

MINUTES
GENERAL SESSION
BOARD OF DIRECTORS MEETING
THE VILLAS COMMUNITY ASSOCIATION
A California Nonprofit Corporation

OCTOBER 27, 2022

Notice of Meeting

In accordance with Civil Code §4920, notice of the meeting and the agenda was posted at the community pool at least four (4) days prior to the General Session of the Board of Directors of The Villas Community Association held on the above date at Optimum Professional Property Management, Irvine, California and Zoom.

Roll Call

A quorum of the Board (Five Members per Bylaws) was established with the following Directors in attendance:

Directors Present: Daniel Wells, President
Angie Dickson, Vice President
Jill Cooper, Secretary
Marilyn Curry, Treasurer
Ali Gharavi Esfahani, Member at Large

Directors Absent: NONE

Others Present: Morgan Winegar, CMCA®, Optimum Professional Property Management, Inc.
Will Leek – 9 Segura
Stan & Margi Jung – 15 Segura

Executive Session Disclosure §4935(a)

In accordance with Civil Code §4935(e), notification is hereby provided of an Executive Session of the Board of Directors held prior to this meeting on October 27, 2022 from 6:15 p.m. to 7:00 p.m. for the following:

- Delinquencies: A/R Aging & Collection Report 09/30/22
- Hearings (5): Non-Compliance of the Governing Documents
- Legal: Water Damage Update (3)
- Minutes: Executive Session 09/22/22

Call to Order General Session

President and Presiding Chair, Daniel Wells, called the General Session to order at 7:00 p.m.

Homeowner Forum

In accordance with State Statute the homeowners present were given an opportunity to address the Board of Directors. The following items were presented:

- Mailing of Billing Statements
- Speeding
- Penalty Assessment Schedule

Architectural Review Committee

The following architectural applications were reviewed and approved as submitted by the Architectural Review Committee for the month of September: None.

Landscape Committee

No update at this time.

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Furthermore, a motion was made, seconded, and unanimously carried to APPROVE the proposal from Villa Park dated 09/30/22 to perform the August punchlist for \$314.65 to be paid from Operating G/L #60200 (Landscape: Extras) and Operating G/L #60800 (Irrigation: Repairs/Maintenance).

Furthermore, a motion was made, seconded, and unanimously carried to TABLE the proposal from Villa Park dated 07/13/22 to install drip irrigation at 10-18 Morena for \$3,694.60 until the February 2023 meeting pending further review.

Furthermore, a motion was made, seconded, and unanimously carried to TABLE the proposal from Villa Park dated 09/12/22 to install mulch throughout the community for \$3,806.25 until the March 2023 meeting pending further review and better weather.

Furthermore, a motion was made, seconded, and unanimously carried to TABLE INDEFINITELY the proposal from Villa Park dated 09/16/22 to remove and replace plant material at 47 Morena as the Board advised it is not needed at this time.

Furthermore, a motion was made, seconded, and carried to APPROVE the proposal from Villa Park dated 09/16/22 to apply insecticide to the turf throughout for \$375.55 to be paid from Operating G/L #60200 (Landscape: Extras).

ABSTAIN: ESFAHANI

Furthermore, a motion was made, seconded, and carried to APPROVE the proposal from Villa Park dated 09/16/22 to oversee the turf areas throughout for \$933.80 to be paid from Operating G/L #60200 (Landscape: Extras).

ABSTAIN: ESFAHANI

Painting Committee

Management provided an update on the community wide wood repairs and painting.

Secretary's Report / Minutes

A motion was made, seconded, and unanimously carried to APPROVE the Minutes of the September 29, 2022 General Session of the Board of Directors as written.

Treasurer's Report / Financial Statements

A motion was made, seconded, and unanimously carried to ACCEPT the financial statements and reconciled bank statements for period(s) ending 09/30/22 as presented, subject to audit/review at fiscal year-end by a CPA.

Board Resolution – Monetary Transfers Civil Code Sections 5380(b)(6) and 5502

A motion was made, seconded, and unanimously carried to APPROVE the Board Resolution confirming compliance with Civil Code Sections 5380(b)(6) and 5502 requiring prior written approval of the Board of Directors before any financial transfers greater than five thousand dollars (\$5,000) if 50 or fewer units and ten thousand dollars (\$10,000) for 51 or more units or five percent (5%) of an association's total combined reserve and operating expenses; and Civil Code Section 5500 requires monthly review by the Board of all of the financial statements specified therein; and Civil Code Section 5501 provides that: The review requirements of Section 5500 may be met when every individual member of the board, or a subcommittee of the board consisting of the treasurer and at least one other board member, reviews the documents and statements described in Section 5500 independent of a board meeting, so long as the review is ratified at the board meeting subsequent to the review and that ratification is reflected in the minutes of that meeting.

Proposed Budget, Reserve Study and Reserve Funding Plan Fiscal Year 01/01/23 to 12/31/23

The Board reviewed proposed budget #2 prepared 10/200/22 for fiscal year 01/01/23 to 12/31/23 with an increase in assessments of \$53.00 (11%) from \$480.00 to \$533.00 per unit per month and monthly funding to reserves of \$28,000.00 per the reserve study update by Association Reserves dated 10/02/22 with reserves funded at 81.7% at beginning of new fiscal year and 87.4% in five (5) years. A motion was made, seconded, and carried to APPROVE proposed budget #2 revised per the Board of Directors for fiscal year 01/01/23 to 12/31/23 with an increase in assessments of \$53.00 (11.0%), from \$480.00 to \$533.00 per unit per month and monthly funding to reserves of \$28,000.00 which is equal to the amount recommend in the update reserve study by Association Reserves dated 10/02/22 with reserves funded at 81.7%.

The Board of Directors is NOT currently considering a special assessment and/or obtaining a bank loan for fiscal year 01/01/23 to 12/31/23 to repair any major common area components or to fund the reserves.

Furthermore, the Board APPROVED the reserve study update by Association Reserves dated 10/02/22 version 2 for fiscal year 01/01/23 to 12/31/23 recommending funding to reserves of \$28,000.00 per month with reserves funded at 81.7% in 2023 and projected funding at 87.4% in five (5) years

Components with a remaining useful life of 30 years or less listed on the Executive Summary will continue to be funded per the approved budget and repairs or replacement of these items is not currently being deferred.

Furthermore, the Board ADOPTED the Reserve Funding Plan by Association Reserves for fiscal year 01/01/23 to 12/31/23 with reserves funded at 87.4% in five (5) years based on the approved reserve funding amount of \$28,000.00 per month.

Items With Zero Useful Life - Current Reserve Study

The Board reviewed all items with zero remaining useful life identified in the update reserve study by Association Reserves dated 06/29/22 for fiscal year 01/01/23 to 12/31/23 and determined that funding is available to repair or replace all noted items when repair or replacement is needed.

Audit/Tax Return Proposals FYE 12/31/22

The Board reviewed three (3) proposals for an audit and tax preparation at fiscal year-end. A motion was made, seconded, and unanimously carried to APPROVE the proposal from Newman, CPA dated 07/15/22 to conduct an audit of the Association's financial records and prepare tax returns for fiscal year-ending 12/31/22 for \$1,200.00.

Morgan Stanley CD Maturing 12/28/22

A motion was made, seconded, and unanimously carried to APPROVE rolling over the Certificate of Deposit at Morgan Stanley, Reserve Account G/L #15160 in the amount of \$150,000.00 plus interest maturing 12/28/22 for a term of six (6) months at the best available rate.

Morgan Stanley CD Maturing 11/16/22

A motion was made, seconded, and unanimously carried to APPROVE rolling over the Certificate of Deposit at Morgan Stanley, Reserve Account G/L #15135 in the amount of \$150,000.00 plus interest maturing 11/16/22 for a term of nine (9) months at the best available rate.

Invoice Approval

A motion was made, seconded, and unanimously carried to TABLE the payment of invoice #155100 from Tri-County Lighting dated 05/02/22 for LED strips installation and doorbell transformer replacement for \$1,860.15 until the December board meeting pending further review.

A motion was made, seconded, and unanimously carried to APPROVE the payment of invoice #23404 from South County Plumbing dated 10/10/22 for cracked drain line repair at 76 Navarre for \$2,400.00 to be paid from Operating G/L #73600 (Plumbing: Repairs).

A motion was made, seconded, and unanimously carried to APPROVE the payment of invoice #23253 from South County Plumbing dated 09/14/22 for hot water reroute at 50 Navarre for \$5,750.00 to be paid from Operating G/L #73600 (Plumbing: Repairs).

Inspectors of Election - Annual Membership Meeting & Election

A motion was made, seconded, and unanimously carried to APPROVE appointment of William Leek of 9 Segura to act as the Inspector of Election and certify the results of the election in accordance with the adopted Election Rules for the Annual Membership Meeting & Election to be held on January 26, 2023 at 7:00 p.m. with registration at 6:45 p.m. at Optimum Professional Property Management. Furthermore, Optimum Professional Property Management, Inc. is authorized to receive the ballots and will turn them over to the Inspector of Election prior to the meeting.

South County Plumbing Proposal – Reroute at 50 Navarre

There was no discussion with regard to the South County Plumbing proposal for the reroute at 50 Navarre as it was placed on the agenda in error.

Monthly Patrol Proposals (4)

A motion was made, seconded, and unanimously carried to TABLE the monthly patrol proposals until the December board meeting pending further review.

Cameras at Pool & Dumpster Areas

A motion was made, seconded, and unanimously carried to TABLE the cameras at the pool and dumpster area discussion until the December board meeting pending further review.

Parking/Garage Usage

The Board discussed the parking/garage usage in the community. No further action required at this time.

Landscape/Irrigation Survey & Solar Usage

A motion was made, seconded, and unanimously carried to TABLE the landscape/irrigation survey and solar usage discussion until the January 2023 board meeting pending further review.

Atrium/Patio & Water Intrusion Policy

A motion was made, seconded, and unanimously carried to TABLE the atrium/patio and water intrusion policy until the January 2023 board meeting pending further review

Residence Guide Revision

A motion was made, seconded, and unanimously carried to TABLE the residence guide revision until the January 2023 board meeting pending further review

Tenant Information Policy

A motion was made, seconded, and unanimously carried to TABLE the proposed tenant leasing/rental rules until the January 2023 board meeting pending further review

SCE Switch to OC Power Authority

A motion was made, seconded, and unanimously carried to ACCEPT the SCE switch to OC Power Authority. No further action required at this time.

Aqua-Tek Proposal – Pool/Spa Chemical Controller Replacement

A motion was made, seconded, and unanimously carried to TABLE INDEFINITELY the proposal from Aqua-Tek dated 09/14/22 to replace the pool/spa chemical controller for \$10,345.56 as the Board advised it is not needed at this time and will re-evaluate next year.

First Street Painting Proposal – Interior Restroom Painting

A motion was made, seconded, and unanimously carried to APPROVE the proposal from First Street Painting dated 10/17/22 prep and paint the interior restrooms for \$2,750.00 to be paid from Reserves G/L #35400 (Painting).

Annual Tree Trimming Proposals (3)

The Board reviewed three (3) proposals to trim the Association’s common area trees. A motion was made, seconded, and unanimously carried to APPROVE the proposal from Villa Park dated 02/10/22 to trim 319 common area trees throughout the community to be scheduled for Spring - Winter for \$26,195.00 to be paid from Operating G/L #61100 (Tree Maintenance).

Street Slurry Proposals (3)

A motion was made, seconded, and unanimously carried to TABLE the three (3) proposals to perform the street slurry until the January board meeting pending further review.

Vasin Sign Proposal – Regulatory Entrance Signs

A motion was made, seconded, and unanimously carried to TABLE the proposal from Vasin Sign dated 10/07/22 to prepare custom regulatory entrance parking signs for \$2,144.46 until the December board meeting pending further review.

Vasin Sign Proposal – Custom Speed Limit Sign

A motion was made, seconded, and unanimously carried to TABLE the proposal from Vasin Sign dated 10/20/22 to prepare a custom speed limit sign for \$434.12 until the December board meeting pending further review and additional proposals.

Villa Landscape Proposal – Splash Blocks

A motion was made, seconded, and unanimously carried to TABLE the proposal from Villa Park dated 10/13/22 to install splash blocks at the garages throughout the community for \$1,616.69 until the December board meeting pending further review.

Premier Roofing – Standing Water at 58 Navarre

There was no discussion with regard to the information provided from Premier Roofing for the standing water at 58 Navarre it was placed on the agenda in error.

November Board Meeting

The Board discussed the November meeting date as the regularly scheduled meeting falls on a holiday. The Board agreed to hold the meeting on December 1, 2022.

CC&R Amendment

A motion was made, seconded, and unanimously carried to TABLE the CC&R amendment discussion until the January 2023 board meeting pending further review and discussion.

Onsite Meetings

A motion was made, seconded, and unanimously carried to TABLE the onsite meeting discussion until the December board meeting pending further discussion.

Next Meeting

Meetings of the Board of Directors are held every month on the 4th Thursday. The Annual Membership Meeting and Election is held in January. The next meeting of the Board of Directors is scheduled for Thursday, December 1, 2022 at 6:15 p.m. Executive Session, 7:00 p.m. General Session at Optimum and Zoom.

Adjourn General Session

There being no further business to come before the Board of Directors in General Session, a motion was made, seconded, and unanimously carried to ADJOURN at 8:30 p.m.

SECRETARY'S CERTIFICATE

I, Daniel Wells, duly Appointed and Acting Secretary of The Villas Community Association, do hereby certify that the foregoing is a true and correct copy of the Minutes of the General Session of the Board of Directors held on the above date, as approved by the Board of Directors of The Villas Community Association.

ATTEST: *Daniel Wells*
Appointed Secretary

12/01/2022
Dated