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BEFORE THE COMMISSION FOR COMMON-INTEREST
COMMUNITIES AND CONDOMINIUM HOTELS
STATE OF NEVADA

Sharath Chandra, Administrator,
Real Estate Division, Department of
Business & Industry, State of Nevada,

Petitioner,

vs.

Sierra Ranchos Property Owners
Association,

Respondent.

Case No. 2018-1663

FILED

MAY 05 2023

NEVADA COMMISSION FOR
COMMON INTEREST COMMUNITIES
AND CONDOMINIUM HOTELS

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ORDER

This matter came on for hearing for a status check before the Commission for Common-Interest Communities and Condominium Hotels, State of Nevada (the "Commission"), during a regular agenda on March 7, 2023 in Las Vegas, Nevada and by video conference. William Roth, board member for Respondent, Sierra Ranchos Property Owners Association (the "Association"), appeared in person. Phil W. Su, Esq., Senior Deputy Attorney General with the Nevada Attorney General's Office, appeared on behalf of the Real Estate Division of the Department of Business and Industry, State of Nevada (the "Division"). Board member Joy Marvin and Community Managers Lesley Zepeda and Matt Kramer from Equus Management appeared via remote access.

In 2019, to resolve a disciplinary case, the Association stipulated to this Commission ordering the Association to hire and maintain a community manager and fund its reserves according to a funding plan. On May 31, 2022, this Commission found that the Association was in default of the Commission's order filed September 26, 2019. The Commission ordered the Association to (1) Hire a community manager, (2) Have its 2020 reserve study updated with information pertaining to additional work the Association must perform to adequately maintain the roads in the community, including compliance with any pending citations from Washoe County; (3) Obtain no less than 2

1 bids from an engineer to define the work necessary to correct issues with road
2 maintenance and repair; (4) Notice the homeowners of a meeting to discuss increasing
3 assessments and/or imposing a special assessment in accordance with the updated
4 reserve study; and (5) To report back to the Commission.

5 In September 2022, the Association's board members represented to the
6 Commission that they hired a community manager and the company was Equus
7 Management. They also reported that they would be having an election in November and
8 that they were still trying to receive bids from engineers. The board members said an
9 engineer was scheduled to do an inspection on October 5, 2022 and one other engineer
10 had visited the property, but was not providing a bid.

11 The Commission ordered the Association to: Have Equus Management contact
12 the Attorney General's Office; Receive bids from two engineers to make necessary road
13 repairs, with one coming from Summit Engineering scheduled to inspect the property on
14 October 5, 2022; Maintain documentation of all attempts to have contractors bid the work
15 that needs to be done and the scope of work to be done; Have the approved bid amount
16 included in an updated reserve study and adopt a funding plan for how the Association
17 will fund the reserves for the necessary work; Notice homeowners of any vacant board
18 positions, instructing homeowners how to apply for any open position; and Properly notice
19 homeowners of the upcoming election in November.

20 In December 2022, the Association's board members confirmed that Equus
21 Management currently manages the Association. The Association received and approved
22 a bid from Nortech for "consultation and materials testing for road improvements to
23 mitigate flood and drainage conditions." The Commission ordered the Association to
24 proceed with Nortech and move toward receiving bids to complete the work necessary to
25 repair and maintain the roads. The Association still only had two board members with no
26 other eligible owners who were interested in serving on the board as of that meeting. The
27 Association also stated that it would increase assessments to meet maintenance needs
28 and would impose a special assessment based on approved bids for the work necessary

1 based on Nortech's findings. Based on these representations from Board Member Roth,
2 the Commission ordered the Association to: 1) work with Nortech to determine the work
3 necessary to repair and maintain the roads; 2) obtain and approve bids for the work
4 necessary based on Nortech's work; 3) update its 2020 reserve study to reflect such
5 approved bids; 4) impose a special assessment to satisfy such approved bids; 5) provide
6 evidence of the Association's compliance with this Order to the Attorney General's Office
7 no later than 10 days prior to the next Commission meeting; and 6) appear and report on
8 its progress to comply with this Order at its next scheduled Commission meeting on
9 March 7-9, 2023.

10 On March 7, 2023, the Association's board members and its community managers
11 presented to the Commission to report on its efforts to comply with the Commission's
12 December 2022 order. The Association reported that although it had received assurances
13 that Nortech would provide its findings and report in time for the status check, it did not
14 receive a stamped copy of that report. The Association assured the Commissioners that
15 once Nortech completed its analysis regarding the road base and work, it would proceed
16 to obtain proposals for road repairs, then work with hydrology and surveying to identify
17 ditches and culverts in need of remediation. The Association also informed the
18 Commission that there has been one submission of interest for the third open board seat.
19 On February 24, 2023, that same prospective board member filed signed petitions to
20 recall the two current board members. The Association reported increasing its
21 assessments by 8.2% to match Consumer Price Index changes, and anticipated issuing a
22 special assessment to cover any shortfalls for its operating budget and for any future work
23 to be contracted.

24 Based on the Association's representations, the Commission ordered the
25 Association to:

- 26 1) Continue to seek production of the signed engineering report from Nortech by
27 March 31, 2023, and to provide same to the Attorney General's Office once it is
28 produced;

- 1 2) Obtain no less than two contractor bids based on the Nortech report;
2 3) update its 2020 reserve study to reflect such approved bids;
3 4) impose a special assessment to satisfy any such approved bids;
4 5) provide evidence of the Association's compliance with this Order to the Attorney
5 General's Office at least one week prior to the next Commission meeting; and
6 6) appear and report on its progress to comply with this Order at its next
7 scheduled Commission meeting on June 13-15, 2023.

8 IT IS SO ORDERED.

9 Dated: this 4 day of May, 2023.

10 Commission for Common-Interest Communities
11 and Condominium Hotels, Department of Business
12 & Industry, State of Nevada

13 By: 
Chairman

14 Submitted by:

15 AARON D. FORD
16 Attorney General

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