate nonfunctional grass on properties that are not zoned exclusively for single-family residences after Jan. 1, 2027.

"By upgrading unused grass to water-smart landscaping, we can save more than 9.5 billion gallons of water annually, which represents about 10 percent of our total annual water supply from the Colorado River at Lake Mead," SNWA General Manager Entsminger said in June 2021.

Entsminger said businesses and community associations should take advantage of the SNWA's

Water Smart Landscapes Rebate program (WSL), which provides a cash incentive of \$3 per square foot to convert unused grass to water-smart landscaping. Since the program's launch in 2000, businesses and residents have replaced approximately 202 million square feet of grass.

"Our research has found more than 70 percent of homeowners support their HOA's efforts to replace grass with drip-irrigated landscaping," Entsminger said. "Residential customers have been doing their part to replace grass through the Water Smart Landscapes program, and this legislation will help the rest of the community to do the same."

HOAs looking to take advantage of this rebate must contact the SNWA **before** starting their projects. More information can be found at <https://www.snwa.com/rebates/wsl>.

A man in a dark suit is seen from the back, looking towards a presentation screen. The screen displays a special class announcement for AB 356.

## SPECIAL CLASS ANNOUNCEMENT, AB 356

Please join us for a special two part in-person course on AB 356. This session is intended for unit owners, board members, and licensees. This session is eligible for 2 hours of CE credit. You will hear from the Southern Nevada Water Authority and the Ombudsman's Office. Please see the details below:

**Title:** Water Conservation (2hrs) & Budgeting for NF Turf Conversion (1hr)  
**When:** November 1, 2022 from 1:00 pm - 4:00 pm  
**Where:** 3300 W. Sahara Ave, Nevada Room (4th Floor)  
Las Vegas, NV 89102  
**Owners/Board Directors register at:** <https://red.nv.gov/signup/>  
**Licensees register by emailing:** [seblv@aol.com](mailto:seblv@aol.com)



# Budgeting for Nonfunctional Turf Conversion *Assembly Bill (AB) 356*

Board directors and community managers have been inquiring how to appropriately pay for their association's nonfunctional turf conversion required by AB 356 passed in 2021.

## **What is it?**

The bill requires common-interest community (CIC) associations located in the Southern Nevada Water Authority's (SNWA) service area to remove nonfunctional turf on property not zoned exclusively for a single-family residence before **January 1, 2027**. This conversion should not be taken lightly, as it is costing some CICs several million dollars. Prudent associations are already working to complete this project ahead of schedule, staying ahead of increased costs resulting from surging demand.

The definitions for nonfunctional turf are available on page 8 of the Nonfunctional Turf Removal Advisory Committee's Recommendations Report (available at <https://www.snwa.com/assets/pdf/ntrac-2021-recommendations-report.pdf>).

## **Which budget?**

NRS 116.3115(2)(b) requires the association to establish a funding plan based on a reserve study for the repair, replacement and restoration of the major components of the common elements and any other portion of the CIC the association is obligated to maintain. Permitted reserve study specialists are including the nonfunctional turf conversion in their studies and associations have been including this expense obligation in their reserve budgets.

## **How much money?**

Standard practice for determining the cost of conversion consists of either creating an entirely separate reserve study exclusively encompassing the turf conversion or including the turf conversion as a onetime expense in the association's current study. The reason is to prevent the association's current reserves from appearing severely underfunded, while also ensuring the association's board of directors can make an informed decision about how much money to set aside. Permitted reserve study specialists recommend having at least a financial update completed before an association sets

their reserve budget expense allocations for the upcoming fiscal year.

## **Is there alternative funding available?**

Associations should work with their accounting professionals and the SNWA to determine whether subsidies provided by the SNWA may be utilized to help offset some of the cost, **before** initiating their conversion. More information can be found on SNWAs website at <https://www.snwa.com/rebates/wsl>.

## **What if we need a special reserve assessment?**

If a special reserve assessment is in order pursuant to NRS 116.3115(2)(b), each association should be mindful in establishing their funding plan. For those associations that have been impacted by AB 356, unit owners must understand that their association is obligated by state law to complete this conversion, and associations must collect the necessary funding while attempting to prevent rampant delinquencies. AB 356 is a necessary mandate in the context of the unrelenting drought in the southwest, but one that was mostly unforeseen.

## **What else should my association know?**

Pursuant to NRS 116.31151, the executive board shall distribute to each unit's owner at least two budgets: the budget for the daily operation and the budget to provide adequate funding for the reserves. This must happen not less than 30 or more than 60 days before the beginning of the association's fiscal year. The executive board should utilize the reserve study including the turf conversion to decide how much money needs to be set aside.

If allowed by the governing documents, the executive board may consider funding an operating contingency line item specifically for labor rate increases. It is not unheard of in this inflationary market for contracted rates to increase mid project. This may be exacerbated by the market demand that is likely to reach a pinnacle as the conversion deadline in 2027 approaches. Adequate planning may prevent the association from running out of allocated funds when they are needed most.



# New Hires to the Ombudsman's Office

## EDUCATION & INFORMATION OFFICER



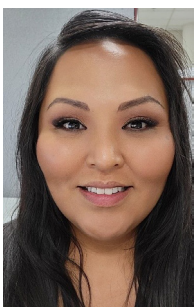
We are pleased to welcome our new Education & Information Officer, Antonio R. Brown! Antonio has resided in Las Vegas for over 26 years. He possesses a Bachelor of Science degree in Public Administration with an emphasis in public policy from the University of Nevada, Las Vegas. He started with the Nevada Real Estate Division as the Program Training Officer for the Office of the Ombudsman in 2018. Antonio was promoted as the Division's Continuing Education Program Supervisor in real estate education and assisted with the appraisal education program on an interim basis. Antonio currently serves as a volunteer on the Association of Real Estate License Law Officials (ARELLO) Education Certification Committee. He is excited to bring his passion, unique vision, and knack for simplifying advanced concepts back to the Ombudsman's Office.

## PROGRAM TRAINING OFFICER, SOUTHERN NEVADA



We are pleased to welcome our new Program Training Officer, Vered Ann Tadmor (Annie)! Annie has lived in Las Vegas from elementary school through graduate school. She has an undergraduate degree in Healthcare Administration with a business core. She also has a master of science degree in counseling, which she believes will help her in problem solving and communicating effectively in her new role as a trainer. Annie also brings with her fifteen years of real estate experience as a real estate salesperson in Nevada. She also loves the Golden State Warriors. Annie will be assigned the Southern Nevada region and assist with the office's education initiatives.

## ADMINISTRATIVE ASSISTANT II



We are pleased to welcome our new Administrative Assistant II, Stephanie Johnson! Prior to joining the office, Stephanie served as Administrative Assistant I with the Human Resources Department of Aging and Disability Services Division. Stephanie attended San Diego City College and obtained her Associates in Science. She has also served in the United States Navy for 8 years. She was stationed onboard the USS Nimitz in San Diego, CA and VFA-125 in Lemoore, CA. She would like to use her various abilities and passion to give back to her community through her work in the Ombudsman's Office. Stephanie is excited to gain knowledge of and comprehend Nevada law to grow her career at the Real Estate Division. Stephanie will work to support the CICCH Compliance Section.

## ADMINISTRATIVE ASSISTANT I



We are pleased to welcome our new Administrative Assistant I, Delmar Ducasses! Delmar was born in New York City, earning his bachelor's degree in Communications from the College of Mount Saint Vincent in 2002 and a CAM license in 2020. For over 4 years, he has worked for HOA management companies in various roles. Prior to that he worked in the hotel industry for approximately 13 years. Delmar is eager to apply his knowledge and experience as he begins a new chapter in his professional career for the Ombudsman's office, and he is excited to embrace the opportunity to make an impact in his local community serving in this new capacity. Delmar feels that joining the Ombudsman's Office will be a wonderful fit, as he will have an opportunity to learn more about CICs while simultaneously using his background to provide the best customer service. Delmar is excited to continue to work in the industry and is eager to grow in his position within the Division.

# NEW CICCH COMMISSIONER SPOTLIGHT

## Commissioner June Heydarian



We are pleased to welcome June Heydarian as the new community manager member of the CICCH Commission! Ms. Heydarian is "honored and excited to be joining the esteemed Commission for Common-Interest Communities and Condominium Hotels."

Originally from Northern California, Ms. Heydarian moved to Las Vegas in 1998 and jumped right into the CIC industry, preparing financial statements for homeowners associations. Back then, she had no idea

where her HOA journey would lead. For more than two decades, she has served the industry in various capacities including: accounting, legal, portfolio community management, business development, executive management, general contracting, community development, high-rise and master planned management; and she loves it all.

As a licensed Supervising Community Association Manager, Ms. Heydarian also

finds a sense of passion and purpose in providing resources to community managers, homeowners, and executive board members through continuing education. Her wide range of knowledge and experience brings a unique perspective in the creation of classes. Ms. Heydarian believes that stepping out of her comfort zone and instructing has contributed to her personal growth. Ms. Heydarian is "thankful to be able to positively impact the people within our industry."

## Commissioner Kim Lighthart



We are pleased to welcome Kim Lighthart as the new CPA member of the CICCH Commission!

Ms. Lighthart was born in Las Vegas and raised in Arizona. She graduated from Northern Arizona University and started her career at the Nevada Gaming Control Board in the Audit Division in their Las Vegas office, where she obtained her CPA license.

From there, Ms. Lighthart spent ten years in the private sector working for a sports wagering

company. "I tell people I was a bookie in one chapter of my life. It's all about the numbers and balancing both sides of the wagers". From there, she worked for the Nevada Transportation Authority and currently works for the Public Utilities Commission as a Policy Advisor.

Ms. Lighthart moved to Northern Nevada eight years ago to be closer to her daughter. She has lived in CICs for about 20 years. Last year, she was elected to her HOA board of directors and currently serves as treasurer. In her spare time, Ms. Lighthart

enjoys spending time with family and friends, and sailing. She learned to sail on Lake Mead and has even owned a couple sailboats. She fulfilled a "bucket list" trip helping a friend bring their 43' catamaran from Hawaii to Long Beach four years ago. The trip took three and a half weeks, traveling over 2900 nautical miles with the same four people, and dial up internet at about 1200 baud.

Ms. Lighthart is excited to begin her term as a Commissioner and "looks forward to meeting everyone!"

# WHAT HAPPENED AT COMMISSION?

## ALLEGATIONS/DECISIONS

Acts of the Commission for Common-Interest Communities and Condominium Hotels are not published until after the 30-day period allowed for filing under Judicial Review. If a stay on discipline is issued by the court, the matter is not published until the final outcome of the review.

## ALLEGATIONS/STIPULATIONS

Stipulations occur when both the respondent and the Division have agreed to conditions reviewed and accepted by both sides. A stipulation may or may not be an admission of guilt.

## NRED V. LAGUNA PALMS HOMEOWNERS ASSOCIATION

Denise Jugenheimer, Stephen Bock, Peter Albert, and Suzanne Suter

**CASE NUMBER** 2020-666 **TYPE OF RESPONDENT** Board Member

### ALLEGATIONS/VIOLATIONS

Laguna Palms HOA is accused of violating NRS 116.3113(1)(a) and (2) by failing to carry the required insurance policy to cover unit damages; NRS 116.3103(3) by failing to provide notice of the lack of insurance to all owners; and NRS 116.3103(1)(a) through NAC 116.405(3) by failing to act in good faith and in the best interest of the Association when they committed an act or omission which amounts to incompetence, negligence, or gross negligence by failing to comply with NV law.

### DISCIPLINARY ACTIONS

Settlement - Respondents agree to pay the Division a total amount of \$4,659.88 ("Amount Due"), consisting of a \$3,000.00 fine imposed by the Division and the Division's pre-hearing costs and attorneys' fees in the amount of \$1,659.88. The amount due shall be payable to the Division as follows: Respondents shall pay \$4,659.88 within 60 days of date of the order. Respondents agree to pay the complainant and homeowner Mayra Encarnacion the amount of \$13,674.00, as a restitution for the damages she incurred because of the water damage to her unit and the Association's lack of proper insurance coverage at the time when the damage occurred ("Complainant's damages"). The complainant's damages shall be payable to Ms. Encarnacion as follows: Respondents shall pay \$13,674.00 within 60 days of date of the order approving this Stipulation. Respondents also agree to provide copy of an insurance policy in compliance with NRS 116.3113.

## NRED V. J. SCOTT HEDLIND

CAM.0000190.SUPR

**CASE NUMBER** 2021-65 **TYPE OF RESPONDENT** Community Manager

### ALLEGATIONS/VIOLATIONS

Respondent violated NAC 116A.140(1) when he failed to timely renew his community manager certificate biennially. Respondent violated NAC 116A.355(1)(a)(1) pursuant to NAC 116A.355(2)(a)(3) by engaging in unprofessional conduct when he continued to provide community management services while knowing his certificate had expired. Respondent violated NAC 116A.355(1)(a) pursuant to NAC 116A.55(2)(f) by engaging in unprofessional conduct, when he failed to provide requested documentation for the renewal of his certificate. Respondent violated the Administrator's order to pay the administrative fine issued pursuant to NAC 116A.350(4)(b)(1).

### DISCIPLINARY ACTIONS

Respondent ordered to pay the Division a total of \$11,900.96 consisting of a fine in the amount of \$10,000.00 and the Division's attorney's fees and costs in the amount of \$1,900.96 within ninety (90) days of the date of the order. Respondent's community manager certificate issued from the Division is revoked for ten (10) years. . The Division may institute debt collection proceedings for failure to timely pay the total fine. If collection goes through the State of Nevada, then respondent shall also pay the costs associated with collection.



# WHAT HAPPENED AT COMMISSION? CONTINUED

**NRED V. J. SCOTT HEDLIND**

CAM.0000190.SUPR

**CASE NUMBER** 2021-224

**TYPE OF RESPONDENT** Community Manager

## ALLEGATIONS/VIOLATIONS

Respondent violated NRS 116A.630(10) when he failed to provide a response to the Division's four certified letters. Respondent violated NRS 116A.630(2)(a) by failing to comply with NRS 116.31175(1) when he failed to provide the minutes to the homeowner complainant. Respondent violated NAC 116A.140(1) when he failed to timely renew his community manager certificate biennially. Respondent violated NAC 116A.355(1)(a)(1), (2) and (3) pursuant to NAC 116A.355(2)(a)(3) by engaging in unprofessional conduct, professional incompetence and negligence or gross negligence when he failed to submit annual association registrations, causing them to be in default with the Division and Secretary of State; and when he continued to provide community management services while knowing his community management certificate had expired. Respondent violated NAC 116A.355(1)(a) pursuant to NAC 116A.355(2)(f) by engaging in unprofessional conduct, when he failed to provide the requested documentation for the renewal of his certificate to the Division.

## DISCIPLINARY ACTIONS

Respondent ordered to pay the Division a total of \$11,434.88 consisting of a fine in the amount of \$10,000.00 and the Division's attorney's fees and costs in the amount of \$1,434.88 within ninety (90) days of the date of the order. Respondent's community manager certificate issued from the Division is revoked for ten (10) years. The Division may institute debt collection proceedings for failure to timely pay the total fine. If collection goes through the State of Nevada, then respondent shall also pay the costs associated with collection.

**NRED V. J. SCOTT HEDLIND**

CAM.0000190.SUPR

**CASE NUMBER** 2021-1084

**TYPE OF RESPONDENT** Community Manager

## ALLEGATIONS/VIOLATIONS

Respondent violated NRS 116A.630(1)(b), (2)(a) and (9) when he failed to exercise ordinary and reasonable care in the performance of his duties as a community manager by failing to provide the financial records for Wine Ridge Estates Homeowners Association for inspection by the Division. Respondent violated NAC 116A.355(2)(a)(3) and (2)(f) when he acted in an unprofessional and incompetent manner by failing to cooperate with the Division's investigation, including failure to produce all documents to the Division after the Division's request for such documents. Respondent violated NRS 116A.640(2)(a) when he impeded and interfered with an investigation by the Division when he failed to comply with the Division's requests to provide records regarding Wine Ridge Estates Homeowners' Association and failed to respond to the Division's notices.

## DISCIPLINARY ACTIONS

Respondent ordered to pay the Division a total of \$11,434.88 consisting of a fine in the amount of \$10,000.00 and the Division's attorney's fees and costs in the amount of \$1,434.88 within ninety (90) days of the date of the order. Respondent's community manager certificate issued from the Division is revoked for ten (10) years. The Division may institute debt collection proceedings for failure to timely pay the total fine. If collection goes through the State of Nevada, then respondent shall also pay the costs associated with collection.

# Ombudsman's Office Information

July through September 2022

Total Associations Registered in the State of Nevada	<b>3,593</b>
Complaints Received	<b>36</b>
Alternative Dispute Resolution (ADR) Filings	<b>45</b>
Associations Audits Initiated	<b>9</b>
Training Sessions Conducted	<b>19</b>
Classroom Attendees	<b>323</b>

## IMPORTANT REMINDER

Licensed Community Managers and Reserve Study Specialists may receive up to 6 continuing education credits (provided in 3 hour increments) for attending a CICCH Commission Hearing (applied toward law or general).

## UPCOMING COMMISSION MEETINGS

● **DECEMBER 6 - 8**

## UPCOMING HOLIDAYS

**OCT 28** / NEVADA DAY

**NOV 11** / VETERANS' DAY

**NOV 24** / THANKSGIVING DAY

**NOV 25** / FAMILY DAY

**DEC 26** / CHRISTMAS DAY (OBSERVED)

**JAN 2** / NEW YEAR'S DAY (OBSERVED)

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