

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

March 21, 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 21, 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 6:37 PM.

BOARD MEMBERS PRESENT

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

MANAGEMENT COMPANY REPRESENTATIVE(S) PRESENT

Ellona Hess of Scott Management Company (SMC)

PRESENTATION – ELISE GOLDMAN (Water Use Efficiency Specialist) of WEST BASIN MUNICIPAL WATER DISTRICT

At the request of the Homeowner Financial Committee and Board of Directors, Elise Goldman, Water Use Efficiency Specialist of the West Basin Municipal Water District attended the meeting, to review with the Homeowners who West Basin is (a wholesaler of imported and recycled water, servicing 1 million people in 17 cities, governed by a five person Board of Directors – which are each elected for a four year term by the people), where the water that they provide comes from (Northern California and the Colorado River), what reliability is, why there are reasons for future water problems (such as that the system is outdated – originally designed for 18 million but is now servicing 37 million as well as climate changes and growth of the population), what West Basin is doing to maximize conservation and recycling, where some of their water education centers and demonstration projects are located, and what interested Homeowners can do to help them in their efforts. Ms. Goldman also explained a currently available grant-funded program, which offers 1 free water efficient showerhead, 2 free bathroom or kitchen faucet aerators, 3 free compact fluorescent bulbs, and 2 free high efficiency toilets, with no costs for installation. This program is entirely free of cost to an interested Homeowner and “makes an enormous difference when it comes to water

and energy efficiency.” Mr. St. Rock will follow up with Ms. Goldman as to when the funding for this project will no longer be available. The information for this program will then be relayed to all Homeowners.

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 meeting, held on March 07, 2011:

- “Request that the HFC continue to meet independently and consult with the treasurer.” This request was approved by the Board at the February 2011 meeting. No further action required at this time.
- “Instruct Scott Management to prepare by 03/07/2011 the periodic project report as designed by the HFC and treasurer and give copies to the treasurer and HFC.” Ms. Coe reported that she worked with the treasurer to create two report forms. One form is to be completed and updated by the project manager of work in progress in the building, as well as a form for the treasurer to complete for each HOA meeting reflecting a summary and status of all work in progress within the building. These reports should be ready for Board review at the April or May meeting.
- “Authorize members of the HFC to acquire bids for fire and liability insurance and present them to the board for a vote before the current policy expires on *05/11/2011*.” This is a high priority item, as it is time sensitive. Homeowner Kara Gifford is leading this task for the HFC and is working with Mr. St. Rock, Ms. Hess, and the Association’s insurance agent for State Form to examine the policy and begin the process of obtaining competitive bids.
- “Authorize members of the HFC to discuss with the Empire Indemnity agent (our current earthquake insurance carrier) our questions about earthquake policies and procedures for claims payments, to pursue other research as appropriate on earthquake insurance, and to request a bid from them on our fire and liability insurance.” The current policy expires on *July 20, 2011*. The committee will be conducting research regarding this coverage with the goal of making recommendations to the Board and Homeowners as to the pros and cons of carrying such coverage, which is one of the high cost budget items. This information should be ready in time for Board review and consideration at the May meeting.
- “Agree to issue an invitation to the West Basin Water District to make a presentation at the March HOA meeting on possible ways to

reduce our water usage.” This was arranged by the committee and the representative, Ms. Goldman, attended the meeting. The approach on communicating this program to the Homeowners will be reviewed and decided on with the Board.

- “Authorize the management company to work with Offshore Maintenance to immediately implement a two-month test to only vacuum and/or sweep the entryways, lobbies, and decks. At the end of the two months, determine and compare water usage, cleanliness, and maintenance time savings with previous cleaning methods.” The Committee has decided to take no further action on this matter and has removed it from the HFC actions listing, based on the Board’s concerns about moving forward with and implementing these changes.
- “Authorize the development of the standard contract language (boiler plate) to eliminate or control cost overruns, ensure timeliness of completion and require inspection before the contract commences and after the contract services are completed prior to issuing payment of the invoice. “ The Committee will obtain a copy of the elevator service contract from the treasurer to review for possible boilerplate language to be used by the Board. Ms. Santini will work on collecting other similar types of boiler plate contracts for review and consideration by the Committee.
- “Authorize the HFC to receive monthly, after board approval, the income and expense report and a separate report of special assessments, giving the name of each project, expense allocations, monthly expenditures, and project total to date expenditures.”
- The HFC will be contacting The Gas Company and Bert Meli Plumbing to further explore the possibility of installing pilotless ignition to save on pilot lights burning continuously in all of the building’s fireplaces. Some issues that will need to be considered are how this can be accomplished, liability issues, and who would be responsible for the associated costs.
- The HFC will also be contacting Bert Meli Plumbing regarding the delay of hot water for Units in the complex, specifically the ones on the higher floors what could be done, if anything, to resolve this matter.
- The HFC contacted Ms. Hess and Ms. Schneider for a status update on the progress towards obtaining FHA approval for the building. Ms. Hess reported that she contacted Mr. Do, requesting confirmation that his review and analysis would come at no cost to the H OA – he confirmed that that was in fact true. Accordingly, Ms. Hess asked him

to send the list of documentation/information that he would need in order to complete the review. Scott Management prepared quite a comprehensive package, including all of the information and documentation requested, and did so at no cost to the HOA. Ms. Hess forwarded the package to Mr. Do and his associate. A response is expected within the near future.

- The HFC contacted Ms. Hess and Ms. Schneider regarding the idea of asking the Masonic Temple to allow the use of their parking lots during the driveway project.
- For information purposes only, the HFC notified the Board that there may have been some information missing from what was given to the Homeowners concerning the driveway access project.
- The HFC has moved onto their “hot items” list the issue of savings on bulk mailings to Homeowners. The Schneiders have already initiated this project and have gathered some information and written a draft letter to the Homeowners for HOA Board review. The HFC highly recommends immediate Board action on this issue. The HFC also recommends giving all Homeowners the option of receiving allowed communication via email or via hard copy, as not all Homeowners have access to a computer and/or email.
- The HFC is aware that a resident of the complex misrepresented themselves as being a member of the Committee to a contractor used by the Association. The Committee would like a reprimand letter sent to this person.

APPROVAL OF MEETING MINUTES

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

TREASURERS REPORT

Ms. Schneider reported that she just received a copy of the February 2011 financial report and is not prepared to report on it at this time. Ms. Schneider clarified that the reason why the report was submitted late was because Scott Management had hoped to have all of the requested changes to the financials completed in time for the report. They are still working on it and the changes should be ready in time for the March report. Ms. Merzel made a motion to differ the review and acceptance of the February report until the March meeting. Dr. Parker made a second to the motion. The motion carried with all in favor. Ms. Schneider did note that during her preliminary review, she did not notice anything unusual in the

financials.

HOMEOWNERS FORUM

- Unit #619 – Harriett Hollis: Ms. Hollis questioned whether or not she should contact The Gas Company directly to arrange for a gas connector inspection, or should she wait for another group effort. Ms. Hollis also requested that the Board consider installing railings on the steps from the Units to the beach.
- Unit #620 – Edna Marinella: Ms. Marinella relayed what happened to her vehicle during the flood that happened on Friday, the 18th. Ms. Marinella requested that should something like this happen again in the future, that she be notified immediately to come and remove her vehicle, so that she can mitigate damage to her car. The Board requested Ms. Marinella to report any permanent damage to her car so that it could be included in the claim for the damage done in the affected Units. Ms. Marinella recommended having the ceiling area about her parking space checked to make sure that there is no threat of pieces of it coming down, as it was saturated during the flood.
- Unit #315 – Mark Drale: Mr. Drale reported that during the recent heavy rains, his Unit leaked again, in the same area as it did last March, and for the past several years. Mr. Drale requested a status update on when this will be addressed.
- Unit #302 – Will and Dot Lee: Mr. Lee requested improved efforts in the management of communication to Homeowners regarding Association related matters and building projects. Ms. Lee reported that the last two Mondays the jacuzzi foamed up. Ms. Lee questioned whether or not there were any regulations in place for replacing rollers on sliding glass doors/screen doors. Ms. Lee advised that there is a crumbling portion of wood on her patio and would like the area to be looked at, and possibly filled with caulking, to prohibit pests from entering. Ms. Lee requested that more preparation work be performed in advance of the driveway project so that all Homeowners and residents are aware of the project and what it will entail.
- Unit #304 – John St. Rock: Mr. St. Rock questioned whether or not there were rules and instructions written up about how to turn the water off for the building.
- Unit #307 – Dianne Merzel: Ms. Merzel advised that she does not have any storage capability in one of her two parking spaces. She requested Board permission to use the plans for allowed storage units for her parking space 128, and to adapt the plans exactly as

they are written. Ms. Merzel requested permission to build a similar type unit, but smaller, for her parking space 127 so that the fire hose will remain as readily and as easily accessible. Both of Ms. Merzel's requests were approved by the Board. Ms. Merzel advised that she would like to proceed with installing necessary flashings under her sliding glass doors but would first like to know if this project will be communicated to all the other Homeowners, so that a group project can be initiated.

- Unit #109 – Mary Lee Coe: Ms. Coe stated that her new neighbor, Ms. Jane Harris of Unit #108, is looking to switch two of her parking spaces on G4 for one parking space on G1.
- Unit #303 – Alex Burishkin: Mr. Burishkin questioned whether or not the Board was obtaining a better response when taking email votes outside of a Board Meeting.

OLD BUSINESS

- Building FHA Approval – Status Update: This item was discussed under the Financial Committee report.
- Garage Driveway Entrance/Exit Repairs – Status Update: Mr. Engle thanked Mr. Schneider on behalf of the Board for all of his time and effort contributed towards this project. Mr. Engle reported that the Association is due to go forward with the project. Homeowners will receive a minimum of 2 weeks notice before the project will begin. A date has not been set yet. Letters will be slid under each resident's doors, letters will be mailed out to all Off-Site Owners, and phone calls will be placed to specific Homeowners/residents of concern. Ms. Lee will assist with making these phone calls and providing the list of people that should be contacted. One half of the driveway will be worked on at a time. Homeowners will be asked not to use the driveway between 9 AM – noon and between 1 PM – 3 PM, 5 days a week, while the project is taking place. The workers will be on site from 8 AM – 5 PM every day and the project should be done within 3 weeks or less. If a Homeowner must leave during the above mentioned times, they will be able to, but, it will mean that the project will need to be stopped and the crew men will need to move out of the way. Should this happen more frequently than not, the project will most likely take longer to complete. Ms. Merzel made a motion to approve the letter put together by the Chair of this project, to be sent to all Homeowners with notification about and information on the project. Dr. Parker made a second to the motion. The motion carried with all in favor.

- Handrail Replacements – Review Information/Quotes: Mr. St. Rock reported that the Committee has obtained a couple of quotes for the handrail replacements but that the Committee at this time is considering tabling 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 will work together on reviewing the request put forward by Ms. Hollis in regards to installing railings on the west side of the property, for the stairs that leads from the Units to the beach.
- Hallway Renovation Project – Update from Committee on First Task (Temporary Carpet Cleaning): Ms. Merzel, member of this Committee, reported that the first task that the Committee is working on is visiting the idea of whether or not the carpets should be cleaned at this point in time. One specific concern being reviewed is whether or not the experts feel that they will be able to lift the stains on the carpets. Ms. Merzel stated that she met with Mr. Jeff Pucci of Stanley Steemer. Mr. Pucci felt that he could not lift the stains on the carpet. He would be able to clean the carpets, and submitted an estimate of approximately \$1,000.00 to perform that service. Mr. Pucci would be able to assist the Committee with reviewing ideas and costs for carpet replacements as well as implementing a maintenance plan to be followed once the carpets are replaced. Ms. Merzel advised that she visited one of the neighboring buildings, The Surfrider – 565 Esplanade – to review what they did during their renovation project, completed approximately two years ago. The Committee will work on obtaining estimates for addressing hallway renovation line items, including the possibilities of painting, wallpaper, carpet, new doors, and the popcorn ceiling.
- Inspection of Gas Connectors – Status Update: Ms. Schneider stated that 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. Bert Meli also recommended considering the idea of having pilot lights replaced with pilotless ignition (as mentioned under the Financial Committee Report). Bert Meli will need to dismantle one and get the information from the “build plate” and “control valve” in order 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. Dr. Parker has volunteered his Unit for this procedure. Once this has been accomplished, and a proposal, if the conversion is possible, is submitted by Bert Meli, at least two other proposals from other plumbing companies for the two different jobs will be obtained for consideration.

- Maintenance Responsibility Matrix – Review Ideas: This project is in progress.
- Roof Access Doors- Review Estimate(s) for Replacements: Proposals have been requested to replace the roof access door on each side of the building. To date, one proposal has been submitted.
- Roof Flashing Repairs – Review Estimate: The Board reviewed the estimate submitted by Barnett Roofing for roof flashing repairs. The cost for the repairs will be \$10.00 per lineal foot, and the roofer estimates that there will be about 40 feet worth of repairs. Ms. Schneider made a motion to approve the estimate. Ms. Merzel made a second to the motion. The motion carried with all in favor.
- 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 of Directors reviewed the flooding incident that took place on Friday, March 18, 2011, while a sub-contractor (PW Stephens) to the contractor (ServPro) was performing asbestos abatement in Unit #319. The Board of Directors would like a demand placed against ServPro that they tender a claim immediately to their insurance company for losses incurred in all of the affected Units and areas. It was noted that ServPro changed the scope of work, for the remediation work, without Board approval.
- 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 in March or early 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. Mr. Schneider questioned whether or not the Board would

like a permit obtained for this job. Ms. Merzel will contact a neighboring complex, on the Esplanade, who performed a similar type of project, to find out if they obtained a permit, and if so, what did that entail.

- 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:*

- The problem with the entryway door and intercom system was reported as “fixed” at the January 2011 meeting. At the February meeting, a couple of Board Members, along with several Homeowners in attendance, advised that they have recently experienced trouble with the doors, both on the 535 and 555 sides. The Board would like for Ms. Hess to contact RMS directly about this problem, as opposed to reporting the problem to Mr. Mahoney, who is no longer affiliated with RMS.

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

- The project is close to completion. The waterproofing is complete and the crew is ready to put down the railing bases. They are waiting for dry weather in order to do this. There are approximately 10 more working days before the project is finished.

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

- Emergency Doors – Review Estimate(s) to Replace: 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.
- Maintenance Contract for Vehicle Gate – Review: The Board reviewed the proposal submitted by Marina Security Gate, to perform monthly or quarterly service to the vehicle gate. The Board of Directors would like Marina Security Gate to advise of the pros of

having such a maintenance contract in place.

- Annual Fire Alarm Test – Review Proposal: During the Executive Session, the Board of Directors reviewed the proposal submitted by Southland Fire to perform the annual test to the fire alarm system. The contract was approved.
- Jacuzzi Signs – Replacement of Missing Signs: During the Executive Session, the Board reviewed Ms. Schneider's presented written document, dictating which signs are still hanging in the jacuzzi area, which signs need to be ordered and installed, and which signs in the stairwell areas need to be replaced because the current ones state incorrect information. The Board of Directors approved Ms. Schneider moving forward with all of the replacement signage.

NEXT MEETING

Monday, April 11, 2011, 6:30 PM.

ADJOURNMENT

Meeting was adjourned at 8:42 PM.

Submitted by: Ellona Hess

EXECUTIVE SESSION

The Board of Directors held an executive session to review a contract for fire alarm testing, a proposal for replacement signage, to further discuss the flood that happened on March 18, 2011 and a policy that would be in place and re-implemented in regards to contractors entering the building on behalf of the Association, as well as 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; Mail: Scott Management Company, PO Box 3159, Torrance CA 90510-3159). Calls/correspondence should reference 555 Esplanade/Casa Bahia.