

**MINUTES OF THE REGULAR MEETING OF THE**  
**BOARD OF DIRECTORS HELD IN THE MANAGER'S OFFICE**  
**WEDNESDAY JANUARY 15, 2020**

The President, Mr. Kachigian, called the meeting to order at 10:15 AM stating that a quorum was present. Those in attendance were Karen Perry, Scott Nicoll, Sara Smith and Linda Shenwick.

The Manager Anthony Diaz was also present. Homeowners present were: Carolee William, Gloria Cady and Roberta Scofield.

The President moved "to accept the minutes of the September 17, 2019 meeting minutes as written". Scott Nicoll Seconded the motion which carried unanimously.

**Homeowner Comments:**

Paraphrased:

A homeowner expressed her security concerns in the garages and recommended to the Board to up-grade security cameras in the lower and upper garages additionally, the homeowner recommended to the Board to hold violation hearings on the parking rule violators, especially during the summer season.

Homeowner expressed her concerns with one of the garage gates being left opened during the day. The gates are normally opened and left opened for construction and contractors to load and unload equipment for work being conducted at Las Flores Tower during remodeling projects or maintenance periods. The Manager will direct the door staff to pay closer attention and ensure that the gates are not being left opened after contractors or maintenance personnel stopped loading or unloading equipment into Las Flores.

Homeowner expressed displeasure with the L&R kiosk security detail. They have noticed that the security guards are very lackadaisical and very careless at the kiosk.

**Treasurer's Report:** Manager gave report for the treasurer (See attached).

**Manager's Report:** Anthony Diaz. The manager gave his report and provided a written report to the Board members for review. (See attached).

**Beach Club Report:** Phyliss Maas/Linda Shenwick.

1. Beach Club has positive cash flow \$10,000.00 at the end of December, 2019.
2. Superbowl party will be catered by Boss BBQ \$25.00 prepaids by the Beach Club.
3. Discussed new chairs for the Beach club, 50 chairs with arms and they are stackable. Formed a Beach Club Committee to discuss chairs, Beach Club would like a YES vote from building 4 this Thursday.
4. New sound system being installed in the Beach Club, should be up and running for Superbowl.
5. Jan Zorbist is the Beach Club Chair for 2020.
6. I was given permission to purchase new buffet table utensils and containers. Not to exceed \$300.00 for Wednesday Share Nights.
7. February 14<sup>th</sup> "Be my Valentine Dance" at the Beach Club. I will be in charge of the treat table - not to exceed \$300.00

**Finance and Budget:** Same as Treasurers Report. (See attached).

**Landscape & Recreation:** Karen Perry.

After much discussion, the committee voted to accept the bid from Glass Wall Systems for the Roeder Pool. This vote was with the understanding that there will be a bid for glass panels on the El Camino pool on the January agenda. It is expected that the El Camino pool will either be done first or concurrently with the Roeder. The Beach Club has been painted and has new carpeting. It has had a very successful financial year. The nominating committee will be meeting to recommend officers for 2020. The lagoon falls have been rewired. So far there have been no problems.

**Facilities Advisory Group:** Karen Perry. The entire meeting was spent discussing the bids for glass panels at the Roeder. The bid that was favored by the committee was with Glass Wall Systems for \$36,787.

**Landscape Advisory Group:** Cheryl Nicoll.

\$5,000 was discussed for approval for landscape on the south side by the hula girls and the ice plan.

**Community Alliance Group:** Sara Smith.

Today is the meeting to discuss the transition and what it will look like between Avenida Del Sol and the Del.

**Seawall & Roadway Committee:** John Robinson.

Dear Board,

Please review the attached agenda for the Enforcement Committee (Seawall, roadways, sewers, storm drains) meeting on Jan 24th, after our board meeting. I have written a statement and delivered same to the manager. That statement will be read by the manager at the board meeting as I am unable to attend.

I will be attending the committee meeting in person.

**Insurance Committee:** John Robinson.

Dear Board,

I attended the Insurance Cooperative meeting yesterday at 2 PM. The meeting lasted 2 1/2 hours. The subject of the meeting had to do with Property Coverage and Liability Coverage. Following the presentation by Farmers, Mr. Kirk Miller owner, the Committee unanimously voted to renew coverage with Farmers. Our coverage has steadily increased over the last decade from around \$300 million dollars to the current \$1,218,594,212 (billion dollars) and of course that coverage also means increased premiums. Our premium for 2020 has increased by 6% and Tony should work that figure into this budget.

The coverage cost is now at a cost of \$652,696, up from \$615,214 from 2019. It has the potential of increasing at a much greater rate in the years to come depending on many insurance factors.

Farmers is the only company willing to ensure the Shores at this time, something we need to be aware of, and grateful to Farmers for this insurance. Naturally, it came at a price. Part of the issue is that the Shores is a target of lawsuits due to the perception of deep pockets and our bar and pool are important factors also. Meaning Liquor liability.

While we have extensive coverage throughout the complex, and our board members and committee members, plus volunteers are all covered by various policies, such coverage can be negated under certain circumstances which should be obvious to all of us. Management must keep Farmers informed of all threats of litigation immediately so a file can be started whether or not we think the threat is serious or not. I think we have historically done a gone job in this regard and most of our litigation issues have to do with former employees or threats of litigation from owners due to damage to their property.

Our CC and R's make it very clear: Owners must obtain insurance for their property, water intrusion damage is the responsibility of the owner, not the association, owner's insurance policies are the primary for all losses and subrogation rights are waived by owners and their insurance carriers. Owners must hold the HOA harmless if the HOA

fails to ensure that every owner continues to maintain insurance on their units and automobiles and unit owners who fail to maintain insurance are responsible for all damages to their units and damages caused by their maintenance obligations outside of their units.

Insurance is a very complicated subject and I cannot possibly cover everything here. A binder handout was provided by Farmers and the manager will have it in his office available to anybody who requests seeing it. Beyond that, questions and challenges regarding our coverage should be referred to our policy holder (Farmers) or our attorney.

**Governing Documents & Rules Committee:** Linda Shenwick

Discussed revision to the CC&R's regarding the annual elections as required by California Law. These Election Rules are intended to comply with new legislation pertaining to Board elections which became effective January 1, 2020. The Board is reviewing the documents submitted by Las Flores Attorney. At the March 2020 Board meeting after review, discussion and potential adoption of the Proposed New Election Rules and amended documents a complete package will be sent out to the Membership for the twenty-eight (28) day period for review and comment. The board will then review the members comments and prepare a voting package to amend CCR&S and bylaws.

**House Committee:** See attached Report.

**Unfinished /old Business:**

Las Flores Website (Need new Board members pictures)      Anthony Diaz  
Manager requested pictures of the new Board members to complete the new website.

Lobby Grout Decision      Sara Smith  
Lobby grout will be applied and sealed on 10-11 February 2020.

**New Business:**

To ensure consistency between the Las Flores governing documents, rules and memos sent over the years and to provide clear communications and guidance prospectively to members, a review of our documents was undertaken. Two areas of discrepancies were found; the period of rental agreements and the conditions under which tenants can keep pets in a unit. The Board decided to maintain the current CC&Rs addressing

these two issues. A memo explaining will go out to all members shortly. Ms.Linda Shenwick made a motion "to maintain the current CCR& addressing the pet rules and leasing rules and to conform the current house rules to be consistent with the current CC&Rs". Ms.Sara Smith seconded the motion which carried unanimously.

Currently the Board is reviewing the Notice of the Proposed New Election Rules. No vote was taken. The Board will discuss and send the propose rule change to the membership for comments after the March 18, 2020 Board meeting.

CC&R Review, discussion

Linda Shenwick

2019 Financial Audit (26 February 2020)

Manger/Karen Perry


Discussion of request for reimbursement for car detailing for homeowner of unit 107.  
Manger

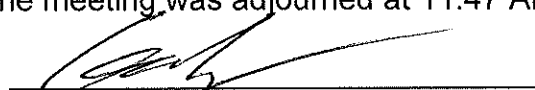
Discussion on unit 107 request for reimbursement for car detailing. The Board disapproved 5-0 the request for reimbursement of car detailing.

Next Meeting will be the Regular Board Meeting on March 18, 2020.

#### **ADJOURNMENT:**

There being no further business the meeting was adjourned at 11:47 AM.

  
Sara Smith, Secretary

  
George Kachigian, President

## **Attached Reports:**

### **Treasurer's Report for month ending December 31, 2019**

#### **Reserves**

Balance brought forward from 2018 \$546,580.30 in the Regular Reserve Fund.

#### **Currently: 2019**

At the end of December there is \$470,136.53 in the Regular Reserve Fund account, kept in the reserve bank account or certificates of deposit. See Reserve Funds Account Summary for a complete breakdown of Reserve Accounts. This represents that the Association Reserve is currently at approximately 22% funded level based on the revised Reserve Study Update completed October 2019.

#### **Interest Income**

Year to date we have collected a total of \$2,870.60 in interest. We projected we would receive \$804.00 leaving us under projections at the end of December by \$2,066.60.

#### **Operating Budget**

For the month of December, we budgeted \$111,930.00 for assessment income and we actually received \$111,930.00.

For the month of December, we budgeted \$111,997.00 for expenses and actually expended \$130,712.67 leaving us over projected budget expenditures for the month by \$18,715.67. To date ending December 31<sup>st</sup> shows that we are currently under projected budget expenditures for the year 2019 to date by \$10,880.66.

Net Ordinary Income to Budget year to date as of December 31<sup>st</sup> is positive \$12,947.26.

#### **Notes:**

Sincerely,

For the Treasurer  
Anthony Diaz  
Association Manager

## **Treasurer's Report for month ending November 30, 2019**

### **Reserves**

Balance brought forward from 2018 \$546,580.30 in the Regular Reserve Fund.

#### **Currently: 2019**

At the end of November there is \$485,141.48 in the Regular Reserve Fund account, kept in the reserve bank account or certificates of deposit. See Reserve Funds Account Summary for a complete breakdown of Reserve Accounts. This represents that the Association Reserve is currently at approximately 23% funded level based on the revised Reserve Study Update completed October 2019.

### **Interest Income**

Year to date we have collected a total of \$2,830.03 in investment interest. We projected we would receive \$737.00 leaving us over projections at the end of November by \$2,093.03.

### **Operating Budget**

For the month of November, we budgeted \$111,930.00 for assessment income and we actually received \$111,930.00.

For the month of November, we budgeted \$111,997.00 for expenses and actually expended \$106,319.89 leaving us under projected budget expenditures for the month by \$5,677.11. To date ending November 30<sup>th</sup> shows that we are currently under projected budget expenditures for the year 2019 to date by \$30,204.76.

Net Ordinary Income to Budget year to date as of November 30th is positive \$32,297.79.

#### **Notes:**

Sincerely,

For the Treasurer  
Anthony Diaz  
Association Manager

### **Manager's Report:**

1. All Payroll tax returns have been submitted to proper authorities.  
Additionally, all eligible vendors have been provided with their 1099 Misc. forms.
2. Employees have received their W-2's for 2019.
3. Attended Annual Legal Symposium at the Town and Country Convention Center in November 2019.
4. Contacted CPA for annual audit Corporate Tax returns. Audit will be conducted February 26, 2020 at 10:00 AM.
5. 2019 Holiday Fund was distributed to the staff, received a total \$16,463.00, 80 owners gave to the fund this year.
6. Currently we only have one major remodeling, unit 1203, so it.
7. Called Farmers Insurance to report the 2 labor cases we had in 2019.
8. Located Major leak in 5/6 stack bathroom. Tub drain leak from 1405, damage to several units below. Contractor that caused leak made most of the repairs.
9. Made dry wall repair and painted damage to bathroom in 1006 cause by above leak.
10. Installed bicycle repair station in lower garage. Repair stand and wall mounted compressor.
11. Called in County Burner Company to repair burner control module on #2 boiler and check #1 boiler.
12. Worked on sealing garage windows.
13. Put up Christmas decorations
14. Repaired leaking drains from garage planters.
15. Cleaned water feature strainer and filter.
16. Did water shut offs for contractors to replace angles stops and bib valves. Units 309, 509.
17. Cleared tub and shower drains in several units.
18. Called in Hec's Plumbing in inspect main drain piping for leaks above parking spot u-18. This area is a piping replacement done by Hec's. No leaks found.
19. Had overflow from washer in unit 509. Fill valve stuck open.
20. All Payroll tax returns have been submitted to proper authorities.  
Additionally, all eligible vendors have been provided with their 1099 Misc. forms.
21. Employees have received their W-2's for 2019.



22. Attended Annual Legal Symposium at the Town and Country Convention Center in November 2019.
23. Contacted CPA for annual audit Corporate Tax returns. Audit will be conducted February 26, 2020 at 10:00 AM.
24. Currently we only have one major remodeling, unit 1203, so it.
25. Located Major leak in 5/6 stack bathroom. Tub drain leak from 1405, damage to several units below. Contractor that caused leak made most of the repairs.
26. Made dry wall repair and painted damage to bathroom in 1006 cause by above leak.
27. Installed bicycle repair station in lower garage. Repair stand and wall mounted compressor.
28. Called in County Burner Company to repair burner control module on #2 boiler and check #1 boiler.
29. Worked on sealing garage windows.
30. Put up Christmas decorations
31. Repaired leaking drains from garage planters.
32. Cleaned water feature strainer and filter.
33. Did water shut-offs for contractors to replace angles stops and bib valves. Units 309, 509.
34. Cleared tub and shower drains in several units.
35. Called in Hec's Plumbing to inspect main drain piping for leaks above parking spot U-18. Hec's plumbing did not find any leaks.
36. Had overflow from washer in unit 509. Fill valve stuck open.
37. Roof eye bolts were inspected in December.

### **HOUSE REPORT (Roof, terrace and garages)**

#### **January 15, 2020; Board Meeting**

The purpose of this report is to inform the Board of Directors and Homeowners of conditions in the Las Flores building that are in need of remedial work. The report also confirms that the staff is timely and satisfactorily correcting these items. Any health or safety concerns that are observed while inspecting the building are also reported.

California Occupational Safety and Health Administration (Cal OSHA) regulations require Las Flores building inspection reports include the names of individuals that conduct the inspection.

January 10-13, 2020 inspections:

Scott Nicoll, Board Member  
Anthony Diaz, Association Manager

The following is a list of conditions in the building that are in need of remedial work and those for which work has been completed since the previous report. Tasks reported as "completed" in previous reports are not repeated in this report. The work completion status is noted for some of the tasks pending completion.

Since each remedial work task is not equally important and the urgency to complete each task is not the same, tasks have been assigned a priority. The priorities are defined as follows:

Priority 1: Items that are health or safety concerns or conditions that have the potential to become future health or safety issues.

Priority 2: Items in need of repair or replacement that are in locations accessible to Homeowners and whose existing condition is unsightly.

Priority 3: Items in locations that are not normally accessible to Homeowners and whose immediate repair or replacement will not result in appreciably accelerating their deterioration or cost to remediate.

The building's staff perform many routines, but very important, maintenance, repair, and housekeeping tasks that are not listed in this report. This report is limited to those work activities planned for a future time and/or ongoing work that needs an extended length of time to finish. In addition, all items that Homeowners have brought to the attention of the Manager or House Committee are included unless they were reported as "completed" in prior reports. This provides a way for the Board to make sure that Homeowners' housekeeping concerns receive consideration and appropriate corrective action.

#### **Roof Top & Machinery Room**

1. Cooling tower space needs to be cleaned
2. Deck by boiler is chipped, needs preservation.
3. All roof-top rooms need to be organized.
4. Rust on all roof drains.
5. Remove paint from space.
6. Cooling tower door need to be lubricated.
7. Shelving in equipment room needs to be inventoried and organized.
8. Equipment room needs to be cleaned and organized.

#### **Terrace Common Area & Stairwells Building Perimeter**

1. Northside terrace decking in common area has a couple of cracked planks.
2. Northside and southside stairwells need preservation.

### **Upper Garage & Store Rooms Employee Restroom**

1. Parking U-1 Excessive bikes (4), Bikes not registered, stall has trash, unit 1503.
2. Parking U-2 Unauthorized items (BBQ Pit), bike not registered, unit 509.
3. Parking U-4 Trash above storage locker, unit 709.
4. Parking U-5 Excessive bikes (8), unauthorized items (Vehicle Batteries), unit 1609.
5. Parking U-8 Excessive bikes (5), unauthorized items (Fire Pit), 1 bike not registered, stall is very disorganized.
6. Parking U-19 Unauthorized items (Tile), trash, 1 Bike not registered.
7. Parking U-21 Bikes not registered (2), unit 1408.
8. Parking Stall U-22 Unauthorized items in stall.
9. Parking U-23 Unauthorized items (Fire wood), unit 1402.
10. Parking U-29 Bikes not registered (2), unit 210.
11. Parking U-30 Unauthorized items (BBQ Pit), 2 bikes not registered, 707.
12. Parking U-31 Bikes not registered (2), unit 202.
13. Parking U-36 Unauthorized items (Tile) box of trash, unit 110.
14. Parking U-41 Bikes not registered (1), unit 407.
15. Parking U-42 Bike not registered (1).
16. Parking U-56 Excessive bikes (4) unit 506.
17. Parking U-62 bikes not registered (2), unit 106.

### **Lower Garage & Store Rooms**

1. Parking L-1 Excessive boxes and unauthorized items in parking stall, unit 903.
2. Parking L-2 Excessive bikes, bikes not registered (3), unit 804.
4. Parking L-5 Excessive bikes (5) 1 bike not registered, unit 1208.
5. Parking L-8 Bikes not registered (2), unit 1109.
7. Parking L-11 Bikes not registered, Excessive bikes (7), unit 1403.
9. Parking L-14 Bikes not registered (2), unit 1505.
10. Parking L-15 Excessive bikes, bikes not registered (3), unit 702.
11. Parking L-17 Unauthorized items, bikes not registered (2), unit 1405.
12. Parking L-18 Bike not registered (1), unit.

13. Parking L-19 Unauthorized items (Cardboard boxes)
14. Parking L-20 Unauthorized items in stall (Bags of trash), unit 1204
15. Parking L-22 Bike not registered (1), unit 508.
16. Parking L-26 Bikes not registered, excessive bikes ( ),
16. Parking L-30 Unauthorized items (Trash), unit 901.
17. Parking L-34 Bike not registered (1), unit 1504.
18. Parking L-35 Bike not registered, unit 907.
19. Parking L-44 Unauthorized items (Tile and Paint).
20. Parking L-48 Unauthorized items (Hazmat, toy house, cardboard), unit 1110.
21. Parking L-55 Bikes not registered (2), unit 1007.
22. Parking L-57 Bike not registered, (1), unit 1406
23. Parking L-58 Unauthorized items (Trash),
24. Parking L-63 Bike not registered.
28. Parking L-64 Excessive bikes (5), bikes not registered, unit 503.
29. Parking L-65 Bike not registered (2) unit 1509.
30. Parking L-69 Bikes not registered (4), unit 1604.
31. Parking L-72 Excessive bikes (10), bikes not registered, unauthorized items  
Unit 708.
32. Parking L-75 Excessive bikes (3) 1 bike not registered.
33. Parking L-76 Bikes not registered, (4), excessive bikes.

#### **Pump Room in Upper Garage**

1. Remove Cleaning gear from pump room.

#### **Misc. tasks pending completion:**

NTR.

#### **General Items noted for action:**

1. Eastside of building has rust spots.
2. Approximately 10 rocks have fallen of the rock wall, rocks need to be cemented back on.

Note: For the record the following storage cages have signs attached to the storage lockers in their parking space. Upper 18, 27 & 46 and Lower 48 & 60.

### **House Report (Corridor Inspection)**

#### **January 15, 2020: Board Meeting**

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California Occupational Safety and Health Administration (Cal OSHA) regulations require Las Flores building inspection reports include the names of individuals that conduct the inspection.

January 10-13, 2020 inspections:  
Scott Nicoll, Board Member  
Anthony Diaz, Association Manager

The following is a list of conditions in the building that are in need of remedial work and those for which work has been completed since the May 15, 2019 report. Tasks reported as "completed" in previous reports are not repeated in this report. The work completion status is noted for some of the tasks pending completion.

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Priority 3: Items in locations that are normally inaccessible to homeowners and whose immediate repair or replacement will not result in appreciably accelerating their deterioration or cost to remediate.

The building's staff perform many routines, but very important, maintenance, repair, and housekeeping tasks that are not listed in this report. This report is limited to those work activities planned for a future time and/or ongoing work that needs an extended length of time to finish. In addition, all items that Homeowners have brought to the attention of the Manager or House Committee are included unless they were reported as "completed" in prior reports. This provides a way for the Board to make sure that Homeowners' housekeeping concerns receive consideration and appropriate corrective action.

**Corridors** (Priority 2 unless noted otherwise)

**General:**

Floor 16:

1. Scuff marks North & south overhead by elevator.
2. Scuff marks on overhead by 1607.
3. Scuff marks on overhead by 1609

Floor 15:

1. Scuff marks North & south overhead by elevator.

Floor 14:

1. Scuff marks overhead by elevators.
2. Overhead light has a gap around housing.

Floor 12:

1. Chips on elevator frames

Floor 11

1. Scuff marks North & south overhead by elevator.

Floor 10:

1. Elevator door frame chipped.
2. Unit 1008 door laminate needs to be repaired.
3. Overhead scuff marks by 1008.
4. Unit 1003 door laminate needs repair.
5. Unit 1004 door laminate needs repair.

Floor 9:

1. Scuff marks north & south overhead elevator overhead.
2. Number for unit 0905 needs to be replaced.

Floor 8:

1. Northside fire station needs label.
2. Missing firehose sign on north fire station.

Floor: 7

1. Overhead scuff marks by 706 needs painting
2. Elevator frames chipped

Floor 6:

1. NTR

Floor 5:

1. Overhead scuff by unit 510.
2. Trash room has dirty vent cover.

Floor 4:

1. Scuff marks on overhead by unit 409.
2. Black door frame by unit 406 chipped.
3. Door frame laminate chipped unit 403.

Floor 3:

1. South side door sign needs to be replaced.

Floor 2:

1. Scuff marks on overhead by unit 209.

Floor 1:

1. Elevator door frame chipped
2. North fire station missing sign.

**Note:**

Main Lobby: Tile grout, needs cleaning, painted and resealed.

**Priority 1 Safety Items:**

**The following units need to fix their smoke stops ASAP: (contact manager for replacement).**

- 1610
- 1609
- 1607
- 1606
- 1508
- 1505
- 1502
- 1410
- 1407
- 1403
- 1401
- 1210
- 1208
- 1110
- 1107
- 1009
- 1006
- 1004
- 1003
- 1002
- 0909
- 0908
- 0906
- 0905
- 0903
- 0902

- 0810
- 0808
- 0806
- 0805
- 0801
- 0710
- 0709
- 0706
- 0701
- 0608
- 0605
- 0603
- 0602
- 0601
- 0506
- 0409
- 0403
- 0310
- 0309
- 0307
- 0303
- 0302
- 0209
- 0207
- 0110
- 0108
- 0103
- 0102