

**HACIENDA CARMEL COMMUNITY ASSOCIATION
MINUTES OF THE REGULAR MEETING OF THE
BOARD OF DIRECTORS
Thursday, December 28, 2023
Casa Fiesta**

PRESENT:

Mr. Art Sutton, President & Director
Ms. Fran Baca, Vice-President & Director
Mr. Paul Carriere, Director
Ms. Elizabeth Husby, Director
Mr. Brendan Kelly, Director
Mr. Bill Quinn, Director
Ms. Niki Tugwell, Director
Mr. Robert Hedberg, General Manager
Ms. Jeanne Mileti, Recording Secretary

ABSENT:

Ms. Jackie Graham, Treasurer & Director
Ms. Sara Hamish, Corporate Secretary & Director
Ms. Elizabeth Husby, Director

Thirty members attended the open meeting in Casa Fiesta.

1. **CALL TO ORDER:** The open meeting was called to order at 10:20 a.m. by Art Sutton, President.
2. **EMPLOYEE OF THE YEAR:** The General Manager announced that Gilberto Sanchez, in the maintenance department, was named Employee of the Year, and given the *Robert P. Balles Employee of the Year* award for 2023. The award was presented at the Employee Holiday Luncheon a week ago. Gilberto was originally hired as a gardener in September of 2005 (so he is approaching the twenty-year mark) and transferred to the maintenance department about eight years ago, which has worked out very well.
3. **REVISION OF AGENDA:** None.
4. **MEMBER COMMENTS ON AGENDA ITEMS:**
 - David Mullally, unit 13, spoke for both him and his wife, Linda. They are interested in, and supportive of, the development of an Ad Hoc Lighting Committee.
 - Mary Lou Donegan, unit 291, expressed confusion about item 7d (4), change to dates to accommodate the Election Timeline.

5. **CONSENT AGENDA:**

- a. **Approval of Minutes:** Regular Board meeting of November 21, 2023.
- b. **Occupancy Approvals:**
Robert & Janet Andrews Authorized Occupants, Purchasing #258
- c. **Sales Activity & Rental Report**
No units currently listed for sale. 15 units sold since May 1, 2023. The current number of rentals is 43.
- d. **Financial Report:**
 - 1. Review of Financial Statement for November 2023.
 - 11. Approval of Reserve Fund expenditures for November 2023.
 - m. Verification of bank reconciliation & check register review for November 2023.

Mr. Carriere made a motion to approve the Consent Agenda. Ms. Tugwell seconded the motion which carried unanimously.

6. **PRESIDENT'S REPORT:** President Art Sutton, reported:

- a. Report of discussion in Executive Session and any items requiring Board action:
 - The Board briefly discussed the e-mail account for the President, which is being set up, the job descriptions which will be looked at next month, the parking policy which they are taking another look at, development of a hold harmless agreement which was forwarded to the Policies & Procedures committee, and the replacement of electrical panels in the main buildings which was requested by our liability insurance carrier. The Board also talked about the meeting with our insurance broker who indicated the increases in insurance policies are likely to be substantial again next year.
 - The Board approved the agreement with Dr. Saddy. An agreement for the massage therapist is being developed.
 - The Board approved renewal of the Hair Salon contract.
 - The Board further discussed the status of the legal description being reviewed by counsel, and the MOU with Quail.
- b. Review of Member comments from October Board meeting. Refer to the minutes from the 11/21/23 meeting:
 - Four residents made comments in opposition to the proposed cell tower.
 - One resident spoke about her flood insurance certificate.
- c. Correspondence from or to Residents or others. The Board received three letters from Residents.
 - The letters concerned the cell tower proposal, parking rules, and a letter asking that the Art Studio patio be removed from further consideration for now.

PRESIDENT'S REPORT, continued

There will also be another resident forum held Monday, January 8th -we will go over suggestions from the suggestion box and talk about transparency.

7 . **GENERAL MANAGER'S REPORT:**

- **Status of Projects:** Mr. Hedberg reported that he has an update on the van. The reason they will not release it from Kansas City is because there is a pre-delivery recall on the backup camera. The manufacturer thought it better to fix the problem before delivery rather than after.

Guest House room 307, also known as the apartment, will be worked on by the Maintenance crew as soon as there is a break in occupancy in the month of January.

Replacement of the breaker boxes in the main buildings has begun, however, it has proved to be an extremely complicated procedure as they are replacing 62-year-old boxes with new ones. We appreciate everyone bearing with the inconveniences.

The pool project is still in the consideration phase. There are two phases being looked at.

Evidence of Required Insurance Coverage: Mr. Hedberg explained that we have received a majority of the required insurance certificates, and he appreciates everyone's cooperation. Each of the certificates is being individually reviewed, unfortunately only one in five of them are in compliance with the limits required in the CC&Rs. The majority of members carry minimum limits, and many don't have loss assessment coverage. The loss assessment coverage is important because if there is a loss to the common area and the deductible to the association is more than can be paid, a loss assessment will be imposed on the membership. This insurance, carried on each member's HO6 policy, would pay the loss assessment. Those members who do not meet the requirements of the CC&Rs are receiving a notice indicating those limits that fall short.

8. **COMMITTEE REPORTS:** The following committees either presented and/or submitted reports:

- **Finance:** "Fran Baca, Vice-President and Board Liaison to the Finance Committee, reported that the Finance Committee met on December 19, 2023. Following review of the November 2023 financial statements, the committee reviewed the expenditures from the Reserve Fund for the month of November. We received a refund of (\$540.00) from DV Electric for a voided check in connection with costs related to the boiler replacement. We paid \$7,268.18 to National Hospitality Supply, final payment for Casa Amigos upgrades, \$617.54 to Home Depot for tools (\$129.86 saw) and flooring (\$487.68) for Casa Amigos, \$668.814 for various Casa Amigos furniture pieces via Business Card, \$239.03 to Kelly Moore for paint, \$565.00 to Watts Glass for replacement of a window in the Dining Room, \$967.96 to MJ Murphy for fence repairs/replacements, and \$11,050.30 to TurfIndustrial Supply for the balance due on the 2023/2024 utility carts. Expenditures from Reserves for the month of November totaled \$20,836.82.

COMMITTEE REPORTS, Finance, continued

"Ashley McDonnell, our insurance agent from HUB International, was invited by the committee to discuss trends in insurance rates so that we have the best information available to realistically budget for insurance in the next fiscal year. This discussion will continue with Ashley after the first of the year. In the meantime, our Worker's Compensation Policy renews on January 1, 2024. Ashley presented the committee with a quote from Republic Indemnity, our current provider, for \$85,379, a decrease of \$17,544 from \$102,923. The decrease is due to a decrease in the experience modification from 214% last year to 161% this year. While Ashley continues to pursue lower insurance quotes from other providers, the committee recommends that the Board move to bind the coverage for Worker's Compensation with a renewal date of January 1, 2024, for an amount not to exceed \$85,379.

"Fran Baca moved, and Niki Tugwell seconded that the Association bind the coverage for Worker's Compensation with a renewal date of January 1, 2024, for an amount not to exceed \$85,379. Motion carried unanimously.

"The contract for the preparation of the Reserve Study is up for renewal. Since the contract price is between \$10,000 and \$20,000, there is a requirement for two bids according to our Board Action Procedures. However, we have a long-standing relationship with Association Reserves, and on the recommendation of management, the committee recommends that we waive the two-bid requirement and retain the services of Association Reserves. (We have followed this practice with other providers, e.g. Golz Construction and Levy Erlanger). In addition, Association Reserves has offered two payment options for the three-year contract: 1) \$8,720 for the onsite visit and \$2,960 for two no-site visits for a total of \$14,640, payable in three yearly installments of \$4,880 each; or 2) a total of \$13,180 payable 50%, \$6,590 at the start of the project and 50% payable upon completion of the project. The second option saves the Association \$1,460. Since the contract price will be paid from Reserves and the funds are available, the committee recommends the second option.

"Fran Baca moved, and Brendan Kelly seconded that we waive the two-bid requirement and retain Association Reserves to prepare our Reserve Study for the next three years and that we choose the contract price of \$13,180, \$6,590 payable at the beginning of the project and \$6,590 payable upon completion of the project. Motion carried unanimously.

"Management informed the committee that the network server for the Office is in need of replacement. There is an allocation of \$11,700 in the Reserve Study for office equipment, and expenditures to date total \$5,229. We have obtained a quote from Opus Management, our IT company, for replacement of the server, a Dell T350 Fileserver, in the amount of \$3,157.56. The committee recommends approval of this expenditure.

"Fran Baca moved, and Bill Quinn seconded that we approve the expenditure for the replacement of the office server in the amount of \$3,157.56. Motion carried unanimously.

"The committee discussed the Casa Amigos room rates and noted that all the rooms, except for the apartment, have been upgraded, and that it is time to start recouping the costs of upgrading. The committee recommends increasing the room rates by \$10/night, from \$120 to \$130 for the ten guest rooms, and from \$155 to \$165 for the apartment, effective January 1, 2024. Current rates will be honored for 30 days for existing reservations. During the month of January, staff will

COMMITTEE REPORTS, Finance, continued

contact holders of existing reservations beyond January 31st to confirm reservations at the new rates.

"Fran Baca moved, and Paul Carriere seconded that we increase the Casa Amigos room rates by \$10/night, from \$120 to \$130 for the ten guest rooms and from \$155 to \$165 for the apartment effective January 1, 2024, with existing reservations to be honored at the current, lower rate through January 2024. Motion carried unanimously."

- **Architectural Review:** Connie Winners, Chair, reported "The committee received and reviewed three individual requests for change that were approved in accordance with the Architectural Rules.

"There were two requests for change constituting a variance that the committee recommended for approval: Unit 240 - replace the existing kitchen window with a new garden style dual-paned window. There is no walkway in front of this area where the window would protrude." Ms. Tugwell made a motion to approve the variance for a garden style dual-paned window in unit 240. Mr. Carriere seconded the motion which carried unanimously.

"Unit 185 - Installation of a new concrete walkway from the patio side gate to the existing common area walkway. This will be done at the owner's expense." Mr. Kelly made a motion to approve the variance to install a concrete walkway, at the owner's expense, from the patio gate of unit 185. Ms. Tugwell seconded the motion which carried unanimously.

"Refurbishment of the Pool and Decking" - Mr. Hedberg and Mr. Rothstein have reviewed four different bids. The scope of work needs to be better identified in order to prepare a request for proposal. Phasing of the project is [planned] to proceed with the immediate needs for repair.

"In the Joint Committee meeting of FRAM and ARC on December 13th it was discussed and recommended that a subcommittee of ARC be established for the Hacienda Master Landscape Plan." Mr. Quinn made a motion to appoint a landscaping subcommittee of the Architectural Review Committee, consisting of; Mary Pat Adams, Myrleen Fisher, Brendan Kelly, Mary Molle, and Connie Winners, to oversee planting and take up all landscape matters coming before that committee. Mr. Carriere seconded the motion which carried unanimously.

Ms. Winners recommended that Mary Molle, who has offered to serve, be appointed Chair of that subcommittee. Mr. Quinn made a motion to appoint Mary Molle Chair of the Landscape Subcommittee of ARC. Mr. Carriere seconded the motion which carried unanimously.

- **Fire-risk Assessment & Mitigation:** Bill Quinn, Chair reported: "On Thursday, December 7, Committee member Mary Pat Adams and the Chair walked part of the berm and the West End parcel of the Association with CalFire Capt. Shayon Ascarie, for the purpose of obtaining a pre-approval for the first of the 2023-24 grant fuel-reduction projects on the Association's property.

COMMITTEE REPORTS, Fire-risk Assessment & Mitigation, continued

As a group we visually identified the project proposal the Committee considered at its November meeting, which was a final improvement and strengthening of the firebreak at the southwest corner of the berm that is considered the most vulnerable point for wildfire intrusion into the Association's residential property areas. We are glad to report that CalFire's approval was given, and that we are now in a position to begin contacting tree contractors to undertake this project.

"On Wednesday, November 13, the Fire-risk Assessment & Mitigation (FRAM) Committee held another abbreviated but regular monthly meeting beginning at 1:30 pm, which was followed immediately by a joint meeting with the Architectural Review Committee (ARC) at 2:30 pm. The first item on the FRAM Committee's Agenda was an update on the mounting and framing of the Association's new display site map drawn by Ward Engineers. Given the excessively costly quotes for this framing work obtained by the General Manager, it was decided to do this work in-house with our own Maintenance Department and a volunteer from the Termite Club, which will result in considerable savings for the Association.

"The second item on the agenda was a discussion of the pre-approval for the first of the 2023-24 grant fuel-reduction projects at the southwest corner of the berm on the Association's property. It was decided to contact the Lopez Tree service to come visit the Association to get a visual understanding of the scope of work for the project, and thereafter provide a bid for this work. It was further decided that if the contractor viewed the approved first-stage proposal as an insufficient amount of work to bid on, then the Committee could expand the fuel-reduction limbing work to include several large trees at the northwest corner of the berm, and seek to have CalFire return to pre-approve the addition of that element to the original project. On Monday, December 18, Committee member Mary Pat Adams and the Chair met with Mike Lopez Sr. and Jr. of Lopez Tree Service at the Association's West End to explain and outline the fuel-reduction work needed by the Association. Mr. Lopez stated that he believed this first stage was sufficient work for a day for his crew, and agreed to provide us with a bid for this work.

"Third on the list of agenda items was discussion of, and unanimous approval for, a recommendation by the FRAM Committee to the Board of Directors to approve and adopt the final "Report of the Fire-risk Assessment & Mitigation Committee to the Board of Directors on Completion of 'Actions Achievable Short Term' Set Forth in the Committee's Report of December 21, 2021." The Committee members were advised by the Chair that this final version of the Report, dated December 13, 2023, contains all the corrections made by the members in the initial review and edit process. It was further agreed that this final document be placed in the packets provided to the Board members prior to the December 28 meeting so that the Board members would be well informed of the Report's contents during the discussion of the FRAM Committee's recommendation for its approval and adoption at the December 28, 2023 meeting.

"The FRAM Committee meeting adjourned at 2:15 pm, which was followed at 2:30 pm on Wednesday, November 13, by the third Joint Meeting of the FRAM & ARC Committees. The meeting was opened at 2:30 pm, and began with its own joint agenda containing a single item, being the discussion and adoption of recommended changes to the General Manager's original draft of the Vegetation Management & Implementation Plan of the Master Landscape Plan. Following much discussion, a motion was made to finalize Draft #2, which contained the original recommended changes to the original draft, by adding language proposed during the Joint

COMMITTEE REPORTS, Fire-risk Assessment & Mitigation, continued

Meeting and recommending to the Board of Directors that the final amended version be approved and adopted at the December 28, 2023 meeting of the Board of Directors, all of whom would be provided with copies of the final version prior to the Board meeting. A second motion was heard and discussed which recommended to the Board of Directors that a Landscaping Sub-committee to the ARC be established under the supervision and auspices of the ARC to deal exclusively hereafter with all matters related to both the Master Landscape Plan and the finalized Vegetation Management & Implementation Plan of the Master Landscape Plan. Both motions were approved by the voting members of the Joint Committee meeting and the meeting was adjourned."

Submittal of "Action Achievable Short Term" Report: Mr. Quinn presented the Board with a final report of the Fire-risk Assessment & Mitigation Committee's "Actions Achievable Short Term, Set Forth in the Committee's Report of December 21, 2021," (the evacuation plan being the only action not achieved as of this date). Mr. Quinn made a motion that the Board of Directors approve and adopt the report. Ms. Tugwell seconded the motion which carried unanimously.

Cypress Fire Grant Funding: Mr. Quinn reported on the Cypress Fire Grant funding. The grant money is still \$20,000, and we are currently waiting on a bid from Lopez Tree Service for tree trimming that is needed. Although not sure what the amount of the bid will be, it should still leave us about \$14,000 or \$15,000 to spend.

Memorandum of Understanding with Quail: The committee drafted an MOU to deal with vegetation removal off of the south end of the property. Quail doesn't have any structures there, but we do. Designed to get pre-consent for us to do the necessary trimming, the MOU would not be binding but would be strictly a memorandum. The draft has been presented to the Board and we need to arrange a meeting with Quail to discuss it with them.

- **Policies & Procedures:** Fran Baca reported: "The Policy & Procedures Committee met on December 14, 2023 with members Fran Baca, Niki Tugwell, Elizabeth Husby, chair Sara Harnish, and advisors Robert Hedberg and Jeanne Mileti all present.

1. "Job descriptions for staff

The Committee has completed the drafting and review of all job descriptions (except for the job description of the General Manager) and submitted them to the Board this morning in executive session. The job description for the General Manager will be submitted to the Board in January. After Board review, discussion and approval, the job descriptions will be available to the Membership for review.

2. "Use of G&G Rooms

G&G room #5: The committee discussed the current use of G&G 5 and has determined that a policy regarding use and storage of personal items is not needed at this time. Committee will recommend that such policy be tabled until such time as it is needed. (Action item).

COMMITTEE REPORTS, Policies and Procedures, continued

The committee was previously tasked by the Board to develop a policy regarding use and storage of personal items in G&G 5. The room has essentially be cleared of all personal items. The committee has confirmed that in the last 12 months, the key to G&G 5 has been checked out by only two Members. In addition, as will be discussed later in the agenda, there is interest in G&G 5 for use other than arts and crafts projects.

Fran Baca moved and Niki Tugwell seconded that a policy regarding use and storage of personal items in G&G 5 be tabled until such policy is needed. Motion carried unanimously.

3. "The committee discussed a proposed revision to the Association's Policy Regarding Board Member Interaction with Association Projects. The committee believes that the policy should be revised to include all committee chairs and committee members and to clarify how the policy is enforced. The committee will request authority from the Board to revise the policy. (Action item).

In order to make the proposed changes to the Policy regarding Board Member Interaction with Association projects, Fran Baca moved and Brendan Kelly seconded that the Board authorize the committee to draft such revisions. Motion carried unanimously.

4. "The committee discussed the use of the newly installed Suggestion box in the lobby and reviewed several submissions. The committee agrees that only suggestions that impact existing Board policy or potential Board actions be reviewed by the Board.
5. "The committee discussed the election timeline for the June 2024 Board of Directors Election and determined that in order to meet certain deadlines, the Nominating Committee needs to be appointed in January, not February and the Inspector of Elections needs to be appointed in February, not March. The committee will recommend these changes to the Board Action Procedures as well as a new Board Action Procedure to establish the Election Timeline each year in January.

"In order to comply with the Notice of Delivery Date for Nomination Procedures and Deadline of February 6, 2024, Fran Baca moved and Niki Tugwell seconded that the Board Action Procedure, Appointment of Nominating Procedure, be amended to read, "Each year, at the regular Boad of Directors meeting in January" (instead of February) "the Board shall appoint a Nominating Committee _____, Motion carried unaniIn.ously.

"In order to comply with the Selection of the Inspector of Elections between March 15, 2024 and March 22, 2024 as required, Fran Baca moved and Paul Carriere seconded that seconded that the Board Action Procedure, Appointment of Inspector of Elections, be amended to read, "Each year, at the regular Board of Directors meeting in February" (instead of March) "the Board shall appoint a qualified Inspector of Elections " Motion carried unanimously.

COMMITTEE REPORTS, Policies and Procedures, continued

"To ensure compliance with election deadlines in the future, Fran Baca moved, and Niki Tugwell seconded, that the Board approve the following Board Action Procedure:

"Establishment of Election Timeline

Each year, at the regular Board of Directors meeting in January, the Board shall establish the Election Timeline for the Board of Directors Election in June in accordance with the Association's Election Rules.

Motion carried unanimously.

6. "Proposed changes to Ground Rule #14 and discussion of CC&R 9 remain tabled until the job description project is completed."

- **Events & Entertainment:** Michael Zarefsky, Chair, reported: Today is the last day to sign up for the New Year's Eve Party. There is a lot of work that goes into this event and we are sure it will be lots of fun.

Mr. Zarefsky noted he has twenty signatures of people who would like to have the pool table in G&G 5, an item which is on the agenda under Unfinished Business today.

E&E sponsored a potluck event on December 10th that was attended by 24 people. They had a keyboardist and even dancing. The February Dinner and a Movie will feature "Bohemian Rhapsody."

Other events planned include a Casino Night, a Patio Tour (which will be one week before Mother's Day), a Super Bowl Pool, and a Super Bowl Watch Party.

Currently Events and Entertainment has a budget of about \$5,000.

- **Ad Hoc Fire Alarm:** No meeting this month.

9. **UNFINISHED BUSINESS:**

- **Proposed Expansion of Art Studio Patio:** A letter was received from the Art Group requesting that the proposal for expansion of the Art Studio Patio be removed from the agenda until the Art Group is prepared to proceed with the project. Ms. Baca made a motion to remove the Art Group's request to expand the Art Studio patio from the agenda until the Art Group requests it be discussed again. Ms. Tugwell seconded the motion which carried unanimously.
- **Ad Hoc Lighting Committee:** Ms. Baca noted that the suggestion to have a committee on lighting in the common area has been raised by both Linda Mullally, and by the ARC committee back in 2022. Ms. Mullally has offered to chair a committee if formed. Ms. Baca made a motion to form an Ad Hoc Lighting Committee, a sub-committee of the Architectural Review Committee,

UNFINISHED BUSINESS, Ad Hoc Lighting Committee, continued

for a period of 6-months (motion modified at the request of Mr. Kelly and accepted by Ms. Baca), and appoint Linda Mullay, Chair, Niki Tugwell as Board Representative, Robert Hedberg as advisor, and next month appoint a committee member from the ARC committee. (It was noted David Mullally agreed to serve as consultant) Mr. Quinn seconded the motion which carried unanimously.

- **Pool Table Proposal for G&G 5:** A pool table has been donated to the Association, and there has been some interest from residents in playing pool. The table is to be placed in G&G 5, and comes with a cover that will serve as a table for the crafters who also use that room. Ms. Baca made a motion to accept the donated pool table and place it in G&G 5. Mr. Carriere seconded the motion which carried unanimously.

10. **NEW BUSINESS:** None.

11. **COMMENT PERIOD FOR MEMBERS:**

- Janet Crosby, unit 68, made suggestions about the pool project, had a question about HO4 insurance (renter's insurance), and requested the Termite Shop be renamed.
- Bob Kampwerth, unit 200, suggested the Association purchase a minibus, instead of a van.
- Donna Bessant, unit 214, suggested standing committees handle issues, instead of appointing sub-committees.
- David Mullally, unit 13, spoke about the dog park at Palo Corona being delayed due to the restoration project.
- Mary Lou Donegan, unit 291, felt the membership hasn't been formally notified about the cell tower.

12. **ADJOURNMENT:** The meeting adjourned at 12:02 p.m., with a motion by Bill Quinn. The next regular Board meeting will be held on Thursday, January 25th at 10 a.m. in Casa Fiesta. The Board will meet at 8:30 a.m. in the Durr Room prior to the open meeting.