

MINUTES OF THE REGULAR MEETING OF THE  
BOARD OF DIRECTORS OF THIRD LAGUNA HILLS MUTUAL  
A CALIFORNIA NON-PROFIT MUTUAL BENEFIT CORPORATION

**August 16, 2011**

The Regular Meeting of the Third Laguna Hills Mutual Board of Directors, a California non-profit mutual benefit corporation, was held on Tuesday, August 16, 2011 at 9:30 A.M. at 24351 El Toro Road, Laguna Woods, California.

Directors Present: Carol Moore, John Paulus, Kathryn Freshley, Carol Skydell, Dick Palmer, Denny Welch, Isabel Muennichow, Rae Tso, Sy Wellikson, Lucy Shimon, Dominic Burrasca

Directors Absent: None

Others Present: Cris Robinson, Patty Kurzet

Executive Session: Cris Robinson, Patty Kurzet, Sandy Meyer

**CALL TO ORDER**

Director Carol Moore, President of the Corporation, chaired the meeting and stated that it was a regular meeting held pursuant to notice duly given and that a quorum was present. The meeting was called to order at 9:30 A.M.

A moment of silence was held to honor the US Troops serving our country and those placed in harm's way.

**PLEDGE OF ALLEGIANCE**

Director Dominic Burrasca led the Membership in the Pledge of Allegiance to the Flag.

**ACKNOWLEDGEMENT OF PRESS**

Ms. Lois Rothschild, a freelance reporter, was not present at the start of the meeting, and the Channel 6 Camera Crew, by way of remote cameras, was acknowledged as present.

**APPROVAL OF AGENDA**

Without objection, the Board approved the agenda as submitted.

Ms. Leslie Keane, City Manager, addressed the Board on the current coyote issue that is affecting the Community. Ms. Keane stated that the City will be issuing a limited shooting permit to Animal Control Service to control the coyote population, because trapping and releasing coyotes is not permitted in the State. The City is actively pursuing citing and imposing a fine up to \$1000 on those who have been found to be feeding the wildlife. Ms. Keane stated that the Laguna Beach Police should be contacted for any coyote sightings.

**CHAIR'S REPORT—Carol Moore**

President Carol Moore encouraged residents to email the Post Master General asking it not to close the satellite post office at Clubhouse Three; reported on GRF's recent resolution to impose a Facilities Fee; commented on the proposed location of the new fire station at Garden Center One; and commented on the need to control expenses.

### **APPROVAL OF THE MINUTES**

Without objection the Board approved the minutes of the Special Meeting of June 22, 2011 (Budget Version 1), the Regular Meeting of July 19, 2011, the Special Meeting of July 22, 2011 (Budget Version 2), and the Special Meeting of July 28, 2011.

### **CONSENT CALENDAR**

Without objection, the Board approved the Consent Calendar as presented, and the Board took the following actions:

#### Maintenance & Construction Committee Recommendations:

- |         |   |
|---------|---|
| 3034-B  | Approval of request to retain the satellite dish mounted on the outer perimeter of the rear balcony, with contingencies |
| 4009-3F | Approval of request to exempt the inside walls of the balcony from painting, with contingencies                         |
| 5482-A  | Approval of request to retain rear patio extension, with contingencies  |

#### Landscape Committee Recommendations

- |         |  |
|---------|--|
| 5336-B  | Uphold previous decision and approve request for tree removal at the Mutual member's expense |
| 3123-N  | Denial of request for tree removal   |
| 3511-B  | Approval of request for tree removal at Mutual member's expense                              |
| 4025-1G | Denial of request for more plants on slope   |
| 5463-B  | Conditional approval of request for tree removal at the Mutual member's expense              |

#### Finance Committee Recommendations

### **RESOLUTION 03-11-120**

#### **Recording of Lien for Member ID 931-471-11**

**WHEREAS**, Member ID 931-471-11 is currently delinquent to Third Laguna Hills Mutual with regard to the monthly assessment; and

**WHEREAS**, a Notice of Delinquent Assessment (Lien) will be filed upon adoption of this resolution following at least a majority vote of the Board (with no delegation of such action by the Board), acting in an open meeting, and for which the Board's vote is recorded in the minutes;

**NOW THEREFORE BE IT RESOLVED**, August 16, 2011, that the Board of Directors hereby approves the recording of a Lien for Member ID 931-471-11; and

**RESOLVED FURTHER**, that the officers and agents of this Corporation are hereby authorized on behalf of the Corporation to carry out this resolution as written.

**RESOLUTION 03-11-121**

**Recording of Lien for Member ID 931-581-27**

**WHEREAS**, Member ID 931-581-27 is currently delinquent to Third Laguna Hills Mutual with regard to the monthly assessment; and

**WHEREAS**, a Notice of Delinquent Assessment (Lien) will be filed upon adoption of this resolution following at least a majority vote of the Board (with no delegation of such action by the Board), acting in an open meeting, and for which the Board's vote is recorded in the minutes;

**NOW THEREFORE BE IT RESOLVED**, August 16, 2011, that the Board of Directors hereby approves the recording of a Lien for Member ID 931-581-27; and

**RESOLVED FURTHER**, that the officers and agents of this Corporation are hereby authorized on behalf of the Corporation to carry out this resolution as written.

**RESOLUTION 03-11-122**

**Recording of Lien for Member ID 931-900-16**

**WHEREAS**, Member ID 931-900-16 is currently delinquent to Third Laguna Hills Mutual with regard to the monthly assessment; and

**WHEREAS**, a Notice of Delinquent Assessment (Lien) will be filed upon adoption of this resolution following at least a majority vote of the Board (with no delegation of such action by the Board), acting in an open meeting, and for which the Board's vote is recorded in the minutes;

**NOW THEREFORE BE IT RESOLVED**, August 16, 2011, that the Board of Directors hereby approves the recording of a Lien for Member ID 931-900-16; and

**RESOLVED FURTHER**, that the officers and agents of this Corporation are hereby authorized on behalf of the Corporation to carry out this resolution as written.

**RESOLUTION 03-11-123**

**Recording of Lien for Member ID 931-900-29**

**WHEREAS**, Member ID 931-900-29 is currently delinquent to Third Laguna Hills Mutual with regard to the monthly assessment; and

**WHEREAS**, a Notice of Delinquent Assessment (Lien) will be filed upon adoption of this resolution following at least a majority vote of the Board (with no delegation of such action by the Board), acting in an open meeting, and for which the Board's vote is recorded in the minutes;

**NOW THEREFORE BE IT RESOLVED**, August 16, 2011, that the Board of Directors hereby approves the recording of a Lien for Member ID 931-900-29; and

**RESOLVED FURTHER**, that the officers and agents of this Corporation are hereby authorized on behalf of the Corporation to carry out this resolution as written.

**RESOLUTION 03-11-124**

**Recording of Lien for Member ID 932-200-79**

**WHEREAS**, Member ID 932-200-79 is currently delinquent to Third Laguna Hills Mutual with regard to the monthly assessment; and

**WHEREAS**, a Notice of Delinquent Assessment (Lien) will be filed upon adoption of this resolution following at least a majority vote of the Board (with no delegation of such action by the Board), acting in an open meeting, and for which the Board's vote is recorded in the minutes;

**NOW THEREFORE BE IT RESOLVED**, August 16, 2011, that the Board of Directors hereby approves the recording of a Lien for Member ID 932-200-79; and

**RESOLVED FURTHER**, that the officers and agents of this Corporation are hereby authorized on behalf of the Corporation to carry out this resolution as written.

**RESOLUTION 03-11-125**

**Recording of Lien for Member ID 932-810-42**

**WHEREAS**, Member ID 932-810-42 is currently delinquent to Third Laguna Hills Mutual with regard to the monthly assessment; and

**WHEREAS**, a Notice of Delinquent Assessment (Lien) will be filed upon adoption of this resolution following at least a majority vote of the Board (with no delegation of such action by the Board), acting in an open meeting, and for which the Board's vote is recorded in the minutes;

**NOW THEREFORE BE IT RESOLVED**, August 16, 2011, that the Board of Directors hereby approves the recording of a Lien for Member ID 932-810-42; and

**RESOLVED FURTHER**, that the officers and agents of this Corporation are hereby authorized on behalf of the Corporation to carry out this resolution as written.

### **RESOLUTION 03-11-126**

#### **Recording of Lien for Member ID 935-090-22**

**WHEREAS**, Member ID 935-090-22 is currently delinquent to Third Laguna Hills Mutual with regard to the monthly assessment; and

**WHEREAS**, a Notice of Delinquent Assessment (Lien) will be filed upon adoption of this resolution following at least a majority vote of the Board (with no delegation of such action by the Board), acting in an open meeting, and for which the Board's vote is recorded in the minutes;

**NOW THEREFORE BE IT RESOLVED**, August 16, 2011, that the Board of Directors hereby approves the recording of a Lien for Member ID 935-090-22; and

**RESOLVED FURTHER**, that the officers and agents of this Corporation are hereby authorized on behalf of the Corporation to carry out this resolution as written.

#### **GENERAL MANAGER'S REPORT**

In Mr. Storage's absence, Mrs. Cris Robinson commented on the construction progress of the new Golf Building; stated that the City Centre Park and the City's plan to change the configuration of Santa Maria are now complete; and updated the membership on the ongoing GRF projects within the Community and at the Clubhouses.

Mrs. Robinson also updated the Board on Third Mutual projects including the replacement of beams at various buildings; the fire alarm system upgrades; the Water Conservation Pilot project; waterline epoxy piping; the elevator hydraulic replacement project; the flood mitigation in cul-de-sacs 371 and 378; the Exterior Paint program; the rain gutter replacement program; new cluster mailbox installation; and electrical upgrades for water heaters.

President Moore described the Board decorum for Member Comments.

#### **THIRD MUTUAL MEMBER COMMENTS and PUBLIC FORUM**

- Gabriel Newhouse (4004-3F) commented on a water leak and water heater replacement at his manor.
- Barbara Marsh (3433-B) announced her candidacy for the upcoming election.

- Harriet Arnest (4010-1A) commented on relocating a persimmon tree.
- Stanley Feldstein (2403-1B) commented on the Board's communication to residents affected by the flooding and requested that the Board provide details of the mitigation to the members.
- Bud Nesvig (2392-3H) commented on paying back the incentive plan payouts.
- Art Harris (3244-1G) commented on earthquake insurance, the need to hire a director to oversee PCM, and voting for candidates who care for the Community.
- Richard Moren (2395-1G) commented on flood mitigation and the Board's lack of mitigation disclosure to the residents and threatened to go to small claims court for resolution.
- Pat Feeney (2399-1E) announced that the close of nominations is August 17<sup>th</sup>.
- Margaret Klein (3487-A) commented on a fire that occurred at her manor.
- Virginia Templeton (3243-1E) commented on President Moore's comments regarding GRF's proposed Trust Facilities Fee and a new fire station.
- Mike Matzenbacher (2401-3D) commented on beam work and the condition of the stairs at his building.

#### **DIRECTORS' RESPONSES TO MEMBER COMMENTS**

- Director Paulus briefly responded to Mr. Newhouse's water heater issue and Ms. Arnest's request to relocate a persimmon tree.
- Director Welch commented on the Board's decision to reduce the landscape budget by over \$500,000 and questioned which programs and services will be impacted by the reduction and how other departments will be impacted by the Board not raising assessments this year.
- Director Burrasca stated that overcutting grass results in crab grass growth.
- Director Freshley commented on the proposed reduction in the landscape budget and the need to challenge PCM to perform cost effective practices and acceptable services without reducing service levels, and based on quotes received PCM needs to be competitive with services that are being provided by other landscape companies.
- Director Muennichow requested to review the landscape bids received by Directors Shimon, Freshley and Moore because, as a Director she has a right to review the quotes.
- Director Wellikson stated that the entire Board has the right to review all information received by other Board members when it affects Board business.

#### **OLD BUSINESS**

The Secretary of the Corporation, Director Carol Skydell, read the following proposed resolution adopting tree removal guidelines which was postponed from the previous month to conform to the 30-day notification requirement:

#### **RESOLUTION 03-11**

#### ***Tree Removal Guidelines***

**WHEREAS**, the Board of Directors recognizes that many policies and services have been implemented by way of practice over the years but not formally documented;

**NOW THEREFORE BE IT RESOLVED**, September 20, 2011, that the Board of Directors hereby adopts the following tree removal guidelines:

- Unless there is a purposeful reason, ~~trees are not removed because they are messy or disliked because of the shape, color, size or even fragrance.~~ **trees should not be removed merely because they are messy, or because of residents' personal preferences concerning shape, color, size, or fragrance.**
- ~~Trees which are objected to because of loss of view are not removed if they only happen to be on the distant horizon.~~ **Trees should not be removed because of view obstruction if the obstruction is at a considerable distance from the complaining manor and therefore causes only a partial obstruction.**
- ~~Trees which are located on slopes are seldom, if ever, removed as this can contribute to destabilization.~~ **Trees on slopes should not be removed if the removal will contribute to the destabilization of that slope.**
- Trees which are damaging or will damage a structure, pose a hazard, in failing health or interfering with neighboring trees, will be considered for removal.

**RESOLVED FURTHER**, that the officers and agents of this Corporation are hereby authorized on behalf of the Corporation to carry out this resolution as written.

Director Skydell moved to approve the resolution which was seconded.

Without objection, the Board postponed the resolution to the September meeting to satisfy the 30-day notification requirements.

### **NEW BUSINESS**

The Board discussed changing the name of the Third Mutual Cost Savings Ad Hoc Committee to the Community Cost Savings Ad Hoc Committee since the Board determined that it should be a community-wide committee. It was stated that the name already changed at the committee level and that a charter was not necessary since the Committee would be considered as a discussion group consisting of other members of the housing mutual boards and GRF, and it was not necessary to follow the proper formal procedures.

## **FINANCE REPORT**

Director Kathryn Freshley gave the Treasurer's and the Finance Committee Reports, and commented on the Resale & Lease Activities.

## **COMMITTEE REPORTS**

Director Lucy Shimon reported from the Landscape Committee.

Director John Paulus reported from the Maintenance and Construction Committee.

The Secretary of the Corporation read a proposed resolution allowing Members to submit a request for the Mutual to repair their garage storage cabinet at the Mutual's expense. Director Skydell moved to approve the resolution. Director Wellikson seconded the motion and discussion ensued.

By a vote of 9-0-1 (Director Welch abstained), the motion carried and the Board of Directors adopted the following resolution:

### **RESOLUTION 03-11-127**

#### **Framing Structure for Garage Storage Cabinets**

**WHEREAS**, in Garden Villa style buildings, Third Mutual maintains one garage storage cabinet per manor for member use; and

**WHEREAS**, due to the fact that the some storage cabinets are installed directly onto the concrete garage floor and against the concrete block wall, they are susceptible to moisture intrusion collection; and

**WHEREAS**, Staff engaged the services of an architect to identify a method of raising the cabinets up off the floor and away from the walls of the garages to minimize moisture damage to the cabinets;

**NOW THEREFORE BE IT RESOLVED**, August 16, 2011, that the Board of Directors hereby allows a Member to submit a request for the Mutual to repair their garage storage cabinet, in that framing structures will be constructed and installed if moisture intrusion is determined to be the result of under-building seepage that cannot be avoided; and

**RESOLVED FURTHER**, that the estimated expense is \$300 per framing structure when existing cabinets can remain in place and \$1,050 for full replacement of cabinets with a framing structure and will be funded through an unbudgeted operating expenditure in General Maintenance in 2011 and 2012, and then funding for this procedure will be included in future business plans; and



**RESOLVED FURTHER**, that the officers and agents of this Corporation are hereby authorized on behalf of the Corporation to carry out this resolution as written.

The Secretary of the Corporation read a proposed resolution authorizing a supplemental appropriation to replace 79 elevator machine room door lever locks. Director Skydell moved to approve the resolution. Director Wellikson seconded the motion.

Director Welch left the meeting at 12:02 P.M.

Member Pat Feeney (2399-1E) commented on the funding source.

By a vote of 9-0-0 (Director Welch was absent from the meeting), the motion carried and the Board of Directors adopted the following resolution:

**RESOLUTION 03-11-128**

**Replace Elevator Machine Room Door Locks**

**WHEREAS**, there are seventy-nine elevator machine room door knobs that are not self locking and do not comply with the State of California Elevator code requirements;

**NOW THEREFORE BE IT RESOLVED**, August 16, 2011, that the Board of Directors hereby authorizes a supplemental appropriation in the amount of \$10,780 to be funded from the Elevator Replacement Fund to replace 79 elevator machine room door lever locks to comply with State of California code requirements; and

**RESOLVED FURTHER**, that the 79 existing door knob locks would be removed and replaced with Kwikset Kingston Lever locks which are self locking from the outside, while being able to be opened from the inside without a key; and

**RESOLVED FURTHER**, that the officers and agents of this Corporation are hereby authorized on behalf of the Corporation to carry out this resolution as written.

Director Welch returned to the meeting at 12:06 P.M.

The Secretary of the Corporation read a proposed resolution authorizing a supplemental appropriation to engage consultant services for Mutual lead renovation, repair and painting work. Director Skydell moved to approve the resolution. Director Welch seconded the motion and discussion ensued.

Member Bud Nesvig (2392-3H) commented on the resolution.

By a vote of 10-0-0, the motion carried and the Board of Directors adopted the following resolution:

**RESOLUTION 03-11-129**

**Lead Renovation, Repair, and Painting Consultant Services**

**WHEREAS**, in April 2010, the U.S. Environmental Protection Agency (EPA) implemented a new Lead Renovation, Repair, and Painting Rule (RRP) requiring that all renovations covered under this rule must be performed by certified firms, using certified renovators and other trained workers; and

**WHEREAS**, staff has been transforming its repair, preparation, and painting activities to comply with this rule; and have engaged the services of a consultant specializing in the EPA RRP rule to ensure full compliance; and

**NOW THEREFORE BE IT RESOLVED**, August 16, 2011, that the Board of Directors of this Corporation hereby authorizes a supplemental appropriation in the amount of \$33,000, to be funded from the Unappropriated Expenditures Fund, to engage consultant services for Mutual lead renovation, repair and painting work; and

**RESOLVED FURTHER**, that the engagement of a consultant would assist in minimizing the Mutual's exposure to the potential fines for non-compliance with EPA's RRP rule, and would allow Staff to more quickly learn techniques and procedures compliant with the rule; and

**RESOLVED FURTHER**, that the officers and agents of this Corporation are hereby authorized on behalf of the Corporation to carry out this resolution as written.

The Secretary of the Corporation read a proposed resolution modifying the alarm system replacement schedule in the three-story buildings. Director Skydell moved to approve the resolution. Director Shimon seconded the motion and discussion ensued.

By a vote of 10-0-0, the motion carried and the Board of Directors adopted the following resolution:

**RESOLUTION 03-11-130**

**Fire Safety Upgrades to Building 3486**

**WHEREAS**, the Board of Directors has a current plan to replace the fire alarm systems in all 81 three-story buildings by the end of 2022; and

**NOW THEREFORE BE IT RESOLVED**, August 16, 2011, that the Board hereby authorizes that the replacement schedule for alarm systems in the 81 three-story buildings be modified from 11 years to 5 years and now be completed by the end of 2016; and

**RESOLVED FURTHER**, that the 2012 Reserves Plan be updated to reflect the new replacement schedule; and

**RESOLVED FURTHER**, that the officers and agents of this Corporation are hereby authorized on behalf of the Corporation to carry out this resolution as written.

The Secretary of the Corporation read a proposed resolution authorizing a supplemental appropriation to install colored concrete crosswalks in specified cul-de-sac intersections. Director Skydell moved to approve the resolution. Director Shimon seconded the motion and discussion ensued.

By a vote of 7-3-0 (Directors Welch, Palmer and Tso opposed), the motion carried and the Board of Directors adopted the following resolution:

**RESOLUTION 03-11-131**

**Stamped Concrete Paved Crosswalks in Cul-de-Sacs**

**WHEREAS**, the Maintenance and Construction Committee has determined that the Mutual has cul-de-sac intersections that lack any hardscape features;

**NOW THEREFORE BE IT RESOLVED**, August 16, 2011, that the Board hereby authorizes a supplemental appropriation of \$100,000 from the Unappropriated Expenditures fund to install colored concrete crosswalks in the following specified cul-de-sac intersections in the Mutual:

1. Gate 14 @ CDS 401
2. Algarrobo @ 5368 (before driveway enters Algarrobo)
3. La Mesa @ 5539 (before street enters Sosiega)
4. Via Serena N @ 316 (before street enters Via Serena)
5. Via Dicha (just before streets enters Bahia Blanca West)
6. Calle Sonora CDS 301 (just before street enters Calle Sonora)
7. Via Puerta CDS 213 (just before street enters Via Puerta on south side)
8. Via Puerta CDS 212 (just before street enters Via Puerta on north side)
9. Via Mariposa West at CDS 203 (just before street enters Via Mariposa West)
10. Via Puerta CDS 216 (just before street enters Via Puerta)

11. Via Mariposa CDS 209 (to left of street that enters on Via Mariposa)
12. Via Mariposa CDS 209 (to right of street that enters Via Mariposa)

**RESOLVED FURTHER**, that the color, design, and locations of the crosswalks are to be determined by the Maintenance and Construction Committee; and

**RESOLVED FURTHER**, that the officers and agents of this Corporation are hereby authorized on behalf of the Corporation to carry out this resolution as written.

The Secretary of the Corporation read a proposed resolution authorizing a supplemental appropriation to award the copper pipe, epoxy coating contract for Buildings 2386 and 2392. Director Skydell moved to approve the resolution. Director Wellikson seconded the motion and discussion ensued.

Member Bud Nesvig (2393-3H) commented on the project.

By a vote of 10-0-0, the motion carried and the Board of Directors adopted the following resolution:

### **RESOLUTION 03-11-132**

#### **2011 Copper Pipe, Epoxy Coating for Buildings 2386 and 2392**

**WHEREAS**, the 2011 Reserves Expenditures Plan includes a contingency budget of \$200,000 for copper piping remediation at two 3-story buildings; and

**WHEREAS**, in July 2011, the Board approved the Request for Proposal and Final Bidders List for the 2011 Copper Pipe, Epoxy Coating Program, and competitive bids were received from two qualified contractors which exceeded the existing reserve expenditures plan;

**NOW THEREFORE BE IT RESOLVED**, August 16, 2011, that the Board of Directors of this Corporation hereby authorizes a supplemental appropriation of \$50,413, funded from the Replacement Fund, to award the copper pipe, epoxy coating contract for Buildings 2386 and 2392 with a 10 year warranty to the lower bidder; and

**RESOLVED FURTHER**, that the officers and agents of this Corporation are hereby authorized on behalf of the Corporation to carry out this resolution as written.

Director Skydell reported from the Board Operating Rules Ad Hoc Committee.

Director Palmer reported from the Water Conservation Ad Hoc Committee.

Following the report of the Water Conservation Ad Hoc Committee, a request was made by President Moore to forgo the reports of the remaining committees due to the fact it was approaching 1:00 P.M. All agreed except Director Welch who wanted to report from the Information Access Ad Hoc Committee. Director Welch reminded the membership that Board resolutions are available on the website in a searchable format.

#### **DIRECTORS' COMMENTS**

- Director Tso announced that the next Directors' Coffee is to be held on August 24, 2011 and the budget meeting is to be held on Thursday, August 18, 2011.

The Board recessed at 12:52 P.M. and reconvened into Executive Session at 1:42 P.M.

#### **Summary of Previous Closed Session Meetings per Civil Code Section §1363.05**

During its July 19, 2011 Regular Executive Session Board Meeting, the Board reviewed and approved the minutes of the Special Executive Session minutes of June 13, 2011, and amended and approved the Regular Executive Session minutes of June 21, 2011. The Board heard 3 disciplinary hearings; approved two delinquent assessment write-offs; discussed the Deborah Pitts v. Third Mutual; Ellen Moss v. Third Mutual; Elliot Nesvig v. Third Mutual; Milt Johns (Cross Complainant) v. Professional Community Management, Inc., et al.; Gilbert and Mary Faust v. Third Mutual; and Gladys Yacoubian v. Third Mutual; and discussed other member disciplinary matters; and discussed contractual and litigation matters.

During its July 25, 2011, July 26, 2011, and July 27, 2011 Special Executive Disciplinary Committees, the Board held disciplinary hearings.

The Traffic Committee of the Board met in Executive Session on July 27, 2011 to discuss member disciplinary issues.

During its July 28, 2011 Special Executive Session, the Board discussed contractual and potential litigation matters.

With no further business before the Board of Directors, the meeting was adjourned at 4:18 P.M.

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Carol Skydell, Secretary