

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

**April 11, 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, March 11, 2011, in the 535 Building Lobby, 535 Esplanade, Redondo Beach, California 90277. A quorum of Board Members was established and Frank Parker called the meeting to order at 6:38 PM.

**BOARD MEMBERS PRESENT**

Frank Parker, Vice President, Betty Schneider, Treasurer; Dianne Merzel, Secretary; Joe Jetsyn Tache, Member-at-Large.

**BOARD MEMBERS ABSENT**

Joe Engle, President.

**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 reading the minutes of the Committee's recent meetings, held on March 21 and April 04, 2011:

- Periodic Project Reports – one is to be completed by the project manager and the other by the Treasurer. This will be adopted as presented and implemented in the April/May timeframe.
- Insurance Coverage – Homeowner Ms. Kara Gifford has volunteered to assist the HFC and HOA in obtaining bids (a total of 6) from various carriers for review and consideration. This is for Fire, Liability, and Earthquake Insurance. Ms. Gifford will also be looking into the recommendation made by Scott Management Company to increase the Association's coverage for Employee Dishonesty Insurance. The HFC emphasized to the Board that this matter may require that the HOA Board meet in a special session in order to

make an informed decision in a timely manner, before the current policies expire, in May 14, 2011 (except Earthquake Insurance, which ends on July 20, 2011). Ms. Mary Lee Coe reported on her research regarding earthquake insurance coverage, including the following points:

- 10 out of the 70 buildings that Scott Management works with have earthquake coverage.
- The minimum deductible under the current policy is \$50,000.00 with a cap of \$2.5 million, or 25 percent.
- Asbestos removal is not covered.
- Debris removal is not covered.
- Tear down costs are not covered.
- Tsunami(s) are not covered.
- The current coverage of \$10M would allegedly cover the cost to rebuild the building, but that would not include the land.
- The tier structure as it pertains to payment of the deductible would be determined by the HOA, not the carrier.
- The HFC found basic information relating to earthquake risk in Redondo Beach on the State's Department of Conservation, with Seismic Hazard Maps for Southern California. The Committee also contacted the city's engineering department and found that they do have FEMA maps that may be of value to the Association.

Ms. Coe's research is ongoing and she will report further. The HFC will continue to gather earthquake insurance coverage information and will then present their findings to the Board before the policy ends, affording the Board and the Homeowners the time to make an informed decision as to whether or not the Association should continue to carry the coverage, and if so, with which provider.

- Water and Gas Conservation – A representative from the West Basin Water District made a presentation on “water savings” at the last Board Meeting. Documentation regarding the program now available from them was distributed to all Residents. The HFC has contacted Bert Meli Plumbing regarding the hot water situation in the building, in order to determine the cost of resolving the long wait for hot water in many Units.
- Contracting Language – the HFC will review various contracts, including the elevator service contract, provided by the HOA to prepare a form containing boilerplate language that may be used in

the future when contracting with vendors. This project is ongoing.

- HFC Misrepresentation – It was brought to the Committee’s attention that a Homeowner mis-represented themselves as a member of the HFC to a preferred vendor of the Association. The HFC found this to be unacceptable and requested that the HOA send the Homeowner a reprimand letter.
- Garage Driveway Project – The HFC discussed the driveway project with regard to any potential for cost overruns. Given that this is the first project that the HFC is overseeing since its formation, the HFC decided to use this project as a way of helping to guide the precedents for HFC review of all future contracted projects.
- Bulk Mailing – The HFC recommends that a mailer be sent out right away to all Owners regarding the option of choosing to receive documentation, such as notices minutes, etc. via USPS mail or by email. There is a potential of saving \$1,000.00 or more per year in postage if a majority of the Homeowners elect to have various mailings electronically delivered.
- NW Balcony Project – The HFC discussed the ongoing project where costly scaffolding and a porta-potty remain on the property until the project is complete. The HFC was advised by a Board Member that excessive corrosion exists in four of the vertical railings which needs to be corrected before the project can be completed. Once the vertical rails are repaired, brackets installed, stucco painted to match the building, and a light fixture re-aligned, the project will be completed.

## **APPROVAL OF MEETING MINUTES**

Ms. Merzel made a motion to approve the March 21, 2011 minutes as presented. Ms. Schneider made a second to the motion. Copies of the approved minutes will be distributed to all Homeowners.

## **TREASURERS REPORT**

Ms. Schneider reported that the Association is approximately \$200.00 under budget for the month, and \$5600.00 under for the year to date. There is one expense that needs to be reclassified. Changes to the draft report for the Special Assessment fund will be submitted to Scott Management Company after further review of the report. The total amount of delinquencies at the end of March 2011 was \$1500.00. Ms. Merzel made a motion to accept the March 2011 Financial Report as presented, with the

incorporation of the change mentioned above. Mr. Tache made a second to the motion. The motion carried with all in favor.

## **HOMEOWNERS FORUM**

- Unit #302 – Dot Lee: Ms. Lee submitted a written document with list of possible “To Do’s” for the Driveway Project. Mr. Tache volunteered to take care of all items listed on Ms. Lee’s list. Ms. Lee also mentioned that she met the contractor to be working on the driveway project and reviewed with him her concerns about making sure that the new drain to be installed does not make any noise when cars drive over it.
- Unit #620 – Edna Marinella: Ms. Marinella reported that she recently heard loud banging noises in her Unit in the late night hours. Ms. Marinella was advised that this noise was coming from a Unit in her stack. The residents have been talked to and have confirmed that they will not cause that noise to happen again.
- Unit #303 – Alex Burishkin: Mr. Burishkin questioned whether or not votes taken outside of a Board Meeting, via email, were noted in the meeting minutes. In the future, all votes taken outside of a Board Meeting will be specifically noted in the meeting minutes.

## **OLD BUSINESS**

- Building FHA Approval – Status Update: The package of documentation and information necessary to begin this process was submitted to Mr. Nick Do of Bank of America. Mr. Do and his Associate submitted the package to “FHA.” As of today, there are no further updates.
- Garage Driveway Entrance/Exit Repairs – Status Update: Mr. Schneider reported that the project will begin on Wednesday, May 18, 2011. The project should take about two and a half weeks to complete. A major change has been made in regards to how the project will take place – it will be broken up into four sections instead of doing one side and then the other. There will be four pour days, which will result in a one hour loss of access (from 12 – 1 PM) per pour day: May 25, 27, 31 and June 3. The safety loops will not be active during the project so everyone must be extra careful and cautious when entering or exiting the complex. The drain part of the project will take place first. Mr. Tache volunteered to put notices regarding this project under each Unit’s door and copies will be

mailed to all Off-Site Owners.

- Gas Connectors – Replacement Of – Status Update: Bert Meli Plumbing has submitted an estimate to replace the gas connectors for fireplaces where necessary. The proposal listed the following specifications: Remove imitation ashes, remove cement fire logs, remove cover plates, replace flexible gas connectors and code rotor (shut off), soap test gas connections, reassemble fireplace and test for proper operation. The cost to do this job would be \$320.64. Two additional estimates will be obtained. Bert Meli also recommended considering the idea of having pilot lights replaced with pilotless ignition (as mentioned under the Financial Committee Report). Bert Meli needed to dismantle one in order to get the information from the “build plate” and “control valve” to find out from the manufacturer if the conversion is possible and the correct replacement valve and any electrical changes that may be necessary to make the pilotless control work. This dismantling took place and Bert Meli reported that they were not able to find a pilotless ignition for the existing fireplaces.
- Handrail Replacements – Review Information/Quotes: Mr. St. Rock reported that the Committee has obtained a couple of quotes for the handrail replacements at the front of the building (East side) but that the Committee at this time has decided to table the project until the retaining wall is placed, as the handrails might need to come out during the retaining wall replacement project. Mr. St. Rock and Ms. Hess are working together on obtaining quotes to install railings for the West side of the property, for the stairs that leads from the backside of the property to the beach. Mr. Schneider recommended that the City be contacted about who they are using for their railing project – by the pier. Mr. St. Rock will contact the City to obtain this information.
- Hallway Renovation Project – Update from Committee: Ms. Merzel, member of this Committee, reported that the Committee members met on April 03 to discuss a process for the project. The Committee put together a rough draft list of items which they will request that the bidding contractors include in their estimates. Ms. Merzel briefly reviewed all items currently on this list. The Committee will be meeting with four-five contractors towards the end of the month. The HFC requested that they be presented with a copy of this list so that they can submit their input and ideas before the list and/or proposals are finalized.

- Maintenance Responsibility Matrix – Review Ideas: This project is in progress.
- Roof Access Doors and Emergency Doors- Review Estimate(s) for Replacements: Proposals have been requested to replace the roof access door on each side of the building. To date, two proposals have been submitted. Quotes to replace emergency exit doors are in the process of being obtained. Also included in this request is replacement of lock and frame and/or door, for the beach side doors.
- 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 #319 – Plumbing Incident/Repairs – Status Update: Ms. Schneider reported that on Thursday, April 07, 2011, Ms. Hess, Ms. Schneider, two representatives from PW Stephens (the sub-contractor performing the asbestos abatement), two representatives from ServPro (the Association hired contractor performing the water damage remediation from the plumbing backup in/around September of 2010), a representative from RR Restoration (the contractor called out by PW Stephens after the flood accident took place to perform immediate dry-down services), and the Homeowner of the Unit met together to review what repairs needed to take place, who would be taking responsibility for the various repairs, and an estimated time-frame for the repairs to be completed. At the close of the meeting, PW Stephens offered to pay the difference between replacing the hardwood flooring throughout the Unit – which needs to take place as a result of the second loss, and just replacing the flooring in the front part of the Unit (including entryway and kitchen) and refinishing the rest of the Unit – which would have had to have taken place because of the first loss, in their professional opinion. This offer was discussed by the Board. It was mentioned that to date, one quote has been submitted to do the above mentioned two different projects, by a contractor suggested by PW Stephens. Two other flooring contractors have been contacted on behalf of the Association and those estimates should be submitted shortly. It was noted that the Homeowner of Unit has offered to take care of the replacement of the cabinet boxes, at his sole cost. Ms. Merzel made a motion to accept the offer made by PW Stephens in regards to the hardwood floors in the Unit, contingent on a Board review and final vote on all three proposals was once submitted. Ms. Schneider made a second to the

motion. The motion carried with all in favor. The Board of Directors reviewed the proposals to restore the third floor hallway opened areas, which was a direct result of the first loss (the backup of the vertical plumbing line). Ms. Schneider made a motion to accept the proposal submitted by RR Solutions for a not to exceed amount of \$900.00. Mr. Tache made a second to the motion. The motion carried with all in favor. The work will be scheduled right away.

- Unit #517 and 619 Deck/Drain/Flashing Repairs; Interior Repairs to Units – Status Update: To date, Ewell Construction has completed repairs to two out of the three identified problem areas. Ewell Construction is waiting to obtain access from Unit #517, so that they can work on 517's deck. Mr. Jetsyn Tache, Homeowner of the Unit, stated that he has made contact with Ewell and is working on scheduling the repairs to take place and that they should be completed by the end of the month (April).
- Water Intrusion into G4 – Review Information/Recommendations and Proposals: Mr. Schneider advised that the scope of work approved by the Board, to be completed by Morales Waterproofing, will be scheduled to take place as soon as the Northwest Balcony Project is finished and the scaffolding is removed. An estimated start date is around May 30, 2011. The Board has decided that they would like to obtain any necessary permit(s) for this job.
- Special Assessment 2008 Projects - Update: The following updates were given regarding *The Entryway Project – Correction of 535 Entryway Door and Intercom System Problem Areas – Status Update:*
  - Ms. Hess is working with the Owner of RMS regarding the continued problems reported with the 535 entryway directory intercom system and door.

The following report was given regarding *The Northwest Balconies Project:*

- The project is close to completion.
- There are 4 vertical posts that have excessive corrosion on them. An insert to reinforce the posts was to be delivered on Tuesday. Ms. Schneider explained the delay on that item and advised that the posts, once approved by the engineer, should be delivered this week. The railings can then be reattached.
- The stucco color is unsatisfactory and needs to be corrected.
- The light fixture on Unit #103's balcony is misaligned and the escutcheons are missing from the fire sprinklers.

- It was noted that the slope of Unit #103's balcony passed inspection by the City twice.
- The Committee anticipates that the project should be entirely completed by the beginning/middle of next week.

The following report was given regarding The *Street-Side Retaining Wall Replacement Project*:

- 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 Driveway and the Water Intrusion Projects (discussed earlier in the Meeting).

## **NEW BUSINESS**

- Fire Alarm Testing – Review Results/Proposal for Repairs: The Board of Directors reviewed the results from the annual fire alarm test that recently took place and the contractor's price itemized proposal for repairs. Ms. Schneider made a motion to accept the proposal as submitted. Ms. Merzel made a second to the motion. The motion carried with all in favor.
- Communication to Owners regarding Email vs. Snail Mail: The Board of Directors voted on proceeding forth with the idea suggested by the HFC to send out a letter to all Owners, asking for them to participate, or otherwise, in receiving certain HOA related documentation via email instead of snail mail. Ms. Schneider made a motion to proceed with this mailer. Ms. Merzel made a second to the motion. The motion carried with all in favor.
- Contractor Rules for Working in the 535/555 Esplanade Building: The Board of Directors reviewed the revised proposed policy to be incorporated with all Board approved contracts and projects. Ms. Merzel made a motion to accept and incorporate the policy as presented. Ms. Schneider made a second to the motion. The motion carried with all in favor.

## **NEXT MEETING**

Monday, May 16, 2011, 6:30 PM.

## **ADJOURNMENT**

Meeting was adjourned at 8:24 PM.



Submitted by: Ellona Hess

### **EXECUTIVE SESSION**

The Board of Directors held an executive session to discuss pending violations and a legal matter.

**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](mailto:Ellona@scottmgmt.com); Mail: Scott Management Company, PO Box 3159, Torrance CA 90510-3159). Calls/correspondence should reference 555 Esplanade/Casa Bahia.