

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

**June 20, 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, June 20, 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 6:40 PM.

**BOARD MEMBERS PRESENT**

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

**BOARD MEMBERS ABSENT**

Frank Parker, Vice President.

**MANAGEMENT COMPANY REPRESENTATIVE(S) PRESENT**

Ellona Hess of Scott Management Company (SMC)

**CMS CONSTRUCTION** – Presentation on Sliding Glass Doors, Flashings, and Door Pans

Steve, of CMS Construction, attended the meeting at the Board's request to review in brief the importance of maintaining one's sliding glass door(s), flashing(s), and door pan(s). Should these items not be replaced, repaired and/or maintained as needed, the structural integrity of the building can be compromised, along with the allowance for water intrusion into the Unit. It was decided that the best approach to take to further proceed with this matter would be to arrange for individual inspections of each Unit. A project leader will be assigned to spearhead the inspections and resulting necessary efforts, tasks, etc.

**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 meetings, held on May 23, and June 06,

2011. Please see the attached copy of the minutes for these meetings, prepared and submitted by the HFC.

### **APPROVAL OF MEETING MINUTES**

Ms. Merzel made a motion to approve the May 16, 2011 and June 16, 2011 minutes as presented. Ms. Schneider made a second to the motion. The motion carried with all in favor. Copies of the approved minutes will be mailed to all Homeowners.

### **TREASURERS REPORT**

Ms. Schneider reported she reviewed the May 2011 Financial Report and no problems were identified; there are no requested changes or questions. Ms. Schneider noted that the expenses for the month were slightly over budget, and that the annual expenses year to date are over budget as well, but the special assessment monies should help make up for the difference. Ms. Merzel made a motion to accept the May 2011 Financial Report as presented. Mr. Tache made a second to the motion. The delinquencies are close to nothing. The motion carried with all in favor.

### **HOMEOWNERS FORUM**

- Unit #304 – John St. Rock: Mr. St. Rock advised that he could not find the meeting notice posted under Notices on the Association's website.
- Unit #620 – Edna Marinella: Ms. Marinella questioned where the meeting agendas are posted on the Association's website.
- Unit #302 – Dot Lee: Ms. Lee noted that there is a pink slip hanging on the mailboxes. The pink slip is believed to be for the new tenants living in Unit #205.
- Unit #315 – Mark Drale: Mr. Drale requested a status update on the pending repairs at Unit #517 deck.
- Unit #402 – Garth Gilpin: Mr. Gilpin requested that notices of special meetings be posted on the Association's website and/or distributed to the off-site Owners.

### **OLD BUSINESS**

- Building FHA Approval – Status Update: At the May 2011 meeting, the Board reviewed the list of "Outstanding Conditions for FHA Approval." The Board requested to have a more clear explanation on the items mentioned in this list. The Board approved a total spending

amount of \$200.00 towards fulfilling this list. Ms. Hess is to contact the Board if the expenses will exceed the \$200.00 budgeted amount. Ms. Hess reported that the items on the list that involved insurance matters were forwarded to the Association's current insurance agent for handling. The agent reported back that he updated the property's insurance certificate so as to be in compliance with all of the FHA requirements. Ms. Hess recently found out that the Bank of America representatives assisting the HOA with this approval no longer work with the Bank of America. Ms. Hess is working with the new representative assigned to this case to complete this approval process.

- Cost Saving Pilot Program, Letter to Homeowners re Email Address – Review Proposed Revised Letter: The Board reviewed the revised proposed draft letter, edited most recently by Ms. Schneider. The letter will now be mailed out to all Owners for review and fill out.
- Earthquake Insurance Policy Renewal – Status Update: A handout on this subject item was passed around to all Owners. Mr. Engle reviewed the printed slides, on the handout. The slides addressed the following topic items:
  - Earthquake Insurance Decision Steps.
  - Redondo EQ Zone and Likelihood of an Earthquake.
  - Selection of Insurance Carrier.
  - Insurance Coverage/Premium/Payout.
  - Individual Homeowner Financial Recovery Assistance.
  - Third Party Evaluation of QBE Insurance Company.
  - Variety of Opinions.
  - Next Steps for a Decision.

The next steps to be taken are to educate and *survey* the Homeowners and make an informed decision by July 19<sup>th</sup>. To educate the Homeowners, another special meeting will be scheduled. A presentation by Mr. Engle and Mr. St. Rock of the HFC will take place at the special meeting.

- Garage Driveway Entrance/Exit Repairs – Status Update: Mr. Schneider reported that the City Inspector found that the cross slope of the sidewalk right in front of the driveway, a 4 foot section, is off by 1/4 of an inch. The City is requiring that the sidewalk be re-poured, in order to be in compliance with ADA requirements. Mr. Schneider is working on trying to review this matter with ADA, but has not been successful so far in getting them involved to review the situation.

Should ADA not agree to get involved and/or not to agree to allow the 1/4 inch difference, Mr. Schneider is suggesting, at this time, that the Association bear half of the cost to break up the section of sidewalk and re-pour it. The contractor would bear the other half of the cost.

- Gas Connectors – Replacement Of – Status Update: As mentioned at the April 2011 meeting, Bert Meli Plumbing 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. Three additional estimates were collected. Per the Board's request, Ms. Hess will draft a letter, to be sent to each Owner, calling this safety concern to their attention and mandating that they replace their gas connector within a certain time period. If the Unit Owner already had their gas connector replaced, they will need to submit some sort of proof/certification, proving such.
- Handrail Replacements – Review Information/Quotes: Mr. St. Rock and Ms. Hess were working together on obtaining quotes to install railings for the West side of the property, for the stairs that lead from the backside of the property to the beach. The contractor that recently replaced City railings has been contacted as well. To date, one estimate, for a wrought iron type railing(s), has been submitted. The Board of Directors determined to table this project at this time, to be re-visited at a later date (when the fences and/or balcony railings are replaced). Mr. St. Rock advised that he will still pursue getting the estimate from the contractor used by the City for future reference.
- Hallway Renovation Project – Update from Committee: Ms. Merzel, member of this Committee, reported that the Committee members held two separate walkthroughs, and altogether met with about 7 qualified contractors. The Committee anticipates that at least 4 of the 7 proposals will be submitted by Wednesday. The Committee will review the proposals and submit a recommendation to the Board in time for the July meeting.
- 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 doors (2), beach side doors (2), and emergency exit doors

(2). To date, five proposals have been submitted. A vote on the proposals did not take place as there are still questions on the proposals that need to be answered by the bidding contractors.

- 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 Driveway and the Water Intrusion Projects (discussed earlier and 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 #319 – Plumbing Incident/Repairs – Status Update: The Board reviewed the revised proposed summary of resolution submitted by PW Stephens. The summary included the following provisions:
  - Removal and disposal of ALL wood flooring throughout Unit #319.
  - Agreement to wipe down the surface of the light weight concrete slab beneath the wood flooring in the areas of PW's responsibility if visible mold is found once the hardwood has been removed (bedrooms, bedroom closets, living room, hallway leading to the bedrooms and portion of the dining room).
  - Removal and disposal of agreed kitchen walls, as stated in the asbestos abatement proposal to ServPro of Culver City.
  - Payment to the HOA in the amount of \$5,289.75 to be applied towards the Assured Quality Woodcraft Estimate for the hardwood flooring work.
  - Touch up painting of damaged walls and baseboards throughout ½ of the dining room, living room hallway near bedrooms, bedrooms and closets in bedrooms.

Ms. Schneider made a motion to accept the revised summary of resolution. Ms. Merzel made a second to the motion. The motion carried with all in favor.

- Unit #517 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, previously

stated that he made contact with Ewell and is working on scheduling the repairs to take place. The scheduling of these repairs was further discussed in the Executive Session.

- Water Intrusion into G4 – Review Information/Recommendations and Proposals: Mr. Schneider reported 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.

## **NEW BUSINESS**

- 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. A quote for the replacement of the breakers has been requested from Moffitt Electric. The governing documents will be reviewed to ascertain who bears the responsibility of the replacement of the breakers.
- Jacuzzi Leak – Status update/Review Proposal(s) for Repairs: Mr. Schneider stated that the report from the leak detection company is still pending. The Association will most likely be presented with two repair options, depending on what the final results of the inspection are.
- Unit #s 520 and 620 – Review Proposal for Water Test: The Board reviewed the water test proposal submitted by Ewell Construction to identify the source(s) of water intrusion into Unit #520. The Board would like to have this included with CMS' inspection of all other Units and their balconies/patios.
- 15 Stack – Review Proposals for Plumbing Repairs: The proposal to provide plumbing repairs to the 15 stack was reviewed and discussed in the Executive Session. The Board reviewed a proposal submitted by Bert Meli Plumbing to replace cast iron piping in the ceiling of the gym where the cast iron has degraded and has rust holes in it. 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.

### **NEXT MONTHLY MEETING**

Monday, July 18, 2011, 6:30 PM.

### **ADJOURNMENT**

Meeting was adjourned at 9:05 PM.

Submitted by: Ellona Hess

### **EXECUTIVE SESSION**

The Board of Directors held an executive session to discuss pending violations, a legal matter, a proposal submitted for repairs to the 15 stack, and the outstanding repair work at Unit #517 deck.

**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.