

**DRAFT MINUTES OF
THE BOARD MEETING OF THE
555 ESPLANADE CONDOMINIUM OWNERS ASSOCIATION**

August 15, 2011

CALL TO ORDER

The following are the Minutes of the Meeting of the Board of Directors of the Casa Bahia Condominium Owners Association, held on Monday, August 15, 2011, in the 535 Building Lobby, 535 Esplanade, Redondo Beach, California 90277. A quorum of Board Members was established and Joe Engle called the meeting to order at 6:34 PM.

BOARD MEMBERS PRESENT

Joe Engle, President; Frank Parker, Vice-President; Betty Schneider, Treasurer; Dianne Merzel, Secretary (arrived at approximately 7 PM).

BOARD MEMBERS ABSENT

Joe Jetsyn Tache, Member-at-Large.

MANAGEMENT COMPANY REPRESENTATIVE(S) PRESENT

Ellona Hess of Scott Management Company (SMC)

HOMEOWNER FINANCIAL COMMITTEE – REPORT BY MEMBER OF COMMITTEE

On behalf of the Financial Committee, Mr. John St. Rock, Co-Chair, reported on the progress of the Financial Committee by summarizing the minutes of the Committee's recent meeting, held on July 26, 2011. Please see the attached copy of the minutes for this meeting, prepared and submitted by the HFC.

APPROVAL OF MEETING MINUTES

Ms. Merzel made a motion to approve the July 18, 2011 minutes as presented. Dr. Parker made a second to the motion. The motion carried with all in favor. Copies of the approved minutes will be emailed and/or mailed to Homeowners.

TREASURERS REPORT

Ms. Schneider reported that the Association is very over budget on the "Office Expense/Supplies" line item, mainly due to mailers. Overall, the expenses for the month in line with the budget. The recent water bill that was paid was approximately two times the amount it normally is. Copies of the most recent bills will be reviewed so that this charge can be further investigated. The new trash service company, Athens, is billing the Association \$78.00 more a month than the previous company. This is also being investigated. The driveway project is nearly complete and came in approximately \$6,000.00 under budget. Dr. Parker made a motion to accept the financial report as presented. Ms. Merzel made a second to the motion. The motion carried with all in favor.

HOMEOWNERS FORUM

- Unit #315 – Mark Drale: Mr. Drale requested a status update on the pending

repairs at Unit #517 deck.

- Unit #304 – John St. Rock: Mr. St. Rock presented his list of facts and noted history behind a leak reported, coming from his Unit, and how the leak was handled. Mr. St. Rock expressed his dissatisfaction with Bert Meli Plumbing – performance and amount charged.
- Unit #620 – Edna Marinella: Ms. Marinella reported her list of facts and noted history regarding water testing performed at her balcony deck and surrounding areas, mainly concerning how the appointment was scheduled, the method of testing, and that the crew did not clean up the debris that was left on the deck once they were finished with their evaluation.
- Unit #302 – Dot Lee: Ms. Lee asked about the markings on the new driveway (tire tracks), questioned when the CAUTION sign at the entrance of the driveway would be replaced, and advised that Bert Meli P. replaced her Unit's gas connector for a total amount of \$175.00.
- Unit #307 – Dianne Merzel: Ms. Merzel reported that the bulb in the fixture by her Unit needs to be replaced.

OLD BUSINESS

- Balcony Inspections (of Sliding Glass Doors, Flashings, Door Pans, etc.) – Review Proposal(s): As a follow up to the presentation made at the June meeting, CMS submitted an estimate to perform an inspection of the sliding glass door(s) and transitional flashing metal(s) at each Unit. The cost, per man hour, for this inspection is \$65.00. The Board reviewed a second estimate for a similar type of inspection/report submitted by Ewell Construction as well as from an independent consultant – James West. Ms. Hess will contact Mr. West with a request for clarification on his proposal. A fourth proposal is pending. A project manager has not yet been assigned to this project.
- Building FHA Approval – Status Update: All items listed on the “Outstanding Conditions for FHA Approval” have been taken care of and re-submitted for FHA department approval. The Bank of America representative that Ms. Hess, Mr. St. Rock and realtor Mr. Rick Wilkinson are working with advised that he anticipated receiving a response from FHA by Friday, August 12, 2011. Ms. Hess will follow up with the representative as she has not yet received the results of the second review, by FHA, from him.
- Circuit Breakers – Review Proposal(s) for Replacements: An inspection of the property was conducted by a representative for the Association's new general liability insurance carrier. The inspector noted that the currently installed circuit breakers are obsolete and pose a fire hazard. The official report from the insurance carrier, Sequoia, has been submitted. Included in the report was mention of this circuit breaker concern. The Board requested clarification from Sequoia, through the Association's insurance agent, as to whether or not the circuit breakers inside of Units need to be replaced as well. The Board is also now asking for clarification as to whether or not the replacement of the circuit breakers is a recommendation or a requirement of Sequoia. Two estimates for the replacement of the 9 breaker panels have been submitted to date.
- Cost Saving Pilot Program, Letter to Homeowners re Email Address – Review

Second Request Survey Responses: To date, 44/54 Homeowners returned their survey form. The Board is optimistic that this program will help save the Association a significant amount of money.

- Earthquake Preparedness Plan: Mr. Engle advised that he would like to work towards putting together an Earthquake Preparedness Program as well as plans on how the building would be re-built, should it be destroyed in a catastrophic earthquake. Mr. Engle will work on this with Ms. Dot Lee. Mr. St. Rock volunteered to help as well.
- Garage Ceiling Repairs: It was noted at the July 2011 meeting that ceiling repairs in G2 – in three different areas – are still pending. Mr. Tache volunteered to work on obtaining proposals for these repairs with Ms. Hess.
- Gas Connectors – Replacement Of – Status Update: A letter was sent to each Owner calling the safety concern regarding old gas connectors to their attention, mandating that they replace their gas connector within a certain time period (60 days), or if the Unit Owner already had their gas connector replaced, the letter stated that they will need to submit some sort of proof/certification, proving such. To date, 13 responses have been received.
- Hallway Renovation Project – Update/Recommendation from Committee:
AUGUST MEETING: An update on this project was given by Ms. Merzel, member of this Committee. The update included a summary of the bidding process for this project and the scope of work that was estimated on. In an effort to remain close to the budgeted amount for this project – as set aside in the Reserve Study – the Committee’s recommendation was to primarily focus on upgrading the hallway and stairwell ceilings (installation of dry wall over popcorn ceiling) painting of hallway and stairwell walls, replacement of base boards (to match ones installed in the lobby areas) and replacement of carpet. Items that the Committee did not include in their recommendation are: replacement and/or painting of Unit front entry doors plus hardware, replacement of light fixtures, altering the fire sprinkler system/heads, and removal of popcorn ceiling. Discussion was held and it was decided that perhaps the painting of the doors should be included (at a cost of \$65.00 each) and that an inspection of the fire sprinkler system should be conducted to determine if the drywall can legally be placed over the popcorn ceiling. Ms. Merzel will work with Mr. St. Rock on completing a PROJECT TRACKING REPORT to be submitted to the Board for review and vote once complete.
- Jacuzzi Leak – Status update/Review Proposal(s) for Repairs: The report from Water Savers Company, the company who performed the leak detection to identify any/all Jacuzzi leaks, was reviewed by the Board. The proposal for repairs is outstanding, to be submitted by Browning’s Pool Service.
- Maintenance Responsibility Matrix – Review Ideas: This project is in progress.
- Roof Access Doors, Emergency Doors, and Beach Side Doors- Review HFC Committee Proposal Evaluation: Several proposals have been submitted to replace the roof access doors (2), beach side doors (2), and emergency exit doors (4). The Board requested the HFC’s assistance on this project with filling in the missing pieces of information and an evaluation on the proposals. The HFC agreed to help. Mr. St. Rock that he has narrowed the proposals down to two,

and has re-met with the two selected contractors. The contractors submitted revised proposals. Mr. St. Rock will review and evaluate the proposals and will then fill out a Project Tracking Report. The report will be forwarded to the Board for review and vote.

- Street Side Retaining Wall Replacement – Status Update: One bid has been submitted to date for the replacement of the street-side retaining wall. Bids, and more research/information, for the replacement of the street side retaining wall are forthcoming. The replacement of the wall will follow the Water Intrusion Projects (discussed later on in the Meeting).
- Sump Pump for Water Intrusion into G2 – Review Information/Quotes/Recommendation by Committee: The project has been tabled at this time but will continue to remain on the agenda.
- Unit #313 Balcony Railing Repairs – Review Inspection Report/Estimate for Repairs: CMS performed an inspection, per the Board's request, of this Unit's balcony. The request was to have CMS specifically inspect the loose railing – reported by the Homeowner. A copy of the CMS inspection report, photos, and proposal will be forwarded to the Board via email for further review, questions, directives, etc.
- Unit #215/315 Plumbing Repairs – Review Proposals: At the July 2011 meeting, the Board reviewed the proposal submitted by Bert Meli Plumbing to replace the kitchen drain line between Units 315 and 215. The proposal noted that during the last round of hydro jetting, Bert Meli had problems with this kitchen drain line. Bert Meli suspects that the line is degrading inside. The Board requested that Scott Management Company obtain a second estimate from Stephens Plumbing. Ms. Hess reported that Stephens Plumbing and Gerhard Weise visited the two Units in question. While they are not necessarily in agreement that the replacement of the line is necessary, Gerhard Weise submitted a proposal and Stephens Plumbing is expected to submit a proposal as well. So that the Board could understand Bert Meli's suggestion and why they submitted this recommendation, an idea was mentioned to have two Board Members meet with the Bert Meli crew when they are next hydro-jetting this line.
- Unit #319 – Interior Repairs – Status Update: ServPro submitted a proposal to complete the pending drywall repairs in the Unit. The proposal was approved at the July meeting. The contractor then informed Ms. Hess that unfortunately the numbers included in his proposal were wrong and subsequently submitted a new proposal. The revised proposal was voted on outside of the meeting and was unanimously approved (written consent by all five Board Members was obtained). The Board reviewed the proposals submitted by ServPro Culver City and A to Z Construction to perform the paint job in the Unit. Ms. Schneider made a motion to approve the estimate submitted by ServPro. Dr. Parker made a second to the motion. The motion carried with all in favor. Once the painting work is complete, the new flooring will be installed.
- Unit #517 Deck/Drain/Flashing Repairs; Interior Repairs to Units – Status Update: The scheduling of repairs to Unit #517's deck will be discussed during the Executive Session.
- Water Intrusion into G4 – Status Update on North Side Trenching Project: Mr.

Schneider previously provided a report regarding this project, which was: “that he presented his Management Plan to the City Hall for this pending project. Coastal Commission does not need to get involved, but the Association will need to obtain a permit from OSHA and will also need a shoring plan and a soil analysis completed. Mr. Schneider advised that he reviewed this project with a couple of engineering firms and they approximated that the City fees will cost about \$1,500.00, the Shoring Plan, \$2,000.00, the Soil Analysis, \$500.00 - \$1,000.00, and the Trench Permit, \$100.00. In order to obtain the trench permit, a very comprehensive application will need to be filled out.” Dr. Parker has gotten involved and is working with Homeowner Larry Carpenter. Mr. Carpenter may have an independent engineer that could help the Association to obtain the required permit from OSHA and to write up the shoring plan and soil analysis. Working through an independent engineer vs. an engineer working with a hired contractor may prove to be more cost effective.

- Unit #s 520 and 620 – Review Proposal for Water Test: The Board reviewed the water test report submitted by Ewell Construction which identified the sources (2) of water intrusion into Unit #520. The two sources listed are components that the Unit Owner of 620 is responsible for. A copy of the report and proposal for repairs will be forwarded to the Homeowner for action and consideration. The Board reviewed the Association’s policy regarding holding the Homeowner (620) responsible for the water testing charge. It was determined that in accordance with the policy, the Homeowner will be back-billed for the charge.
- 2012 Reserve Study Update: Ms. Schneider and Dr. Parker met with the reserve study specialist on Friday, August 12 to perform the site visit for the completion of the 2012 reserve study. Once Scott Management Company receives the draft study/report, a copy will be forwarded to the Board for review and edit.

NEW BUSINESS

- Recycling Program – Review Changes and “Campaign Material:” The recycle barrels previously located in the two trash rooms were replaced with larger bins, one per room, at no extra cost to the Association. Residents are encouraged to recycle more so that perhaps one less extra pick up, per week, could be requested, resulting in a savings of \$50.00, per side, per week to the Association. Mr. Tache volunteered to monitor how full the trash bins are when they are picked up on Monday, Wednesday, Friday so as to be able to determine if lessening the amount of pick up days is a feasible option. Ms. Coe is working on this matter with Ms. Schneider as well. Copies of Athens recycling “campaign material” were submitted to the Board for review and consideration to send out to all residents.
- Unit #304 Kitchen Drain Line Plumbing Repair – Review Report/Proposal: This matter was previously discussed during the Homeowner’s Forum.
- Unit #320 Damage to Vehicle – Review Report and Reimbursement Request: This agenda item was reviewed during the Executive Session.
- 535 Elevator Interior Repairs – Review Proposal: The proposal submitted by TRE to either replace the chipped side wall panel or install a 4” stainless steel kick plate on the lower edge of all panels was reviewed by the Board. Ms. Merzel

made a motion to proceed with the proposal to replace the chipped side wall panel. Ms. Schneider made a second to the motion. The motion carried with all in favor. The Homeowner whose tenant caused this damage when moving out of the building will be held responsible for the cost to replace the panel.

NEXT MONTHLY MEETING

Monday, September 19, 2011, 6:30 PM.

ANNUAL MEETING

The Annual Meeting will not be held on the third Monday of November because that is the week of Thanksgiving. The meeting was tentatively scheduled to take place on the second Monday, November 14, 2011 6:30 PM.

ADJOURNMENT

Meeting was adjourned at 9:04 PM.

Submitted by: Ellona Hess

EXECUTIVE SESSION

The Board of Directors held an executive session to discuss pending violations, legal matters, a reimbursement request, and scheduling of certain repairs.

PLEASE NOTE: Any grievance or clarification on issues can be addressed by: (1) Airing the issue at the next scheduled Public Board meeting, or (2) contacting Ellona Hess at Scott Management Company (Phone: 310-370-2696 ext. 211; Email: Ellona@scottmgmt.com; Mail: Scott Management Company, PO Box 3159, Torrance CA 90510-3159). Calls/correspondence should reference 555 Esplanade/Casa Bahia.