HACIENDA CARMEL COMMUNITY ASSOCIATION
MINUTES OF THE REGULAR MEETING OF THE
BOARD OF DIRECTORS
Tuesday, July 21, 2026
Casa Fiesta

PRESENT:
Ms. Sara Harnish, President & Director
Mr. Art Sutton, Vice-President & Director
Ms. Holly Carlin, Treasurer & Director
Ms. Niki Tugwell, Corporate Secretary & Director
Ms. Christine Hulka, General Manager
Ms. Catherine Robinette, Business Supervisor
Ms. Jeanne Mileti, Recording Secretary

ABSENT:
Ms. Linda Mullally, Director

Forty-eight members attended the open meeting in Casa Fiesta.

1. **CALL TO ORDER**: The open meeting was called to order at 10:37 a.m. by Sara Harnish, President.

2. **REVISION OF AGENDA**: There were no revisions to the agenda.

3. **MEMBER COMMENTS ON AGENDA ITEMS**: One member commented.

4. **CONSENT AGENDA**:

   a. Approval of Minutes
      i. Regular Board Meeting of June 25, 2026
   b. Ratification of Occupancy Applications
   c. Expense Ratification of Repairs to Unit
   d. June 2026 Financial Statements

   Art Sutton made a motion to approve the Consent Calendar. Holly Carlin seconded the motion which carried unanimously.

5. **PRESIDENT'S REPORT**: Sara Harnish, President, reported:

   a. Report on discussion in Executive Session and any items requiring Board action:

      - The Board discussed insurance matters with Ashley McDonnell of HUB Insurance, including Zinsco panels and switch gears.
      - The Board approved renewal of the Cyber Liability and D&O/EPL policies as recommended by the Finance Committee.
      - The Board approved replacement of pole and grounds lights.

PRESIDENT'S REPORT, continued

- The Board directed management to remove a tree in the dog park.
- The Board voted on the color of the pool deck.
- The Board approved a request for a passenger loading zone east of Unit 197.

b. Member Correspondence:

- There was a letter regarding the Bocce Ball court. Management will look at improvements.
- There was a letter regarding the Facilities Infrastructure Committee.
- There was a letter regarding Landscaping and Trees.
- There was a letter regarding electric power tools – this is being pursued by management.
- There was a letter regarding pest control which is being addressed by management.
- There were several letters regarding the election and Board appointment. Sara Harnish reported that the Inspector of Elections reviewed the ballots and found the count was accurate.

6. TREASURER'S REPORT: Holly Carlin, Treasurer

- **Reserve Fund Expenditures**:

$ 610.00	Paid to AR Plumbing for repair of backflow
$ 1,531.70	Paid to Della Mora for Boiler repair
$ 1,865.66	Paid to Grainger for a drain gun kit
$ 271.00	Paid to Sattya Nand for kitchen equipment repair
$10,904.92	Paid to Spec. Tree, Ewing & Rental Depot for tree trimming/prep new planting
$ 5,649.00	Paid to Sage Systems for annual software update
$ 6,407.59	Paid to DA Construction for pool deck progress payment
$34,380.54	Paid to Summit Engineering for replacement of the pressure valve
$ 7,185.00	Paid to Association Reserves for ½ of three-yr Reserve Study contract
$68,805.41	Total Reserve Fund Expenditures for June, 2026

- **Financial Statement Report**: Reserves were transferred through May for $338,500. In removing the balance sheet items that are shown as income or expense in the budgeted figures, the resulting variances reflect that income is over by $5,154 and expenses are under by $97,442, for a total under budget variance of $102,596.

  Grounds, Maintenance and G&A are over budget. The supply accounts will be reviewed in more detail for unbudgeted projects. Some of the overage appears to be for large unbudgeted items such as storage containers, and stairs to berm. Will review for reclassification.

- **Budget Reclassification**: The Finance Committee suggested a reclassification of the Provision for General Manager, which was included as a line item in General & Administrative on the 2026 budget. Their recommendation is to add $135,000 of the $200,000 total to Administrative Payroll, and $65,000 to Other Professional Fees. The Board concurred with the change.

TREASURER'S REPORT, continued

- **Outsourcing Announcement**: Accounting/financial statement preparation is to be outsourced to Seabreeze Management Company, as selected by the Board of Directors. A kickoff meeting was held on July 8th with Seabreeze Management along with Christine, Sara, and Holly. Christine has already followed up with Seabreeze and our attorneys have reviewed the contract and have recommended changes. No contract has been signed as yet. Targeted start date is October 1, 2026.

  Seabreeze will handle accounts receivable, accounts payable, general ledger, and will help with budgeting and audit/review. Seabreeze will work in conjunction with staff. Dues will be able to be paid online through Seabreeze's portal. The monthly cost to the Association is $2,000 to $2,500 per month. Annual costs vary but cost for an audit/review and tax return will go down considerably.

  Payroll will be outsourced starting January 2027. Until then, Jeanne will continue doing payroll using Sage and will provide all needed reports to Sebreeze to input into the accounting system. Monthly costs for payroll will be $250 to $300.

  Human Resources will be a combination of Guardian, through HUB Insurance – free of charge, and possibly ADP HR for an additional $30 per month. We also still have TPO available as needed. Our HR should be well covered.

  We will continue implementing BuildingLink to be able to track all maintenance issues in units and around the common area. We need to keep maintenance information for our property proprietary.

  Members will be able to pay Association dues through Seabreeze's portal but will also be able to continue to pay their bills at the front desk.

  The Association will send out a letter by the end of July. Seabreeze will be sending an introduction letter along with instructions for accessing members' accounts through their portal and remittance of dues. A forum will be scheduled for training and questions on the member's portal.

  Jeanne Mileti has requested to work three days a week.

  The Board held interviews with numerous General Manager applicants, but only three management companies answered our Request for Proposal. We interviewed two of them and felt Seabreeze best met our needs.

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

   Christine explained that she has been here one month and is still learning the day-to-day operations, which we will be able to automate through BuildingLink. Communications with the membership, as well, will be through BuildingLink, which is why we sent out the forms requesting clarification of how residents wish to receive their information. According to Civil Code 4041 members have the choice of three physical, or three e-mail addresses at which to receive communications from the Association.

GENERAL MANAGER'S REPORT, continued

Currently she is trying to prioritize the to-do list left to her by Kirk Watilo. Staff will be helping with the transitions. Jeanne will go to three days a week and will help work on policies and automation. The $5,000 a year Sage (Mas 90) accounting program will be retired, as all accounting will be handled by Seabreeze.

To all those who have extended a warm welcome to her, Christine extended a heartfelt thank you.

8. **BUSINESS SUPERVISOR'S REPORT**: Catherine Robinette

The roof on Casa Central is leaking due to the way the solar panels were installed. It began leaking one year after that installation, but it has taken some time to assess the extent of and accountability for the damage. It is scheduled to be replaced within the next two weeks.

There will be one more coat applied to the pool deck. It gets a resurface applied every two to five years, but every time this is done it extends the 10-year warranty.

The arborist, recommended to us by Cal Fire, has indicated that the tree in the dog park requires removal. HCCA will need to remove part of the dog park fence to do so. The fence will be restored once the tree is removed from the property.

The Board approved the lighting for both street and ground lights. We will be taking out the globe lights, which were a problem for many members as they intruded light into their windows, and will be replacing them with shorter lights which will illuminate crosswalks throughout Hacienda. We will also be adding (and replacing some) ground lights for safer, lighted areas throughout. All of the fixtures will comply with the 'night sky' specifications.

The new landscaping for those areas that had plants removed is in the works. Captain Ascarie of Cal Fire suggested we use redwood chips, instead of gorilla grass, so that will be used as ground cover, with the existing gorilla grass to be replaced as well.

9. **COMMITTEE REPORTS**:

- **Finance**: Fran Baca, Chair, reported:

  "The Finance Committee met on Thursday, July 16, 2026. One (1) Member attended the open session.

  "Note to the Membership: It has been four (4) months since the Finance Committee began holding both open and closed sessions of its meetings. The following is offered as an explanation of how the items on the agenda are or will be reported to the Membership.

  1. "Minutes of the items discussed in the open section of the meeting are available to the Membership.
  2. "The monthly Financial Statements and Reserve Fund Expenditures are reported on by Holly Carlin, the Board Treasurer, at the regular monthly Board meeting following the Finance Committee meeting. In addition, the Financial Statements are posted on the bulletin board.

COMMITTEE REPORTS, Finance, continued

3. "Items discussed under The General Managers Report will be reported on by Christine Hulka, as appropriate, in her report at the regular Board meeting following the Finance Committee meeting.
4. "Items discussed in the closed session will be taken to the Board for consideration by Niki Tugwell, the Board Liaison. These items will be reported on to the Membership by the Board President, Sara Harnish; the Board Treasurer, Holly Carlin; or the GM, Christine Hulka, as appropriate.
5. "Recommendations by the Finance Committee to the Board requiring Board action will be presented to the Board by the Finance Committee Chair, Fran Baca, at the regular monthly Board meeting following the Finance Committee meeting.

"Report on Insurance. Ashley McDonnell, our insurance representative of Hub International, attended our meeting. There was a discussion on our insurance policies in general and business judgement, and the two policies which renew on August 1, 2026, in particular. Our D&O policy remains the same at $5,872. Our Cyber Liability policy is increasing by $120, from $5,131 to $5,251, a 2.3% increase.

"After discussion, the Committee voted unanimously, 5-0, to recommend to the Board acceptance of Ashley's report and renewal of these two policies as quoted by Ashley.

- **Architectural Review Committee** Karen Jefferies, Chair, reported:

  The Architectural Review Committee met July 8 and unanimously approved the following member request:

  - Unit #117: Replace front door with solid wood door in a natural wood stain with a window at top.

  This request falls under our approved guidelines and does not require a variance or any other action on your part.

- **Events & Entertainment Committee** Michael Zarefsky, Co-Chair, reported:

  The E&E Committee held an Apple Pie and Ice Cream event on the Pool Deck for the 4th of July, which was attended by 150 people. This Saturday, July 25th at 2 pm we will hold an Ice Cream Social in the same spot. You can get either a cone or a cup of ice cream for $1.00.

  We will be celebrating Hacienda Carmel's Birthday on the last Saturday in August with high level hors d'oeuvres and live entertainment. Please plan on attending.

  The Events & Entertainment is requesting an increase in the annual amount budgeted in the Operating Fund for the committee. The Board discussed, and a motion was made, but was withdrawn with the decision to approve the increased budget item at the time of budget preparation instead.

COMMITTEE REPORTS, continued

- **<u>Ad Hoc Water Rights Committee</u>**: Bill Quinn, Chair, reported: At the last Board meeting the Ad Hoc Committee asked for a meeting with the Board to determine what the Association is willing to commit to pursue our application for Appropriative Water Rights with the State Water Resources Control Board. Mr. Quinn noted that there is no way to ballpark a figure, as there are too many variables. The Board determined to discuss it in Executive Session when they reconvene this afternoon. Art Sutton, who serves on the Water Rights Committee, can provide any details needed.

10. <u>UNFINISHED BUSINESS</u>:

- **<u>Approve Amended Committee Policy/Charters</u>**: Holly Carlin made a motion to approve the Committee Policy, as written. Niki Tugwell seconded the motion which carried unanimously.

  Holly Carlin made a motion to approve the Architectural Review Committee Charter as presented. Art Sutton seconded the motion which carried unanimously.

  Art Sutton made a motion to approve the Events and Entertainment Committee Charter as presented. Holly Carlin seconded the motion which carried unanimously,

  Holly Carlin made a motion to approve the Facilities and Infrastructure Committee Charter with the addition of *Financial Background* to "Membership." Art Sutton seconded the motion which carried unanimously.

  Sara Harnish made a motion to approve the Finance Committee Charter with the deletion of '*Coordinate financial review activities'* and *'Serve as liaison'* under "Chair Responsibilities." Holly Carlin seconded the motion which carried unanimously.

  Holly Carlin made a motion to approve the Investment Committee Charter with a change to "Membership" to reflect the committee members: *Treasurer, Finance Committee Chair, Board President (or Board Liaison to the Finance Committee), and General Manager.* Niki Tugwell seconded the motion which carried unanimously.

  The new charters will be posted on the Association's Bulletin Board.

11. <u>NEW BUSINESS</u>:

- **<u>Ground Rule 13 – Mail, Package Delivery, Resident Cubby Communications</u>**: The proposed revision to Rule 13 updates and clarifies the Association's procedures for USPS mail, package deliveries, resident cubby communications, and correspondence to the Board of Directors. Art Sutton made a motion to adopt the new Ground Rule 13 as presented. Holly Carlin seconded the motion which carried unanimously. The Board directed Management to distribute the proposed revision to Rule 13 to the membership for the required twenty-eight day comment period.

- **<u>Announcement of Grant</u>**: The Board announced that we received a $50,000 matching grant from Cal Fire which, for the first time, allows us to include work inside the berm as well.

12. <u>MEMBER COMMENT PERIOD</u>: Seven members commented on various subjects.

13. <u>ADJOURNMENT</u>: The meeting adjourned at 12:09 pm. The next regular Board meeting will be held on Thursday, August 27, 2026, at 10:30 am in Casa Fiesta. The Board will meet in Executive Session at 8:30 am in the Egon Durr Board Room, prior to the open meeting.