

EUCALYPTUS GROVE HOMEOWNERS ASSOCIATION

BOARD OF DIRECTORS MEETING

THURSDAY, FEBRUARY 8TH, 2024 (6:00PM) via Zoom

<https://ucsb.zoom.us/j/95672538616>

Meeting ID: 956 7253 8616; Passcode: 71139

Meeting Minutes (Subject to Board Approval)

1. CALL BOARD MEETING TO ORDER – CONFIRMATION OF QUORUM

Meeting was called to order at: 6:01pm

Board Members present:

Colin Smith - President
Christine Hall - Vice President
Owen Roth - Treasurer
Tamara Simmons - Secretary
Joe Mora - Member-at-Large

Managers & Employees present:

James Nguyen of Bartlein
Julia Ambat, Scribe

Homeowners present:

Craig Nicholson #247
Catherine Levya #369
Jim Parsons #302
Kimberly Ray #135
Tami Jauchen #264
Mary McFarland #354
Naomi Bruemmer #270
Kathie Taylor #271
Terry McNulty #270
Howard Lange #348
Tricia Mautone #103
Bill Rauch #351

2. REQUEST BY OWNERS IN ATTENDANCE / VIA CORRESPONDENCE / PHONE

Open Forum (unless it's an emergency, it'll be put on next month's agenda); Board to consider the request & possibly vote. Each unit has about 3 minutes to address their concern to the Board.

Cathy Leyva #369: During the meeting, the unit owner raised several concerns. Firstly, they questioned the allocation of funds in the 2023 budget, specifically regarding a line item for the Association hired scribe, pool, and maintenance caretakers through Select Staffing. The owner noted discrepancies in the Miscellaneous category, emphasizing a significant increase in 2023 expenses and proposing the reclassification of scribe and caretaker costs under a designated budget line. Secondly, the owner inquired about the absence of 'Late Fees' in the budget. Thirdly, they suggested transitioning back to in-person board meetings, with homeowners having the option to attend in person or via Zoom, requesting the use of a Grove Zoom account through Bartlein. Lastly, as a former board member, the owner contested statements in a recent letter from Colin, current Board president, challenging the accuracy of claims about past board members neglecting budgetary issues. The owner highlighted the history of responsible financial management and maintenance efforts by previous boards, refuting accusations of negligence.

Jim Parsons #302: expressed concern during the meeting as a resident for the past five years. His primary concern revolved around the safety criteria employed for the trees, particularly in light of the recent incident at 7626 and a tree falling last year as well. Owner highlighted the presence of a large tree near his unit, speaking to his concern. In response, Joe clarified that trees are typically removed either upon owner request or when external events beyond anyone's control lead to their falling. The discussion delved into the balance act between maintaining the Eucalyptus Grove as desired by some residents and ensuring a



safe environment for everyone. Board members acknowledged the ongoing dialogue and emphasized Action Tree's role in recommending safety-focused tree trimming practices, which the HOA follows.

Kimberly Ray #135: expressed ongoing concerns about erosion occurring on both sides of the gully. Despite previously sharing pictures with Bartlein, no action has been taken. Owner reiterated the need for attention to this issue and sought assurances regarding the stability of the hill. Additionally, she asked for the dry wood on the other side of the creek to be cleaned up; Joe stated he works to maintain this. Questions arose about the condition of certain plants, which Kimberly confirmed as dead, though Tamara believes otherwise. Owner also inquired about calling pest control. Joe noted that his employees placed ant traps the very same day. Lastly, the owner expressed a desire to replace her front door and sought recommendations for suitable replacements. She was informed on where to find the information on the website.

Craig Nicholson: raised concerns during the meeting, emphasizing that agenda items from previous meetings remain unresolved. He pointed out that the board has yet to vote on the proposed change in responsibilities, specifically regarding shared or owner-specific responsibilities. Owner insisted that any collective actions on behalf of owners should be billed to individual owner units to avoid un-budgeted costs leading to additional special assessments. He highlighted the lack of an official vote, asserting that the board should refrain from making budgetary decisions on matters such as water lines, patio doors, water heaters, and utility outlets without proper authorization. Craig deemed the 2024 budget, special assessment, and reserve borrowing in 2023 legally invalid, citing procedural lapses. He emphasized the need for written board approval for transfers from reserves exceeding \$10,000 and proper intent to borrow before transfers occur, which he claimed did not happen in 2023. Craig questioned the legitimacy of borrowing from reserves, arguing that there was no actual need for it in 2023. He explained that insurance premiums exceed budgeted amounts by 22%, while other budgeted items were 20% below projections. Craig asserted that approximately \$100,000 in income could offset recent storm-related costs (the tree falling on 7626). Additionally, he contested the characterization of interest funds being regulated under reserves, challenging the assertion that the Davis-Stirling Act governs the handling of interest funds, as per the legal opinion.

Tamara, representing another unit (Danny #256), reported that the owner is facing an issue with rain water pouring onto their patio. The owner is seeking a solution to address this concern.

Naomi Bruemmer #270: expressed gratitude to the board for addressing the gas line issues in 7640. She raised concerns about clogged drains, requesting Joe to inspect the situation. Joe informed Naomi that his crew cleaned out the drains already. Naomi asked for Joe to consider the possibility of adding rocks to the trench to prevent further water flow.

Kathie Taylor #271: echoed Naomi's drain issue. Joe confirmed that he flushed out the drains to address the problem.

Tricia Mautone #103: is present for her request for gas lines reimbursement. Discussed in item 6a.

Howard Lange #348: provided insights on the tree incident at 7626, emphasizing the challenging insurance landscape in California. He noted that insurance companies have been facing financial losses, resulting in non-renewals and increased rates. Howard stressed the potential consequences for the HOA if a claim is made, highlighting the likelihood of a significant premium hike or non-renewal. He recommended reaching out to the broker handling the account for unofficial advice on the company's approach to claims and urged the board to base decisions on this information while considering the potential costs involved.

Tami Jauchen #264: is present for agenda item 5a. She mentioned sending an email to address the recovery of the deductible to owner Trowbridge #364.

Bill Rauch #351: provided information about his corner unit at 7640, measuring the distance from walls to



sidewalk with a 70-degree slope of 12 feet. He highlighted the presence of a wood retaining wall south of the sidewalk.

3. APPROVAL OF PRIOR MEETING MINUTES (01/11/24)

- a. Regular Session (01/11/24)
Tamara moved a motion to approve the regularly scheduled board meeting minutes. Colin seconded. This was unanimously approved.
- b. Executive Session Summary (01/11/24) (Fine recommendation & Ratification)
Tamara moved a motion to approve the executive session board meeting minutes. Colin seconded. This was unanimously approved.

4. TREASURER, OFFICERS & COMMITTEE REPORTS

- a. Reading of the Treasurer's Report.
Operating Expenses are about **3.3+%** below budget thru end of last month on a cash basis.
Suggested Motion: Move to approve the Treasurer's report and confirm the Board has reviewed all financial information each month as required by Civil Code Section 5500 including, but not limited to, the Association's check register, monthly general ledger, and delinquent assessment receivable reports. Furthermore, as required by Civil Code Section 5380, the Board has approved all transfers of funds to and from the Association's bank accounts, and has approved any two authorized signers on the Association's bank accounts to transfer funds from reserves in an amount necessary to pay for expenditures as described in the Association's budget or otherwise approved by the Board.

James presented the treasurer's report. He specifically addressed the miscellaneous expenses brought up by Cathy, highlighting the significant number of meeting notices, including postage and flyers, incurred that month. Questions arose regarding the placement of the scribe's paycheck under the miscellaneous category. James clarified that the board has the flexibility to amend the budget, either increasing line items or removing special assessments, as long as 30 days' notice is given to the membership. Colin moved a motion to approve the treasury report as presented, which was seconded by Joe and unanimously approved.

- b. Landscape recommendations & proposals.
Discussion tabled.
- c. Committees (EV, Architectural, Events, etc.)
Discussion tabled.
- d. Caretaker or pool report.
Discussion tabled.
- e. Vendor evaluations
Motions of Merit: None
Motions of Demerit: None
- f. Officer's Reports
None to report.

5. OLD BUSINESS (Board to consider, review and possibly vote on...)

- a. Leak from #364 into #264 and #131- ins funds disbursed to #264 & #131; w/hold #364; see #364 email



Tami addressed the issue of receiving a disbursement check with a \$10,000 deductible subtracted, asserting that Mr. Trowbridge is responsible for this amount according to the CC&Rs, which clearly state that the at-fault owner bears the deductible. Tami emphasized the urgency of resolving this matter as 78% of the deductible pertains to her unit, crucial for necessary repairs. She requested James to check in with Mr. Trowbridge or his insurance to pursue the deductible reimbursement, expressing dissatisfaction with the current resolution. James, while stating he typically doesn't handle individual insurances, agreed to look into it the following week. Tami highlighted her extended absence from her unit (over six months) and her desire to return, underscoring the need for swift resolution. Craig suggested assessing Unit 364 for the HOA deductible since he was at fault, a matter Colin indicated would be discussed in executive session.

In a related development, Trowbridge emailed today, denying responsibility for the mold in Tami's unit. Tami countered, citing Trowbridge's delayed repairs and inadequate measures, leading to a wet concrete floor. She questioned Trowbridge's claim that the leak originated from the angle stop, contending that the tub overflowed. Tamara raised concerns about forcing Trowbridge to conduct a mold test for safety reasons. James suggested involving an attorney, and Colin asserted the association's right to inspect units with prior notice, proposing further discussion in executive session.

- b. Info meeting on 2/1/24; Craig Nicholson's letter from 2/1/24; Amending CC&Rs; write ups due 2/29/24? Craig requested that his letter be emailed to the membership, requiring a motion from the board to proceed. Chris initiated a motion to mail Craig's letter to the membership, seconded by Joe. Chris specified that this action serves as a rebuttal to Colin's letter, which contained negative remarks directed at Craig. The votes resulted in Tamara and Colin opposing, while Chris and Joe were in favor. As a result, the motion failed to pass. (Owen exited the meeting at 8:00 pm and therefore was not present to vote.)
- c. Election of Board & counting of secret ballots - 3/14/24 by Tom Doty, Inspector of Elections
Discussion tabled.
- d. Repairs: roof; dryrot; painting; gutter cleaning; approval and/or ratification of proposals & invoices (if any);
Discussion tabled.
- e. Updating the gov docs; 2nd draft of bylaws & CC&Rs
Discussion tabled.
- f. Gas lines projects - installing plastic tags on each line; see Beachside's bid
Discussion tabled.
- g. Repairs & bids: DG Paths; V-Ditch; Sidewalk; (if any)
Discussion tabled.
- h. Consolidated Overhead: Upgrades to gates, gym & pool access control
Discussion tabled.
- i. Pool facilities & sauna; other related issues; monitoring; trespassers; handicap seating
Discussion tabled.
- j. Signs: Address, pathways, directional, speed limit, no trespassing, pool area
Discussion tabled.
- k. EV charging station
Discussion tabled.
- l. Inspection of elevated walkways & balconies – by Focused Group 8/7/23 – 8/15/23
Discussion tabled.



m. Pedestrian pathway improvements mailbox kiosk across from 7632
Discussion tabled.

n. Utility closets at 7628 #117
Discussion tabled.

o. Fire safety - quote for radios / walkie-talkie
Discussion tabled.

p. Bike rack by 7628
Discussion tabled.

q. Parking lot lights
Discussion tabled.

r. Trees & Union Pacific Railroad
Annually, the association engages in tree fertilization and insecticide injection. Chris proposed a motion to approve these proposals, with Joe seconding. The board clarified that Santa Barbara Pest handles these services, not Enviroscaping. The motion was unanimously approved.

6. NEW BUSINESS (Board to consider, review and possibly vote on...)

a. 7626 Tree

Colin moved a motion to add this to the agenda item. Joe seconded. This was unanimously approved.

The Fire Department red-tagged several units in building 7626, leading to Action Tree's efforts to address the hazardous situation. James has been providing daily updates to the affected building owners. A structural engineer, scheduled for a return visit on Friday 2/9, will assess the damage along with an insurance adjuster and James. The engineer recommended vacating seven units as a precaution due to potential further tree sinking. Action Tree has been working to carefully remove branches and provide temporary support with a brace. However, challenging weather conditions have hindered their efforts. The structural engineer will guide the removal of drywall to assess the building's structural integrity.

James emphasized the uncertainty of California insurance and suggested reconsidering the claim. Tamara expressed uncertainty about the cost, with James acknowledging the lack of clarity. Owen emphasized the necessity of continuing with the insurance claim as that is what insurance is for - a catastrophic event such as this.

Concerns were raised about the possibility of rebuilding the entire building, pending the insurance adjuster's evaluation. James noted the insurance adjuster might not provide a cost estimate immediately and clarified the coverage for certain aspects like cabinetry and countertops (no upgrades would be covered).

Tamara proposed putting the claim on hold until more information is available. Joe initiated a motion to explore the possibility of putting the claim on hold. Tamara seconded. Chris amended the motion to specify a time frame of two to three weeks. The motion was unanimously approved.

For broader discussion, Tamara proposed an emergency meeting on Friday, 2/9, to be held after the walkthrough. Colin moved a motion for Beachside to be the general contractor. Joe seconded. Concerns were raised about the lack of alternative bids and the need for a second quote. Tamara moved a motion to get at least a second bid. Colin seconded. The motion passed Tamara, Owen, and Colin in favor and Chris and Joe opposing.

To expedite the process, Tamara amended the previous motion to proceed with Beachside if another



contractor could not be present for the walkthrough on 2/9. The amendment was unanimously approved.

Regarding the removal of drywall, Colin moved a motion to allow Beachside to follow the structural engineer's instructions. Joe seconded. The motion was unanimously approved.

Concerns were raised about the belongings of the owners who were displaced because of this. Colin moved a motion to allow affected units to have a storage pod in designated parking spaces or long-term parking. The motion was unanimously approved.

James inquired about the placement of a dumpster during the repairs and re-building of 7626. Tamara moved a motion to approve the placement of a dumpster in the designated post south of 7624 by the pool. This was second by Colin. This was unanimously approved.

Owen brought up the issue of tree hazards, suggesting that if substantial funds are spent on pruning, it may be prudent to consider tree removal instead. He recommended examining all trees for shallow roots and making decisions accordingly. Colin concurred, emphasizing the need to assess trees on the hills specifically. Chris expressed agreement with Owen's viewpoint.

The board discussed facilities for construction workers, debating between Beachside bringing their own porta potty or granting key card access to the pool bathroom. Eventually, it was decided that a porta-potty would be arranged.

b. #103 request for reimbursement for gas line

Tamara moved a motion to reimburse Unit #103 for the gas line. Colin seconded. Chris recommended postponing the decision until the responsibility for the gas lines, whether individual or association, is clarified, especially in light of the recent special meeting on February 1st. Colin provided a summary of the February 1st meeting, and concerns were raised about establishing a precedent without a clear understanding of responsibility. The motion was unanimously approved, with Owen having left the meeting prior to this decision.

c. Replacement of stair treads & brackets
Discussion tabled.

d. Parking policy - overnight in vehicle
Discussion tabled.

e. Other items to be put on next month's agenda
Discussion tabled.

7. EXECUTIVE SESSION

Executive Session may only be used to discuss litigation, contracts with 3rd parties, member discipline, personnel, upon an owner's request to discuss payment of assessments, foreclosures, disability requests, legal advice, censure of a director, or mental illness of a member. Hiring; levying fine; noise issue.

- a. Late payers through end of last month (balances of \$500 or more)
- b. Internal Dispute Resolution / Levy fines / Bankruptcy / Foreclosure / Small Claims / Write off

8. ADJOURNMENT (Next scheduled meeting 3/14/24 @ 6:00 PM via Zoom)

- a. Meeting adjourned at 8:49pm.

For questions contact:
Bartlein & Company, Inc., (805) 569-1121 Fax (805) 682-4341
Email: jamesn@bartlein.com
3944 State Street, Suite 200, Santa Barbara, CA 93105

