

**SAN ELIJO HILLS HOMEOWNERS ASSOCIATION, INC.
PO BOX 232, SOLANA BEACH, CA 92075**

BOARD OF DIRECTORS' MEETING MINUTES

WEDNESDAY, JUNE 2, 2021

6:30 p.m.

There was no Executive Session. The regular meeting was held telephonically.

The Board of Directors' held a special Executive Session on May 27, 2021 to discuss the latest changes in the governing documents with HOA Attorney David Kline.

Present: President Klein, Secretary Basore, Treasurer Costello, Directors Allen, and Bisserier

Absent: Vice President Palacio and Director Stang

Also Present: Recording Secretary Quay, Members, Slope Committee Member Sandy Punch

An Executive Session

- I. **Call to Order:** The meeting was called to order at 6:35 p.m.
- II. **Establish Quorum:** A quorum was established.
- III. **Approval of the Minutes:** The May 5, 2021 minutes were approved.
- IV. **Member Input:** Member Gordon opined that the HOA's governing documents and rules are not in the homeowners' best interest. Member Pawlowski said he didn't receive any information about the updating of the PC&Rs. (The process has been in place for over a year. Homeowners were notified about the update of the governing documents in newsletters, on the Board's agendas and discussions were summarized in the minutes.) Member Dorney talked about getting insurance assessment coverage. President Klein thanked the members for their participation and said that they will make an announcement when everyone can meet in person.

President Klein introduced HOA attorney David Kline. The attorney said that he will meet with the Board on the latest drafts of the governing documents. When the members vote on the governing documents, members are free to consider their own best interests but the Board's fiduciary duty is to work with the entire membership as a whole. Ultimately the Board makes the decisions as discussed in Board meetings and in the minutes. Members are welcome to give their input. The PC&Rs on the website reflect the current changes.

- V. **Old Business:**
 - a. Insurance Coverage Amendment: The insurance company charged the HOA for liability insurance coverage for common areas. Since the HOA does not own any common land, the policy will be revised and premium reduced by \$200.
- VI. **Committee Reports:**
 - a. Architectural and Planning Board. Secretary Basore gave the update. Solar applications were approved for 1420 Santa Luisa and 712 San Mario.
 - b. Slopes Committee:
 - (1) Irrigation work will begin on Santa Camelia: There has been delays in getting parts.

- (2) Slope access issues: Access to some slopes (Santa Victoria, Santa Sabina, San Mario and Santa Elena) have become an issue as some homeowners don't want workers walking through their property. Sandy Punch and Mario are talking to homeowners in an attempt to get some cooperation.
 - (3) Clean-up under the high wires continues.
 - (4) Sandy Punch expressed concern about homeowners relocating fences requiring the HOA to relocate valve boxes and other utilities. For example, Secretary Basore said that the HOA has a recorded 18' easement on Lot 114 but the owners will not allow access to the slopes. Sandy Punch will continue trying to work with these homeowners.
- c. Program and Social Committee: The Board has agreed to reserve the Executive Board Room at the Executive Golf Club for the Annual Meeting in July. A \$200.00 refundable deposit was authorized.
 - d. Membership Committee: Outreach continues for members interested in running for the Board of Directors: Secretary Basore said that there are five candidates on the ballot so far and several homeowners are still considering running for the Board.

Note: Director Allen excused himself and left the meeting. The Board still had a quorum with 4 Board members.

- e. Ad Hoc Committee on Updating the PC&Rs
 - (1) PC&R 8.5.1. Restore color change as a criterion for architectural review. As a result of the recent survey, the majority of homeowners would like pre-approved colors. However, homeowners can still submit a different color palette to the Architectural Committee for approval.
 - (2) PC&R 3.5.2 (IV) Restore the Board's ability to make rules governing HOA elections. The Board determined that they need to be able to make rules for elections.
 - (3) PC&R 8.7 Restore quality of workmanship, location, topography, and finish grade elevation as standards for architectural review. The Committee should be able to review comments on those standards.

Secretary Basore made a motion to approve items VI (e) (1), VI (e) (2), and VI (e) (3) as proposed and add the updates to the amended PC&R's. Motion was seconded by President Klein and approved 4/0.
 - (4) Consider authorizing the Board to enact binding rules. Attorney Kline explained that the Corporation Code gives the Board authority to make decisions on behalf of the corporation and there is also a general authority in Article 4. But the Board can't make rules that conflict with the PC&Rs and must comply with new State laws. If the members don't like a rule they are given an opportunity to reverse it. In regards to the enacting rules in an emergency, the Board should be able to make decisions in an emergency. The Board's hands would be tied if it required a majority vote for approval as it can be difficult to get a quorum. President Klein said that the Board would likely ask for member input in an open meeting before passing a rule unless it was in an emergency situation. Following a brief discussion, the Board agreed that it had the ability to make rules and it should not be limited. If the HOA has good PC&Rs, the Board may not have to make a rule and get member input before a vote. President Klein made a motion to ask the attorney to put together language that allows the Board to make rules subject to members' approval at the next Annual Meeting. The motion as seconded by Secretary Basore and it passed 4/0.

VII. Financial Report:

- a. Approve budget for July 2021 – June 2022: The budget will be increasing for the next fiscal year. Water costs have increased by \$14,000 and cost of plantings is also increasing.

President Klein made a motion to approve the July 2021 – July 2021 budget. Treasurer Costello seconded the motion and it passed.

- b. May 2021 Budget: Director Costello said that the HOA is under budget this month. There are four homeowners in arrears. The Board will be transferring funds that were used for the lawsuit settlement back into the Reserves beginning July.

VIII. New Business:

- a. President Klein said that he will follow up with a neighbor who complained about a porta-pottie and a piece of plywood over a door that have been located at 647 Santa Camelia for over a year. Originally, the owner said that the porta-pottie would only be there a month or two. Secretary Basore said that there has been no architectural submittal for that address in the last 3 years. This item will be on the July Board's agenda.
- b. Confirm dates for the PC&R/Bylaws vote, election of Directors and Annual Meeting: The Annual Meeting will be held on July 21, 2021 or July 28, 2021 depending on room availability. Board election ballots will be in one envelope and the PC&R's will be emailed or mailed in a separate envelope. President Klein made a motion that was seconded by Director Bissierier to get the information to the Recording Secretary by June 16th to be mailed out by June 23rd.

- IX. Adjournment:** The meeting adjourned at 8:45 p.m. The next regular Board meeting will be held July 7, 2021 at 6:30 p.m.