

Coronado Shores Condominium Association #9

BOARD OF DIRECTORS OPEN SESSION MEETING MINUTES September 20, 2024

Directors Present:

David Zacharias, President
Carlos Atri, Vice President
Luis Lozano, Treasurer
Cheryl Mahoney, Secretary
Ken Storum, Member at Large

Others Present:

Michael Sabella, General Manager
Rafael Estrada, Assistant General Manager
14 Homeowners

Call To Order:

A meeting of the Board of Directors of Coronado Shores Condominium Association #9 was called to order by Board President, David Zacharias at 11:10am, on Friday, September 20, 2024, in the conference room located at 1820 Avenida del Mundo, Coronado California.

Protech:

Jason Cardenas provided an overview of the current projects and ongoing work being overseen by his team at El Mirador. He outlined key best practices aligned with Protech's work philosophy, discussed the building's age and overall condition, and distributed a Community Association Maintenance Handbook developed by Protech.

Consent Agenda:

Upon motions duly made, seconded, and carried by the Board of Directors, the following consent agenda items were approved:

- Open Session Board Minutes August 16, 2024
- Open Session Board Minutes August 29, 2024

President's Report & Executive Session Summary: - David Zacharias

Major Expense: Roof Replacement

A recent roof moisture survey by Paramount Waterproofing revealed elevated moisture in 77% of roof areas. They recommended removing the existing roof membrane, inspecting, and repairing the lightweight concrete, conducting fastener pull tests, and installing a new roof system. Hazardous material testing and disposal are also needed.

Dan Poe from CM2 Project Management met with David and Michael to present a comprehensive roofing project proposal. Unlike earlier consultants, CM2 is unaffiliated with specific product manufacturers, ensuring unbiased recommendations based on the community's best interests.

The project is divided into two phases:

Phase 1: Preconstruction (\$6,820) – Includes roof inspection, scope development, and managing the bid process, with a summary presented to the board.

Phase 2: Construction Management – Costs will be decided after Phase 1 and include managing the construction, quality control, and project oversight.

Motion: A motion was made, seconded, and carried by the Board of Directors to approve Phase 1 and Phase 2 of the roof project. The motion passed unanimously.

Note-The current special assessment gave \$119K for the roof, but the board should prepare for potential cost increases if a full roof replacement is needed.

Pipe Lining – Easy Flow

Following the first findings from Crown Point Engineering on defects in El Mirador's sanitary and storm sewer systems, a comprehensive report highlighted significant issues such as improper installation, premature deterioration, and unlined sections of piping. Visible defects, including burst bubbles and misaligned linings, raised concerns about the integrity of the system.

A follow-up camera inspection was scheduled for September 12, 2024, with representatives from Easy Flow and pipe consultant Scott Friesen. This inspection will be to evaluate the current condition of the pipes and confirm the next steps for remediation, ensuring that Easy Flow is still accountable for their responsibilities. The next step is for Michael Sabella, David Zacharias, and our legal counsel to review and discuss this inspection and make recommendations for the next steps in this matter.

Financial Reports – David Zacharias

David presented the financial results for September 2024 and YTD. Although the financials indicated a profit for September of \$47,000, there was an accounting adjustment of \$86,000 so the true operating net income for the month was a net loss of \$39,000, principally due to maintenance expenses, which were \$42,000 over budget. For the YTD, the income shown is \$3,023,047 but \$3,000,026 was the accrual of the Special Assessment and, of course, the accounting adjustment of \$86,000. The net operating loss YTD adjusted was \$63,000. The YTD loss was due primarily to Maintenance, which had a negative variance of \$133,000.

A full report will be made next month on the reserves as approximately \$900,000 is due. A tracking system is in place and will be presented next month.

A motion was made, seconded, and carried by the Board of Directors to pass the August financials. Motion passed unanimously.

2025 Annual El Mirador Budget

After Board review and discussion, a motion was made by Luis Lozano, seconded by Ken Storum that the 2025 El Mirador budget be approved as presented, with no greater than a 20% increase. Three (3) yes votes, David Zacharias, Luis Lozano, and Ken Storum, two (2) no votes Cheryl Mahoney and Carlos Atri. The motion passed 3-2.

Special Assessment Fund Allocation

Motion: A motion was made, seconded, and carried by the Board of Directors approving the transfer of \$100,000 from the special assessment unallocated funds to the City National Operating funds. Motion passed unanimously.

Reserve Account Money Market CD's

Current Financial Overview Reserves at Morgan Stanley

All numbers are estimates since checks clearing, or interest collections can affect the balance. As of August 28, 2024, the net cash position of the association stands at \$1,257,543.

- 229K in preferred account earning 5% but limited to 500K FDIC limits.
- 200K in regular savings/checking earning 2.5%. This account is connected to the Consortium AP system where we pay for Reserve capital expenditures out of. Limited to 500K, FDIC limits.
- Money Market-955K at 5% interest. NOT limited to FDIC limits.
- The one T-bill investment maturing in October 2024 for 513K.

Note: Most all the special assessment projects are funded through a separate account at City National Bank

Special Assessment Account

Motion: A motion was made, seconded, and approved by the Board of Directors to transfer all funds from the City National Special Assessment account ending in 2302, into a high yield sweep account paying over 4% interest, leaving a minimum balance of \$25k in the original account.

Investment of Additional Proceeds

We have collected Reserve proceeds through the approved special assessment to fully fund the past due fiscal years 2022, 2023 reserve allocations, along with some of the 2024 reserve allocations.

Delinquencies - None

Action Items: - David Zacharias

Spalling Contract

The Board previously approved a 5-year spalling repair plan with Hamilton-Pacific, set to start in 2025. It was discovered recently that there was an omission of spalling repairs in 2023, therefore the cost for the 2024 project will be higher. Consequentially, a decision is needed to select a vendor for the 2024 repairs. The Board reviewed three bids from Hamilton-Pacific, Inc., Deck Kotings Unlimited and MC Contracting.

Motion: A motion was made, seconded, and carried by the Board of Directors to approve hiring Hamilton-Pacific to complete our 2024 spalling repairs for a cost of \$64,750. Motion was passed unanimously.

Emergency Pipe Repair:

The Board was informed about a 4" inaccessible pipe beneath the boiler room that was in disrepair and required immediate replacement. The scope of work involves disassembling the HVAC duct within a crawl space, relocating the pipe outside the boiler room to make it accessible for future observation and maintenance, and reassembling the HVAC duct afterward. The total project cost is \$133,986, of which \$51,600 will be paid from the special assessment fund where a positive variance exists under the plumbing inspection and evaluation section, with the remaining amount to be taken from reserves.

Motion: A motion was made, seconded, and carried by the Board of Directors to approve the Pipe Trades Inc. bid of \$133,986 for the emergency pipe repair, with \$51,600 to be paid from the special assessment fund, and the remaining amount to be taken from reserves.

Rules & Regulations

Motion: A motion was made, seconded, and carried by the Board of Directors approving the 2024 revised El Mirador Rules and Regulations, pending final approval of the Bike policy. Motion passed unanimously.

Audit of Bicycle Storage Rooms

An audit of the bicycle storage rooms was conducted, and 14 bicycles were found to be without any bicycle registration and allegedly abandoned.

Motion: A motion was made, seconded, and carried by the Board of Directors to donate these bikes to charity. Motion passed unanimously.

E-Bike Parking and Electrical Outlet Requests

Several requests from residents have been received concerning the installation of more electric vehicle (EV) charging stations and electrical outlets for EV bike charging in the garage. Due to the constraints, complexity, and potential financial impact, it was decided that further investigation is needed before continuing with the installation of more electrical outlets. This assessment will help figure out if the current electrical infrastructure can support the new charging outlets without requiring significant upgrades. Action: Further investigation is required.

Motion: A motion was made, seconded, and carried by the Board of Directors permitting a maximum of two e-bikes to be parked in an owner's personal garage spot, unless there is a significant and egregious misuse of the parking space, such as the vehicle extending more than three feet beyond the pillar. Motion passed unanimously.

Domestic Boilers and Storage Tanks

Proposed preventative maintenance for two domestic hot water boilers and one storage tank installed around 2020 (without a service plan). The proposal includes quarterly inspections, tightening connections, and cleaning burner assemblies to prevent issues like sediment accumulation in the storage tank, which can affect efficiency and longevity. Added charges may apply for non-scope repairs and compliance corrections. Annual cost: \$4868. This cost was added to the 2025 budget under a new GL code for Mechanical Equipment.

Motion: A motion was made, seconded, and carried by the Board of Directors to approve the proposal from PIPETRADES. Motion passed unanimously.

Replacement of 14 Hoffman-style Air Vents

The proposal is to safely remove existing vents and install new ones across 10 roof and 4 boiler room locations, ensuring proper functioning and leak checks. Total cost: \$8,148.

Motion: A motion was made, seconded, and carried by the Board of Directors to approve the cost for replacement of 14 Hoffman-style air vents. Motion passed unanimously.

Holiday Decorations Budget

Motion: A motion was made and seconded to approve a \$6,500 budget for the Christmas holiday. Included in this budget are the costs of the decorations (which we will own), the decorating services and money for El Mirador's holiday party. The motion passed with 4 yes, Ken Storum, Cheryl Mahoney, Carlos Atri, Luis Lozano and 1 no, David Zacharias. Motion passed 4-1

El Mirador Building Committee Reports:

L & R and President's Report – Cheryl Mahoney

The L & R Board of Directors voted on tabling the EV charging stations for the Coronado Shores community, until further investigation is completed.

Beach Club – Report sent by Theresa Abboud (Refer to report for details.)

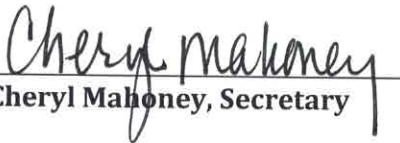
Homeowner Open Forum

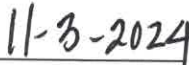
The El Mirador holiday party was discussed, and it was decided that it would be held on the 13th of December from 5:00-7:00pm. Hors d'oeuvres and light alcoholic and non-alcoholic beverages will be provided by El Mirador. All residents are invited to attend.

Next Board Meeting

October 18, 2024

Adjournment: There being no further business to come before the Board; the meeting was adjourned by a motion passed unanimously at 12:30pm.


Cheryl Mahoney, Secretary


Date