

SAN ELIJO HILLS HOMEOWNERS' ASSOCIATION, INC.  
PO BOX 232, SOLANA BEACH, CA. 92075  
BOARD OF DIRECTORS' MEETING  
MAY 6, 2020

Present: President Ayers, Vice President Basore, Treasurer Costello, Secretary Bissierier, Directors Allen, Fleming and Klein

Also Present via Teleconference: Insurance Agent Greg Meyers, Recording Secretary Quay and Members Harley Gordon, Gina Katz, Percy Zelnick, Sandy Punch and Mr. & Mrs. Dorney.

- I. Call to Order: The meeting was called to order via teleconference at 6: 30 p.m.
- II. Establish Quorum: A quorum was established.
- III. Discussion on Insurance Renewal with Agent Greg Meyers: Discussion ensued regarding concerns and slope coverage especially after heavy rains. Mr. Meyers explained that the slopes are covered by perils (fire, hail) but slope failure, flooding and earth movement are excluded. Property coverage includes common areas, irrigation systems and general liability covers bodily injury, trip & fall and property damage on common areas if proven that the HOA was negligent. Greg Meyers was informed that the HOA does not own any common area. Mr. Meyers was asked about coverage for a main line break (as an example) that causes major damage. Mr. Meyers said that he will get clarification from the carrier. In regards to D&O insurance, it covers Board members, committee members and property managers. The HOA does not have earthquake insurance which would cost \$50,000-\$100,000 per year. Mr. Meyers said he would get back with the Board and the Board agreed to further evaluate the current coverage.
- IV. Member Input: Mr. Dorney said that the Board should look into homeowners' insurance loss assessment. The Board agreed. Harley Gordon asked if a letter is going out to homeowners requesting their email addresses. Vice President Basore replied that it is a discussion on this agenda (Item VII (d)). Mr. Gordon also stated that looking at the agenda item (VIII) for endorsing the frame for the PC&R'S and Bylaws, one would assume that the Board was going to endorse the framework. He stated for the record, "Do not discard the information but let the next Board decide what they want to do." The Board was asked what the HOA has paid to-date for Katz/Knapp lawsuit. Director Fleming said that the HOA's insurance company has continued to pay for the HOA's defense. However, it is possible that if a judgment is reached, the HOA may have to pay. He further stated that he cannot comment on ongoing litigation but he believes that it is a public document. Director Fleming added that the HOA is hopeful that the Katz's and Knapp's participate in mediation.

- V. Approval of the April 1, 2020 Minutes. The minutes were approved.
- VI. Discussion on Board Responses to Homeowners' Letters and Emails: President Ayers said that the Board should respond to the homeowners' correspondence, but the Board acts as a whole and most concerns should be placed on the Board's agenda.
- VII. Committee Reports:
  - a. Architectural and Planning Board:
    - 1. 1544 Santa Elena, request to paint gate and garage door "Bell Blue." Vice President Basore said that the gate has been painted and the homeowner is now asking to paint the garage door. Request was approved.
    - 2. 1272 Santa Luisa, installation of front-side yard fence without obtaining HOA approval. Vice President Basore said the Committee sent the owners an "As Built" letter to get approval but the homeowners have not yet responded. Secretary Bissierier said that she will talk to the homeowner.
    - 3. Other requests received, decided and closed: Fencing at 1539 Santa Sabina, roof on 507 Santa Victoria and roof at 1535 Santa Marta.
  - b. Slopes Committee:
    - 1. Work is continuing on Santa Victoria and Cielo crews are working on the slopes three times a week. A large Acacia tree fell due to a slope failure after heavy rains. Homeowners at 655 San Mario, 749 Santa Mario and 1435 Santa Marta have not cleaned up their weeds. The Board asked Sandy Punch to take pictures and the Board will send the homeowners a letter. The resident at 1339 Santa Luisa sent a check for one-half the cost to remove three trees on a neighbor's slope that presented a risk to the occupants.
  - c. Program and Social Committee Report: Secretary Bissierier said that the room deposit of \$280.00 for the Annual Meeting that was to be held at the Loma Santa Fe Executive Golf Course, will be refunded.
  - d. Membership Committee Report:
    - 1. Approve Election Mailing: Treasurer Costello suggested the Board: (1) extend the voting period and (2) include homeowners who are in arrears who can't vote until they pay. The Board agreed to add a note in the election mailing stating that if homeowners pay their dues before the election, their vote will be counted. Discussion ensued on the date for the Annual Meeting and Election. Secretary Bissierier made a motion that was seconded by Vice President Basore to hold the Annual Meeting and Election on June 24, 2020. Voters can vote by mail or drop their ballots off (location to be determined) between 5:00 – 6:30 p.m. The

motion passed. Secretary Bissierier made a motion to appoint Recording Secretary Quay and Sandy Punch as Election inspectors. President Ayers seconded the motion and it passed.

2. Approve Details for Teleconferencing the Annual Meeting: The Board expressed concern about the number of people 'breaking in' to the conference call and how much time it would take. The Board suggested homeowners submit questions in writing or email them before the meeting. One of the Board's objectives is to gather more emails and a notation to request email addresses will be added to the letter in the election mailing. The Board also decided to hold the election of new officers on Wednesday, July 1, 2020.

VIII. Endorse the Framework for the PC&R'S and Bylaws prepared by the Ad Hoc Committee on Updating the Covenants: President Ayers made a motion to endorse the framework. The motion was seconded by Director Klein. Discussion ensued. The Board explained that endorse means that the current Board is happy to recommend these as a starting point and to open discussion with the homeowners. The motion was approved.

IX. Financial Report: The following items were addressed:

- a. President Ayers said that Venmo (or another mobile payment service) should be set-up. To-date 22 homeowners have not paid and President Ayers stated that \$12,000 uncollected dues is not acceptable.
- b. More irrigation issues are expected after the major work was done behind Santa Victoria at a cost of approximately \$1,000.
- c. The estimated overrun for this year's budget is \$19,000 for tree trimming.
- d. Legal and water costs are over budget. Legal is high due to the work on the PC&R'S and Bylaws.
- e. Discussion ensued about raising dues 7%. Vice President Basore said he was not comfortable raising dues at this time. Director Klein made a motion that was seconded by Secretary Bissierier to increase the dues by 7% (\$80.00 more per year per homeowner). The motion passed 4/2 (Vice President Basore and Treasurer Costello voted nay.) Treasurer Costello said that he will prepare a new budget based on the increase.

X. New Business: None.

XI. Adjournment: The meeting adjourned at 9:05 p.m. The next meeting will be held on June 24, 2020 via teleconference.

