

**CASA DEL MAR HOMEOWNERS ASSOCIATION
FEBRUARY 16, 2019 ANNUAL HOMEOWNERS MEETING FOR 2018 ACTIVITIES
AND AGENDA FOR 2019 ACTIVITIES**

1. CALL MEETING TO ORDER

- a. Meeting called at 10:05 am by Jaymian Milner, VP.
- b. Following Casa Del Mar homes were represented in the meeting: 505, 559, 523, 545, 539, 533, 521, 555, 528, 534 and 535.
- c. Four of the five board members were present, including VP Milner, Secretary Edwards, Treasurer Craig, and Member at Large (MAL) Tiwana. 2018 President Gustavo Beltran absent.

2. REVIEW AND APPROVAL OF MINUTES OF 2018 ANNUAL HOMEOWNERS MEETING

- a. Motion made to ratify the minutes as written by K Tiwana. Second by R White, motion passed.

3. OLD BUSINESS

- a. REVIEW OF 2018 FINANCIAL STATEMENTS by Chelsi Craig (Treasurer) & Lynn Singer (bookkeeper). Balance Sheet, Profit & Loss, Income and Expenses statements, Savings and Banking Accounts.
 - i. See copy of all documents in the Documentation section of www.sansimeoncdm.com. One omission at the meeting was the Balance Sheet details, which will be provided electronically by Lynn Singer, CDMHOA Accountant. **ACTION: LYNN SINGER TO PROVIDE DOCS TO SECRETARY.** [After the meeting, documents were provided by our accountant, and are posted on the website.]
- b. REVIEW OF 2018 HOA INSURANCE COVERAGE by John Farrar, Farmers Insurance.
 - i. As Mr. Farrar was involved in accident and unable to attend, Secretary Edwards provided only a summary of current HOA coverage. Current cover for Buildings is \$7,102,300, with extended replacement cost to Farmers at maximum of 150% of this amount. Directors and Officers Malfeasance cover is \$2,000,000 and General Liability is \$1 million/\$2 million. HOA has Cover for Cyber Liability of \$50,000, Sewer Backup of \$500,000, and a single incident deductible of \$5,000. We did not have any Umbrella Liability cover at beginning of 2018, but added a \$3 million policy later in 2018, at additional premium of \$1,201. Total premiums

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for these HOA covers are \$12,669. All details of the summary, as well as the policy can be viewed at www.sansimeoncdm.com. Also posted are the new insurance documents for 2019.

- ii. **ACTION: By Farmers Insurance to provide written summary explanation of “wall-in cover”, as well as difference between Backup of Sewer and Flood Insurance and other clarifications, to be included on above website.** [Provided after the meeting and posted on the website. See item h. under Any Other Business, this report.]
- c. ONGOING 2018 HOA REPAIRS TO FACILITIES by Curtis Mitchell (Chairman, Repairs and Maintenance Committee).
 - i. Curtis gave summary of 2018 repairs to several chimneys and roof caps made by Empire Construction and detailed their unsatisfactory workmanship. Agreed to find another contractor to reinstate and repair Empire work not done correctly, and to go after Empire Construction for restitution. **ACTION: CURTIS TO PROVIDE LIST OF UNSATISFACTORY REPAIRS TO MAL TIWANA, WHO IS TO DRAFT LETTER TO EMPIRE GIVING NOTICE TO PURSUE RESTITUTION.**
 - ii. Discussed need for expedited revision of prior Empire works for units 545 and 555, including use of local contractor Valente to carry this out. Motion made by White to hire Valente without multiple bids, seconded by L. Mackey, passed. **ACTION: CURTIS TO ESTABLISH SCOPE WITH VALENTE, OBTAIN QUOTE AND CARRY OUT WORK SOONEST.**
 - iii. Discussed pros, cons and HOA risks to using local and capable insured contractors THAT DO NOT HAVE HOA-LEVEL INSURANCE COVERAGE to do future HOA repairs. No motion made at this time to authorize R&M committee to do so. **ACTION: HOA BOARD TO TAKE UP THIS MATTER AT NEXT BOARD MEETING.**
- d. WEBSITE AND FUTURE HOA CORRESPONDENCE by Ron Edwards (Secretary)
 - i. All future administrative correspondence will be conducted between HOA and homeowners by use of the www.sansimeoncdm.com website. Exceptions will be made to this rule for those not having access to the website, wherein communication through USPS will continue.

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- e. SWALLOW INVASION REMEDIES by Vicki Garagliano (Homeowner)
 - i. Neither Ms. Garagliano nor her representative were present. General discussion ensued. Decision made to take no HOA action, and insofar as no further information was available, each homeowner will individually seek their own solutions for this messy and continuing annual problem.
- f. LANDSCAPING EFFORTS IN 2018 (Nora Saenz and Ron Edwards)
 - i. Efforts were made to secure three bidders to develop scope to improve the natural landscaping currently at the East and West extremities of the front entrances of our property. Only one (Ecotones) met with us and gave an indicative quote (but not a proposal) of about \$5,000 to improve the aesthetics of these locations. As HOA has higher priorities at this time, no further action has been taken.
 - ii. While on this topic discussion ensued about the defined work scope for existing gardeners (owner Rogelio Salas). R White is to draft letter to our gardener, send it to Secretary for transmission. HOA Secretary is to review his files to determine if a written work scope was ever developed. **ACTION: R. WHITE AND HOA SECRETARY.** [After the meeting, digital files were searched and two inconclusive documents regarding Salas Gardening were found. Summary info was passed by 2018 Secretary to R. White.]

4. NEW BUSINESS

- a. ELECTION OF OFFICERS & COMMITTEE APPOINTMENTS FOR 2019 (Jaymian Milner, Vice-President)
 - i. Motion made by K Tiwana to elect J. Milner as new president, 2nd by L Mackey, motion passed
 - ii. Motion made by R Edwards to elect C Semonian (557) as new vice-president, 2nd by Tiwana, motion passed.
 - iii. Request by existing Secretary Edwards to withdraw from HOA Board after three years, due to family health problems. Motion made by R White to elect Tina White as new Secretary, 2nd by Tiwana, motion passed.

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- iv. Treasurer C. Craig and Member-at-Large K Tiwana agreed to continue in their respective positions for coming year.
- v. Committee appointments were made as follows:
 - 1. BUDGET: C. Craig-Chair, Linda Mackey
 - 2. REPAIRS & MAINTENANCE: Curtis Mitchell-Chair, K. Tiwana, Sharon Shore.
- b. PLANNED 2019 HOA BUILDING REPAIRS (Curtis Mitchell)
 - i. Discussion on this topic ensued. **It was agreed the budgeted work scope would be as defined in the October 14, 2018 Board meeting, i.e. to remove/replace all exterior siding on the Central building which faces the ocean.** Quote from the Board minutes follows: “Decided the central building housing units 526-534 was in worst shape and decided to ask for quotes to replace all siding on sea-facing side of that building with vertical lap Hardie Board.” See Minutes of October 14, 2018 CDM HOA Board meeting which is posted on HOA website for full details.
- c. PLANNED 2019 TERMITE INSPECTION OF ALL ATTICS & FOUNDATIONS (Curtis Mitchell & Ron Edwards)
 - i. Discussion ensued as to details for upcoming termite inspection. Quote from a recent report from R&M Chair Mitchell was included in the October 14 HOA Board meeting minutes. That quote follows: “Key Termite will do the condominium termite inspection for free. First issue, probably the exterior inspections could manage with a little coordination of communicating with tenants/residents de to entry into some of the ‘back yard’ areas may be more difficult than others. Second issue of the attic paces, I learned and assume there are common walls between each condo unit, because after meeting with Key Termite their employee checked my attic access and that’s how mine is. Logistically speaking the entire inspection process is expected to take two or three days. It would be preferred that the entire inspection process be completed with as few trips by Key Termite as possible. I’m open for input and experience.” See Minutes of October 14, 2018 CDM HOA Board meeting, on HOA website for full details.

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- ii. It was decided the Repairs and Maintenance Committee would generate a schedule and Secretary will send notice to all Home Owners of that schedule, particularly as regards access to the unit and attic spaces. **ACTION: R&M COMMITTEE TO GENERATE A SCHEDULE WITH KEY TERMITE, SECRETARY TO TRANSMIT THAT SCHEDULE TO ALL HOME OWNERS.**

d. PLANNED HOA PARKING LOT REMEDIATION (Curtis Mitchell and Ron Edwards)

- i. Reference made to October 14 HOA Board minutes, discussion ensued. Quote from those minutes follows: “The Board observed that 2016 hot oil cover, patch and repair work is failing in many places, resulting in exposed old asphalt, loose sand and asphalt particles, and some open cracks. While it was deemed OK to use these facilities in near-term, **Board will obtain bids in next two or three months to replace or upgrade the existing asphalt. Options include:**

1. **Replace asphalt in kind with new and remix sand and asphalt;**
2. **Replace asphalt with pavers throughout;**
3. **Replace asphalt with part pavers and part asphalt surfaces;**
4. **Replace asphalt with parking lot grade concrete.**

It’s anticipated the cost for this work, depending on the options, will be \$100,000-\$200,000, which will mandate an assessment to all the unit owners. As a guide, a \$100,000 assessment to owners paid to the HOA over two years would require an additional \$135 per month per unit. A construction loan from our current bank could cost about \$10,000 in interest, adding another \$15 per month per unit over the same period.”

- ii. Discussion reduced the above to the first 3 options, as conventional concrete does not perform well over long periods of exposure to salt and sea air. R&M Committee has already obtained quotes (but not firm proposals) from 2 contractors, one with all pavers and one with all asphalt.

- III. **ACTION: IT WAS DECIDED TO DIRECT THE R&M COMMITTEE TO REVIEW AND REFINE THOSE QUOTES INTO FIRM PROPOSALS, TO INCLUDE THE #3 OPTION OF PART PAVERS AND PART ASPHALT (LARGE PARKING LOT WEST OF THE**

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**CENTRAL BUILDINGS). HOA BOARD ACCEPTED THAT ONLY TWO
CONTRACTORS NEED TO BE ASKED TO PROVIDE FIRM PROPOSALS FOR THE
ABOVE THREE OPTIONS.**

- e. REVIEW OF HOA BUDGET OPTIONS IN LIGHT OF POSSIBLE REPAIRS/REMEDIATIONS (Chelsi Craig and Ron Edwards)
 - i. While this topic was not covered in the HO meeting, Treasurer and Secretary developed some assumptions as to incremental HO dues in event debt between \$100,000 and \$200,00 is required to effect the aforementioned remediations/repairs. For instance, to incur such loans would add between \$100/month and \$200/month to our existing HO association dues over a 36-month period.
 - ii. **ACTION: BUDGET COMMITTEE TO WORK WITH FIRM PROPOSALS RECEIVED FROM R&M COMMITTEE TO ACCESS BANK LOANS COVERING THESE EXPENDITURES. RESULTING COSTS MAY REQUIRE A SPECIAL ASSESSMENT TO HOME OWNERS.**
- f. HOA PROPOSED PARKING RESTRICTIONS (Karina Tiwana)
 - i. The meeting reviewed and discussed a draft proposal for parking restrictions which essentially provides each HO with one permit for outside parking, to be used as each see fit, within restrictions of the final proposal. Modifications to the draft, restrictions and potential fines were discussed.
 - ii. Motion was made by T White, 2nd by C Craig to adopt draft as written pending formal amendment to CCRs. Motion passed. The rules are in place forthwith, and enforceable per the vote.
 - iii. **ACTION: MAL TIWANA TO FINALIZE MOTION AS MODIFICATION TO CURRENT CCRs, AND PRESENT IN SUBSEQUENT BOARD MEET. SECRETARY TO POST NOTICE OF NEW RESTRICTIONS, AND ENFORCEABLE IMMEDIATELY NO DOUBLE OUTSIDE PARKING. REFERENCE EXISTING CCRs SECTION 7.7.3.**
- g. PERMIT APPLICATION FOR NEW BUILDINGS ON ADJACENT PROPERTY (Randy White)
 - i. Board received draft letter from HO R White referencing recent application to San Simeon Community Services District by one of our adjacent property owners, seeking water permitting as part of the process for new building.

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Implementation could negatively affect our property values. Board was asked to post this letter to all HO for their information. This was agreed by all present.

**ii. ACTION: SECRETARY TO POST SUBJECT LETTER ON OUR WEBSITE, AND
OTHERWISE NOTIFY HOs AS NECESSARY.**

h. ANY OTHER BUSINESS

- i. Subsequent to the meeting, John Farrar, our Farmers Insurance agent, sent several documents concerning our Master Association 2019 policy. He wanted home owners and the HOA to know what “walls-in coverage” means, along with other clarifications. Quotes from his document entitled HOA Important Notice follow: “We have the total living square footage as 34,000 and 9,765 square feet of garages, within 5 buildings, 31 units. This means you are insured for about \$325 per square foot.”
- ii. He also points out that the master insurance policy deductible is currently \$5,000. In most cases any owner making a claim for property damage will be responsible for the first \$5,000 in damages. The master policy covers the structure including permanently attached interior and exterior fixtures (counters, sinks, cabinets, but not fridges, stoves, etc.) The master policy does not cover personal belongings and liability, additional living expenses or loss of rents. This important notice to all unit owners also goes on to describe earthquake coverage and deductible responsibilities that would fall to Home Owners. You are strongly urged to read the complete insurance letter and other current insurance documents on our website. Show this to your personal insurance agent to make sure you are covered to the level you require.
- iii. No other business was brought up to the general meeting of HOs and HOA Board

5. MOTION TO END MEETING

- a. MOTION MADE TO ADJOURN MEETING MADE BY T WHITE, 2ND BY L MACKEY, MOTION PASSED. MEETING ADJOURNED 12:10 PM.