

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

**May 16, 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 16, 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 6:36 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)

**HOMEOWNERS FORUM**

- Unit #302 – Dot Lee: Ms. Lee thanked Ellona for sending out copies of the March 2011 minutes in a larger font. Ms. Lee stated that she has questions regarding the driveway project and the insurance policy renewal. She will bring these up during the discussions that will take place under Old and New Business.
- Unit #503 – Patty Cutten: Ms. Cutten stated that she had two of her Unit's toilets replaced with the more water efficient ones and they work great.
- Unit #619 – Harriett Hollis: Ms. Hollis thanked the Board for having the scaffolding on the Northwest side of the property removed, as well as the porta-potty previously located at the entrance of the 535 building.
- Unit #304 – John St. Rock: Mr. St. Rock advised that he read through the hand-out regarding the hallway renovation project after the April 2011 meeting. Mr. St. Rock expressed his opinion regarding the importance of only using high quality products and on not replacing things that do not really need replacing, such as door hardware and doors. Mr. St. Rock reported that the North Side, 555 Beach Door, needs repairs.

## **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 April 11, April 25 and May 09, 2011. Please see the attached copy of the minutes for these meetings, prepared and submitted by the HFC.

Mr. St. Rock noted that the fifth member of the Committee, Mr. Larry Carpenter, is not an active member, leaving one spot for any interested Homeowner. It was noted that Mr. Ed Ring might still be interested in participating. Mr. John Tache will check with Mr. Ring to confirm if he would still like to volunteer his time and services.

### **APPROVAL OF MEETING MINUTES**

Ms. Merzel made a motion to approve the April 11, 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 distributed to all Homeowners.

### **TREASURERS REPORT**

Ms. Schneider reported the new format for the Association's accounts, expenditures, etc. was included in the April 2011 Financial Report and it looks really good. No problems were identified. There are some things that should be reallocated for the Reserve Account. Ms. Schneider made a motion to accept the April 2011 Financial Report as presented. Ms. Merzel made a second to the motion. Mr. Engle questioned what charges were categorized to Office Expense/Supplies, as that line item's budget to date is over the budgeted amount. Ms. Hess will send this information to the Board. Ms. Schneider noted that the Association's expenditures are within the budget, slightly under at this time. The delinquencies are close to nothing. The motion carried with all in favor.

### **OLD BUSINESS**

- Building FHA Approval – Status Update: The Board reviewed the list of "Outstanding Conditions for FHA Approval." The Board would like to have a better idea/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.

- Cost Saving Pilot Program, Letter to Homeowners re Email Address – Review Proposed Letter: The Board reviewed the revised draft letter, edited most recently by the HFC Committee. Ms. Schneider noted some grammatical and margin changes to the presented document. The Board appointed Ms. Schneider to represent the Board in dealing with the HFC Committee Chair and Ms. Hess regarding this letter. The Board would like the letter mailed out as insert with the July statements.
- Garage Driveway Entrance/Exit Repairs – Status Update: Mr. Schneider reported he received a call today from Simich Construction. Simich Construction is concerned about the rain in the forecast and the liability that has now surfaced for his crew to be working the project. The contractor does not want to take the risk and therefore has delayed the start date of the project by one week. Clarifications were made regarding the notices that were posted in the building, mainly, that the driveway will never be shut down entirely. Access is allowed from 3 PM – 9 AM the next morning every day, as well as from 12 PM – 1 PM every day, except for four pour days. New signs and new notices will be made up regarding the new project dates. Mr. Tache will arrange for the notices to be posted and for the notices to be hand-delivered to all residents. Mr. Tache will do the same if the dates change once again. Mr. Tache will notify the Fire and Police departments regarding this project. Mr. Tache will go down to the Elk's Club to review the project with them and find out if their parking lot can be used by Casa Bahia residents on the 4 days that the 12 PM – 1 PM will not be available. Mr. Tache will also confirm with a Parking Officer that the red spaces outside the building can be used by Casa Bahia residents during the 4 pour days. Mr. Schneider will keep the HOA's website updated with the project schedule. Ms. Hess is to contact the Association's regular service vendors and notify them about this project. Ms. Marinella's parking space will be used for staging purposes by the work crew.
- 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. Two additional estimates are pending. Ms.

Coe, of Unit #109, volunteered her Unit for the estimators to come by and inspect her fireplace for the purpose of submitting this proposal.

- 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. The contractor that recently replaced City railings has been contacted as well. Estimates should be ready in time for Board review and consideration at the June meeting.
- 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 6 qualified contractors. During the walkthrough, the Committee and attending representatives reviewed the list of items that they would like to possibly include in this project. The contractors will submit an “a la carte” style proposal so that items can easily be included/not included in the project, based on the budget set aside for this.
- 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: At the April 2011 meeting, 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. At the time of the April meeting, one quote had been submitted to do the above mentioned two different projects, by a contractor suggested by PW Stephens. Two other flooring contractors were since contacted on behalf of the Association and those estimates were submitted and presented to the Board for review. The Board reviewed the proposals. Ms. Schneider made a motion to accept the proposal submitted by Assured Quality Woodcraft. Ms. Merzel made a second to the motion. The motion carried with all in favor. At the April 2011 meeting it was further noted that the Homeowner of Unit offered to take care of the replacement of the cabinet boxes, at his sole cost.

- 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, previously stated that he made contact with Ewell and is working on scheduling the repairs to take place. The Homeowners of Unit #517 requested that this be further discussed in the Executive Session.
- 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, is in the process of being scheduled, now that the scaffolding for the Northwest Balcony Project has been removed. The contractor has been contacted with a request for a revised contract because the 60 day time period for it has since expired. The contractor will provide Mr. Schneider with all information needed in order to prepare the technical specifications for the project, to be submitted to the City of

Redondo Beach for approval and a permit.

- 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 contacted the Owner of RMS regarding the continued problems reported with the 535 entryway directory intercom system and door. The Owner advised that Mr. Mahoney, previously an employee of RMS, has been to the property approximately 40 times in the last month or so and has not experienced any difficulty using the entry system. The Owner stated that the entry system and/or front door system may need maintenance every so often. He suggested that the subcontractors who installed the entry system and front doors be contacted for any maintenance, but that the Association should expect to be billed for such service calls.

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

- The project is complete and has been signed off. The scaffolding has been removed.
- A discussion took place regarding a problem pointed out to a Board Member and Chair of the HFC Committee regarding the need to replace sliding glass doors and door pans, to prevent water intrusion and resulting damage to the structure of the building. The Board would like Ms. Hess to contact the Owner of CMS to see if he is available to attend the next Board Meeting to discuss this topic.

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**

- General Liability Insurance Policy Renewal – Status Update: Ms. Schneider made a motion to ratify the vote that was taken outside of a Board Meeting, via unanimous written consent, in regards to the

general liability insurance renewal (purchase of a policy with Sequoia Insurance through LaBarre/Oksnee Insurance). Dr. Parker made a second to the motion. The motion carried with all in favor.

- Earthquake Insurance Policy Renewal – Review Information/Recommendation Submitted by the HFC: A lengthy discussion was held regarding this subject. The HFC requested that all requests for additional information and questions on the report prepared by the HFC from the Board be submitted as soon as possible, in writing, so that the HFC can work on obtaining answers and the additional information. The HFC is suggesting that a ballot be sent out to all Homeowners with a vote on whether or not the Association should continue to carry this policy. A suggestion was made to hold a Special Meeting when this topic can be openly discussed by all interested Homeowners, before any ballot/survey is sent out. In the meantime, the Board requested that Ms. Hess find out what, if any, the penalty would be should the Association decide to renew the policy and cancel it before its term is over.

## **NEXT MEETING**

Monday, June 20, 2011, 6:30 PM.

## **ADJOURNMENT**

Meeting was adjourned at 8:32 PM.

Submitted by: Ellona Hess

## **EXECUTIVE SESSION**

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