

HACIENDA CARMEL COMMUNITY ASSOCIATION
MINUTES OF THE REGULAR MEETING OF THE
BOARD OF DIRECTORS
Thursday, February 25, 2021
Via ZOOM

PRESENT:

Mr. Rex Young, President & Director
Ms. Linda Mullally, Vice President & Director
Mr. Art Sutton, Treasurer & Director
Mr. Tom Marshall, Corporate Secretary & Director
Ms. Fran Baca, Director
Mr. David Delwiche, Director
Ms. Judi Lehman, Director
Ms. Connie Winners, Director
Mr. Sam Womer, Director
Mr. Robert Hedberg, General Manager
Ms. Jeanne Mileti, Recording Secretary

23 members attended the open meeting via ZOOM.

1. **CALL TO ORDER:** Following one comment from a member regarding agenda items, the open meeting was called to order at 10:19 a.m. by Rex Young, President.

2. **APPROVAL OF MINUTES:** The Board considered the minutes of the January 28, 2021 regular Board meeting. Mr. Young had a correction on Page 2, “Water Line Repairs.” Mr. Young would like to change “the 8” line coming in *over* the bridge” to “the 8” line coming in *under* the bridge.” Mr. Sutton made a motion to approve the minutes with the correction. Mr. Marshall seconded the motion which carried unanimously.

The Board considered the minutes of the February 4, 2021 workshop on the Governing Documents. Ms. Baca made a motion to approve the minutes as submitted. Ms. Mullally seconded the motion which carried unanimously.

3. **PRESIDENT’S REPORT** The Board met in Executive Session at 8:30 a.m. Mr. Young reported that the Board held discussions regarding two contracts and took action on both. They also discussed two member issues and the new doctor. The Board held a workshop on some late changes to the Governing Documents on February 4th. They went back to the attorney again and the Board needs to meet to discuss the final changes on March 3rd. At that same workshop meeting the Board will, along with the Finance Committee, discuss the first draft of the budget for fiscal year 2021-2022. The workshop meeting will start at 2 p.m. and the Board will meet in Executive Session again at 1 p.m., before the open meeting.

Correspondence consisted of two letters from Alexandra James, both regarding the Reserve Fund (and expenses). There was a letter from Jeff Becom and Sally Aberg

PRESIDENTS REPORT, continued

regarding ongoing problems with the plumbing in their area. Ms. Mullally suggested that in response to this letter the Board direct management to compose a letter to all unit owners, letting them know that if they or their caregivers/housekeepers flush disposable wipes, paper towels, etc., they will be responsible for the backup in their unit, as well as in adjacent units. She suggested the section in the CC&Rs regarding this be cited. Mr. Young directed the General Manager to do so.

There were two letters – one from Marie Eason and one from Wendy Bates – thanking Mr. Hedberg and the Board for setting up the vaccination clinic here with VNA. And there was correspondence from the Monterey Peninsula Water Management District regarding a fine they imposed on Hacienda Carmel for wasting water. Hacienda Carmel provided them with documentation and the letter from them states that they were wrong and will drop the fine, and in the future, they will address any usage questions directly to the association's General Manager.

All letters to the Board are posted by administration on the association's bulletin board following the Board meeting. They are removed before the next Board meeting. Letters posted by individuals are likewise removed. Mr. Young asked that members refrain from posting letters on the Bulletin Board.

Mr. Young recommended association member Michael Zarefsky to serve as Chair of the Nominating Committee for the election to be announced in June. He asked for other recommendations and, hearing none, appointed Mr. Zarefsky to the position. Ms. Mullally made a motion to approve the appointment. Ms. Winners seconded the motion which carried unanimously.

4. **OCCUPANCY APPLICATIONS:** There were no applications this month.

5. **GENERAL MANAGER'S REPORT: Robert Hedberg, General Manager**

- **Sales/Rental Activity:** Mr. Hedberg reported that there are currently six units listed for sale, five of which are in contract, pending sale. Fiscal year-to-date (since May 1, 2020) there have been nineteen sales.

The number of units rented remains at thirty-nine, leaving thirty-six available slots. There are currently 58 people on the waiting list, none of whom wish to rent their units at this time. Mr. Hedberg asked the Board to agree to a blanket letter to all fifty-eight people currently on the list to let them know that there are thirty-six spots available and anyone who wishes to rent should let the office know. The Board consented.

- **Miscellaneous Projects:** The heavy rains last month revealed several areas that required significant drainage projects and the Grounds department has been working on getting those completed. Maintenance is working on the entrance and closet areas of Guest House rooms 308, 309, & 310, removing the old flooring and installing tile. This will complete the Guest House renovations for now.

GENERAL MANAGER’S REPORT, Miscellaneous Projects, continued

The website rebuild is in progress. There is a possibility that it will be able to launch next month. VNA will be here on Monday to hold a clinic for the COVID vaccine. 110 residents, age 65 and older, are scheduled to get the shot – scheduled in blocks of residents every fifteen minutes. Thank you to the five community volunteers that have stepped forward to help, and additional thanks to Juli Jarvis for making all the appointment calls.

A quick note on Front Desk staffing: Maureen Ferguson, who was here just over a year, helping us with mail and packages, has left us voluntarily. Her replacement, Cynthia, will be starting today – we welcome her to the team.

- **Change in Waste Rules:** David Mora got notice from the landfill that they will no longer receive pressure treated wood. This product is used often in fences as the pressure treating preserves the wood. So as the Maintenance department tears down old fences, we will need to pile the wood and take it to the nearest disposal site that accepts it. That site is in San Jose so we will need to make a trip there occasionally.
- **Appeal to Water Management District:** Our appeal of a fine levied by the Monterey Peninsula Water Management District was successful, as previously reported by the President.
- **Civil Code 4140 Forms:** The occupancy forms required by Civil Code to be completed once a year have been collected with the exception of three or four which are for units that are currently in escrow or part of an estate. The Association’s Corporate Secretary, Tom Marshall, will go over the forms that were collected and verify them.

6. TREASURER’S REPORT: Art Sutton, Treasurer

- **Reserve Fund Expenditures:** Mr. Sutton reviewed the January 2021 Reserve Fund expenditures. \$975.00 was paid to Stripe-a-Lot for street markings and parking areas. \$282.58 was paid to M.J. Murphy for the repair of a building exterior. \$261.08 was paid to Drought Resistant Nursery for plants and fertilizer purchased for landscape replacement. \$10,884.14 was paid to Monterey Bay Telecom for repair of some of the underground phone lines (that have deteriorated over the years). \$2,110 was paid to Association Reserves for the second and final payment on this year’s reserve study. And \$13,199.75 was paid to Turf & Industrial Equipment for the balance on the new utility carts. Total Reserve Fund expenditures for the month of January were \$31,012.55. Ms. Winners made a motion to approve the January Reserve expenditures in the amount of \$31,012.55. Ms. Mullally seconded the motion which carried unanimously.

TREASURER’S REPORT, continued

- **Document Review**: The Treasurer reported that, as required by the Civil Code, he and the Board President reviewed the general ledger; payable and receivable ledgers; bank reconciliations for all seven accounts, and unopened bank statements for the month of January 2020. They found everything in good order. Ms. Mullally made a motion to ratify the inspection. Ms. Winners seconded the motion which carried unanimously.

- 7. **COMMITTEE REPORTS**: The following committees had reports:
 - **Finance Committee**: Jackie Graham, Committee Chair, reported that the committee met on February 18th via ZOOM. They recommend approval of the financial statements for January 2021. Mr. Sutton made a motion to approve the January 2021 statements, subject to audit. Ms. Baca seconded the motion which carried unanimously. There were no requests for expenditures this month.

 - **Investment Committee**: Ms. Graham reported that the Investment Committee met, following the Finance Committee meeting, to discuss the rollover of a \$150,000 CD in the Reserve Fund, maturing on March 5th. The committee recommends to the Board that the entire \$150,000 be rolled over for a period of 24-months. Ms. Winners made a motion to approve rollover of \$150,000 into a CD to be brokered by Charles Schwab. Ms. Lehman seconded the motion which carried unanimously.

 - **Buildings and Grounds**: Donna Bessant, Committee Chair, reported that the committee met on February 10th. There were five requests from members for changes: Unit 75 requested approval to remove the existing half-wall in the kitchen area; Unit 239 requested approval to install laundry hookups in the patio shed and to reconfigure the existing patio shed door to a double door; Unit 142 requested approval to replace the existing kitchen and bedroom windows with dual-pane windows; Unit 53 requested approval to remove the existing half-wall in the kitchen and relocate the existing bathroom door to enlarge the bathroom; and Unit 14 requested approval to remove the existing furnace system and replace it with Envi heating. All requests fell under the purview of the Architectural Rules and were approved by the committee.

The Board assigned the committee with the development of a tree policy for Hacienda Carmel. Ms. Bessant presented the Board with their third draft of the policy, which is sectioned into two parts: Tree removal and tree planting. In requesting removal of a tree there are a list of criteria that must be met, i.e., location, size, age, type, condition, is the tree causing damage, significant impact to insects and animals, etc. The process for requesting removal is also spelled out: Fill out a request form, review by management and Grounds supervisor, committee recommendation, Board findings, etc. The policy also declares that if an established tree is removed, a new tree shall be planted in an appropriate location on the property. The policy for planting a new tree is very similar, with criteria and rules to be adhered to.

COMMITTEE REPORTS, Building & Grounds, continued

The Board was very impressed with the policy, which is well thought out, and held discussion about the details. It was requested that the line about planting a replacement tree, however, be changed from “a new tree shall be planted,” to “a new tree *may* be planted.” All directors agreed to this and Ms. Mullally made a motion to approve the tree policy with the proposed change. Ms. Baca seconded the motion which carried unanimously.

Ms. Bessant added that the committee has started to discuss their next delegation – that of coming up with a policy for the west end RV parking area. They have begun with a first draft and will talk about it at the next meeting again. Hopefully, it will be ready to present to the Board within the next two months.

- **Library/Book Shoppe:** Mr. Womer gave the report prepared by Anne Clark. “In order to comply with Monterey County’s COVID protocols the HCCA Library “Bookies” are available to help residents select a book or books for your reading pleasure. “Due to COVID our HCCA Library has experienced an increase in library books checked out. November 2020 – 105 books checked out; December 2020 – 98 books checked out; January 2021 – 93 books checked out.

“Please request HCCA Library assistance and observe all HCCA posted protocols, so our HCCA Library can remain available to all of us.

“Your Book Shoppe is again open for book shopping on Saturday from 11 a.m. to 2 p.m. Fortunately, the Library Book Shoppe recently received a lot of great donations. As protocols permit, please be ready for a big book sale.”

- **Garden Club:** There was no formal report given, but Ms. Winners commented that there are lots of lemons waiting for Garden Club members to pick.
- **Events & Entertainment:** Judi Lehman reported that they have been limited on the number of activities that they can support at this time, but they are getting input from people with ideas. They are working on trying to have an outdoor picnic event, such as they have had in the past, and that will be coming up in April. They received a nice donation and sent a thank you note and have gotten some input on things that they can spend some money on.

There are items that have walked away from some of the activities areas, such as the table tennis room, and they are thinking about replacing those items to that they can make that room more enjoyable. Also, darts are something that people are requesting and now they have a suggestion for bike racks.

Mr. Hedberg added that Bob Balles has made it known that he is ready, willing, and able to fund Bingo as soon as the restrictions are lifted, and the game can be played again.

8. **NEW BUSINESS:**

- **Approval of Reserve Study:** The Reserve Study for the fiscal year 2021-2022 has been completed by Association Reserves. The Board has had a chance to review the document and give input and the final report has now been generated. Ms. Mullally made a motion to approve the 2021-2022 study. Ms. Winners seconded the motion. Ms. Lehman questioned whether or not the study will be discussed in the budget meetings. Mr. Young explained about the study: A professional company does the Reserve analysis, which is designed to keep the common area assets in marketable condition. The professional analyst, with input from management and the Board, determines the life and replacement of assets that have a 30-year or less lifespan. The study is not a budget, but rather an analysis of what the Association design should be, in the way of funding, to maintain the common area in a way that will maintain property values for all owners.

Last year the Board chose to reduce the transfer to Reserves to a flat \$33,000 per month but understood that the transfer would need to be restored going forward. The percent funded last year was 38.1%, and this year it is 34.7%. This transfer will be discussed in the meetings about the Operating Fund budget.

Mr. Young called the question, and the motion to approve the Reserve Study carried unanimously.

- **Request for Variance:** Mr. Hedberg presented a letter and e-mails from unit 162 requesting a variance to place a storage POD on the west end to temporarily store furnishings until their remodel is completed. The POD would be placed adjacent to the RV parking area and will only be there one or two months. The reason for the request is that they do not want to impose on their neighbors by placing a POD on the street or to take up valuable parking spaces with it.

Following discussion by the Board, Ms. Winners made a motion to approve placement of the POD on the West End at a location to be directed by management, at the regular price of a storage space in the RV lot, and for a period of time not to exceed 60-days. Ms. Mullally seconded the motion which carried unanimously.

- **Other Matters:** Mr. Young entreated residents that if they see something amiss on the property such as running water, trash, tree limbs that need trimming, etc., it would really be helpful if you call or leave a message at the Front Desk. Recently, we have had instances of someone calling the water district, or calling the health department, instead of just calling the Front Desk. We have staff here that can take care of these problems right away – as soon as they are reported. Please follow the procedures in place and, instead of complicating the matter, let us know.

9. **COMMENT PERIOD FOR MEMBERS:**

- Jeff Becom, unit 217, expanded on his letter about the sewer lines, and recommended ways to mitigate the problem.

Mr. Hedberg noted that we have had plumbing companies run videos of the lines in certain areas before. We have even talked about investigating the cost of one of the cameras, to see if the savings would offset the purchase price. As previously discussed today, the Board gave direction to management to send a letter to all owners and residents to remind them of the legal ramifications of allowing wipes, etc. to be flushed into the system.

- Jane Bowles, unit 260, made suggestions about fire inspections, the disclosure, and would like members to decide Chef Bill's contract. She wants a Town Hall meeting so she can ask questions.
- Linda Mullally, unit 13, thanked management for requested lighting in front of Casa Fiesta and for cleaning up the Hacienda dog park. She will report soon on the progress of a community dog park on Palo Corona.
- Judi Lehman, unit 186, thanked Catherine Robinette and staff for helping with cable issues.
- Mary Lou Donegan, unit 291, spoke about operating expense, felt all contracts should be put on hold or cancelled (Dining Room and Guest House), and spoke of the welfare of residents regarding COVID protocols.
- Nicola Tugwell, unit 282, stated she is impressed with the Board. She asked if the laundry room notices could be posted in two languages.
- Jane Bowles, unit 260, stated the county says no ice is allowed in the Guest House.

Ms. Bowles was asked to please leave a copy of the directive at the Front Desk for management to see.

10. **ADJOURNMENT:** The meeting was adjourned at 11:53 p.m. The next regular meeting of the Board will be held on Thursday, March 25, at 10:00 a.m. The Board will meet at 8:30 a.m., prior to the open meeting, venue yet to be determined pending COVID restrictions.