



February 2009

SURFSIDE III NEWSLETTER

Daniel Kessner - Editor



FROM THE BOARD OF DIRECTORS

February 14, 2009 Open Board Meeting is Cancelled

Because of a lack of Board quorum on February 14th, this meeting is being cancelled. Please bring any issues you may have to Scott Walker, our On-site Manager, and he can coordinate with the Board. Our next regularly scheduled meeting will be March 14, 2009.

The Recorded Copy of the Popular Vote Amendment to the CC&Rs is included in the mailing with this copy of the newsletter. [Popular Vote Amendment](#)

Capital Reserves

At the January meeting the Board made the following decisions regarding capital reserves and long term capital planning.

1. The Board approved a three year capital replacement plan for 2009-2011. A capital plan is required by civil code. A summary of the plan appears below. The entire plan is posted on the Surfside III web site. It can be found by clicking on Information and then the Financial web page.
2. The Board decided to require owners to vote on the use of a loan for capital repairs. The Board will prepare a detailed presentation which will be discussed at upcoming Board meetings. A ballot will be mailed and owners will be asked to vote their conscience. While a vote on the use of a loan is not required by civil code, this is a long term commitment (15 years) and the Board wants owner concurrence before making such a commitment.
3. The Board decided to reduce the amount of funds to be allocated to capital reserves for 2008 to \$300,000 from \$500,000. Our capital reserve study for the 2005-2008 period required that \$300,000 per year be deposited into reserves. The Board wanted to do \$500,000, but due to rising accounts receivable we don't have the cash to reach that target.

Capital Replacement Plan Summary

Below is a summary of the three year capital replacement plan approved by the Board on January 10. The strategy of the Board of Directors since 2005 is as follows:

- Recapitalize the association and restore common elements.
- Stabilize the operational budget.
- Eliminate special assessments as a means to fund capital projects.

To accomplish these objectives Surfside III COA establishes the following:

- A three year capital replacement plan.
- Replacement criteria as follows:
 - Replace with a product that will last at least 30 years.
 - Use a no or low maintenance replacement.
 - Replace with an environmentally conscious alternative and/or recycled composite material where possible.
 - Prioritize the replacement of capital items that will reduce operating expenses.

Below is a list of capital needs. Some, but not all, of these items will be replaced or repaired over the next three years. At the end of that term the plan will be revised. Our current capital needs are:

Landscaping – Develop a landscaping plan and re-landscape around the buildings to enhance appearance and to conserve water.

Building Envelopes/Painting – Replace rotted, cracked wood siding, trim and fascia boards. Replace rusted metal flashing, chimney caps, gutters, and leaders. Replace rotted structural posts. Paint all wood surfaces to protect them from the elements, but also use color to update the buildings.

Clubhouse – Renovate all four bathrooms. Replace drain lines and epoxy water lines. Renovate exercise room, replace windows and doors.

Major Repairs - Complete the re-pipe in buildings 1, 4 and 8.

Paving – Replace asphalt surfaces.

Roofs – Replace all townhouse and condominium unit roofs with a lifetime composite material.

Stucco Color Coating – Spray color coat on all stucco surfaces to protect the building waterproofing and to update the buildings with color.

Structural Repairs – Repair settlement of Building 7 balconies.

Railings - Replace or substantially repair all railings. If replacement is the option of choice then a low maintenance, non-ferrous material with a life expectancy of 30 years or more will be considered.

Energy Conservation – Insulate condo building hot water pipes to save ~20% on natural gas expense.

Sprinkler System – Renovate the sprinkler system to reduce water usage by 20% by better system management and moving sprinkler heads so they don't spray the building stucco.

Termites – Exterminate the buggers.

Utility Room Doors – Replace all damaged doors with a non-ferrous material and secure with a common keying system.

Wood Fencing – Replace fencing around townhouses with a no or low maintenance product.

Water Heaters and Pumps – Replace all existing water heaters when they fail with a common brand. Replace or re-build the circulating pumps.

The total cost of the plan is approximately \$6,200,000.

The funding for this plan will be a combination of cash in the form of annual contributions to the capital reserve account and a \$3,500,000 loan. This plan assumes owner concurrence on the long term loan. Owners will be asked to vote on the loan.

Loan:

The association currently has a \$3,000,000, three year loan that is being used to do the special assessment repairs ahead of our cash flow. This loan is currently in the draw-down phase where the association is drawing funds against the \$3,000,000 credit line until it reaches \$3,000,000. At that point it switches to a three year standard loan with annual payments of \$1,100,000. It is expected that the association will reach the maximum in mid 2009.

To provide funds to complete capital repairs over the next three years the Board will decide on one of the following options.

- The association will convert the three year loan to a 15 year loan and increase the loan to \$3,500,000 - \$4,000,000. This will result in annual principal and interest payments of \$350,000 - \$400,000. Interest over the 15 year term of the loan will be \$1,700,000 - \$3,000,000. Current interest rates are 6.5%.
- The association will obtain financing from another bank and pay off the \$3,000,000 loan. The new loan will be \$3,500,000-\$4,000,000. Terms are estimated to be 15 years @ 6.0-6.5% interest. A new loan will be considered if the current bank cannot do a loan of 15 years or if the interest is better at another bank.

Capital Reserves:

The association will make the following contributions to the capital reserve fund from operating over the next three years.

2009 - \$450,000
2010 - \$550,000
2011 - \$600,000
Total - \$1,600,000

This is a total of \$1,600,000. This, in combination with a \$3,500,000 - \$4,000,000 loan, will provide \$5,100,000 - \$5,600,000 over the next three years to complete major capital repairs.

Capital replacement projects will be done in the following order and priority. Some projects will be done concurrently.

2009:

1. Re-pipe Buildings 1, 4 and 8.
2. Insulate condo building hot water pipes.
3. Renovate the sprinkler system.
4. Eradicate termites.
5. Install new security camera system.
6. Replace damaged/missing parking area light poles.
7. Replace all ground light fixtures.
8. Complete building envelope repairs on building 7 (including balconies) and 12.
9. Renovate library side clubhouse bathrooms.
10. Renovate clubhouse exercise room.
11. Purchase and equip a floor cleaning machine.
12. Install a master/sub master lock keying system.
13. Replace 10% of building railings.

Choreography for 2010 and 2011 will be determined in late 2009 and this plan will be updated.

Accounts Receivable

Our accounts receivable is \$150,000, with \$110,000 of special assessment payments past due. The Board has increased late fees from \$10 to \$40 or 10% (whichever is greater) of the past due amount. Liens have been filed on all units where the past due is more than \$1,800, unless a payment plan is submitted and approved by the Board. Foreclosure actions are underway in six cases, and in others civil actions have been filed to recover funds.

2008 Accomplishments and 2009 Plan

Below is a list of accomplishments for 2008 and repairs planned for 2009.

By using a loan ahead of our special assessment cash flow, 75% of the special assessment repairs were completed by Dec. 2008.

Credit worthiness established by obtaining a short term loan to complete special assessment repairs ahead of the cash flow.

Dues have gone up only \$10 since 2006. From 2004-2006 dues increased \$110.

No emergency assessments imposed in 2008 and no new special assessments planned for 2009.

2009-2011 capital reserve study completed as well as a long term capital funding plan. Neither includes any requirement for a special assessment.

Projects planned for 2009.

Re-pipe Buildings 1, 4 and 8.

Building envelope repairs on building 7 (including balconies) and 12.

Eradicate termites.

Install new security camera system.

Replace damaged parking area light poles and ground lights.

Renovate library side clubhouse bathrooms and exercise room.

Purchase floor cleaning machine.

Install a master/sub master lock keying system.

Insulate condo building hot water pipes to reduce gas expense.

Renovate the sprinkler system to reduce water consumption.

Examine purchasing process to determine if we can save \$ on supplies, consumables and services.

Implement parking control program to identify vehicle ownership and occupancy.

Migrate to a contract web hosting service.

Convert short term loan to long term financing for capital replacement repairs.

Ameritek

In late October, the Board decided to terminate the contract with Ameritek, the prime finish contractor for the special assessment repairs. The Board is close to settling on a new contractor. The association has retained \$200,000 from Ameritek pending settlement of costs. The Association is entitled to any expenses related to recruiting a new contractor, and any cost difference between their contract price and the new contractor. In preparation for negotiations with Ameritek, the Board would like to know if there are any outstanding punch list items for your unit. Please send an email or send a letter to Ron Pierson at the on-site office. Ron has been tracking punch list items, but there may be some he is not aware of or were not addressed. Ron's email is ron.pierson@surfsideiii.com

FROM THE ON-SITE MANAGER

Pet Violations

The SSIII on-site office receives a number of written violations for pets. Sometimes erroneous or incomplete information is given, and often the suspected violator will challenge it. It would be helpful if the individual issuing the violation includes as much information about the dog: size, color, type, etc. Not only do we need the unit address number but the street and building number should also be included. We've received a number of violations for a resident who doesn't own a dog because although the unit address number was included, it was not the correct street or building.

COMMITTEE BRIEFS

For more committee information visit <http://www.surfsideiii.com/docs/committee/committee.htm>
Please contact the committee chair to volunteer.

Neighborhood Watch Committee - Val Lameka; 805-986-2855 or v.lameka@yahoo.com

December was a quiet month, and the new clubhouse hours and patrols seem to be contributing to that quiet. Many thanks to Scott Walker for his hard work on this problem.

There is a new dumpster diver hitting the complex between 1:00 and 1:30 a.m. This is a middle aged lady who drives a black pathfinder. She is focusing on discarded papers. Please be alert so we can report her license number to the police, and watch that your trash does not contain information which would aid in identity theft.

The next Neighborhood Watch meeting will be Thursday, February 5th, at 7 pm in the clubhouse. Any questions or reports should go to Val Lameka.

Landscape Committee - Dan Kessner; 818-274-6048; dkessner@csun.edu

At our last meeting and walk-through of the grounds, the Landscape Committee noticed a number of ficus trees in townhome patios that still have not been removed. We will be following up soon, but to avoid further action please take care of these as soon as possible. Ficus trees are well known for the damage caused by their roots. It is suggested that they be moved into planter pots, and that the pots be placed so that the roots do not grow out of the pot and into the ground. Many thanks to those who have already complied. Those who have not done so by February 12th will be reported to the Board for further action.

FROM THE EDITOR

Owners and renters should be aware that the Newsletter is always available on the website: www.surfsideiii.com. This includes back issues.

Please send all newsletter submissions to me at dkessner@csun.edu. Please avoid any special formatting and use Arial 10-point font if you have it. The deadline for submissions is the 10th of the month for the following month's issue.

Thanks, Dan Kessner

SPECIAL ANNOUNCEMENTS

The Port Hueneme Police Department is sponsoring a Citizens Emergency Response Training Class in the new year. The class will train residents how best to respond to emergency situations. A minimum of 20 people must sign up in order for the class to be held. Interested? Call Maggie Federico at (805) 986 6530.

Sondra Briggs, longtime Surfside III resident, recently wrote an illustrated book, "Port Hueneme Beach Walks." Published by Neshama Press, it captures the essence of the beach community in which we live. There is a map of meditation points along the beach and many illustrations of the sand, pier, birds, etc.

One of the illustrations is "Angels Over Port Hueneme" by Katie Greenstreet, another longtime Surfside III resident. Katie's photograph of "Angels Over Port Hueneme" hangs in the clubhouse and Katie did the mural in the pool area.

The book is available at Anacappuccino's coffeehouse in Beachport Center for \$10, or by calling Sondra Briggs at 805-986-1005.

CONTACT INFORMATION

MAINTENANCE/RESIDENT SUPPORT (PHONE NUMBERS AND E-MAILS BELOW):

Contact Lordon Management, Jennifer Critchfield; for e-mails always copy Donalea Bauer

Include your phone number(s) and/or e-mail for response before end of next business day. If you get her voice mail, but would like to speak with her directly, hit zero and talk to the operator.

If more urgent, call Donalea Bauer.

Surfside III On-site Property Manager's Office: 600 Sunfish Way, Port Hueneme, CA 93041

Phone: 805-488-8484

Please note that calls regarding maintenance or billing should be directed to Lordon Management.

Surfside III Direct Contact:

Surfside III COA
600 Sunfish Way
Port Hueneme, CA 93041
<http://www.surfsideiii.com>
manager@surfsideiii.com
Phone: 805-488-8484

Scott Walker, On-site Property Manager
Carol Short, Assistant On-site Property Manager
Ron Pierson, Construction Services Coordinator

Management Company:

Lordon Property Management
1275 Center Court Drive
Covina, CA 91724
Phone: 800-729-5673
For after-hours emergencies, dial 5

Donalea Bauer, Vice President, community manager

Email: donaleabauer@lordonmanagement.com

Phone: 800-729-5673 x 3342

Jennifer M. Critchfield, assistant community manager

Email: jcritchfield@lordonmanagement.com

Phone: 800-729-5673 x 3380

Our Board:

Bill Betts - President bill.betts@surfsideiii.com

Ira Green - Vice-president ira.green@surfsidediii.com

Skip Perry - Treasurer skip.perry@surfsideiii.com

Michael Madrigal - Secretary michael.madrigal@surfsideiii.com

Inna Giler - Director inna.giler@surfsideiii.com

LORDON MANAGEMENT: OTHER DEPARTMENT EXTENSIONS

All escrow issues: Chelia, ext. 3339; crubalcava@lordonmanagement.com

All insurance, lien, and other legal matters: Patty, ext. 3337; pbarrios@lordonmanagement.com

Your account, billing address, etc: Cara, ext. 3319; cwoellhof@lordonmanagement.com

MATERIALS FOR REVIEW AND COMMENT

Ira Green has been working with the rest of the Board and management to develop a Professionally Managed Surfside III Website. While it is still a work in progress, here is a summary of some of the most important features. Ira would appreciate your comments sent to him at ira.green@surfsideiii.com.

E-mail capability in the owner/tenant directory:

The site will contain an owner/tenant directory. That directory will contain e-mail addresses. No one except the "Site Administrator" will have access to view these e-mail addresses. It is intended that only the Vice President, the Assistant Community Manager, and the On-site Property Manager will have this access so that this information can be updated. It is anticipated that the Assistant Community Manager and the On-site Property Manager will add any data to the directory that they may obtain from their direct contact. We may want to limit this to the Assistant Community Manager. While this means that the on-site office must keep the Assistant Community Manager informed, this could be done to maintain the security and integrity of the data base. The on-site office would then only have access to everything except for viewing the e-mail addresses and we need to explore this process. It is our

intention to take the Lordon database, the information from the onsite office, and private information which Board members may have to make the initial population of this directory.

The "Board" access, which will be given to all Board members and our management, will be able to access all contact information in the directory except for the e-mail addresses. However, with Board access you will be able to generate an outgoing e-mail including attachments, such as the newsletter, to the entire directory. We plan on adding Building and Floor information so that e-mails could be sent to subsets and so that you can tell from the directory where the unit is. In addition, unit type, which includes number of bedrooms and the single or double balcony style, will be added. This will be very labor-intensive to generate and input to the database.

E-mail may be sent to the Board or management when logging onto the website, which if done in that manner will be included in follow-up logs.

E-mail accounts will be available with the @surfsideiii.com. This e-mail received will be available using a web interface or can be downloaded to a client using an SMTP server or sent out by the web interface or by the client using a pop server. If the release of the current surfsideiii.com cannot be achieved, we would try to explore something like @surfside3.com (GoDaddy).

Reporting Forms

Special services will be available for violation forms, maintenance forms, tenant information forms, owner information forms, architectural modification forms, or just general inquiries.

Activity Report

The database will provide a list of changes to the owner/tenant directory once a month, as well as a list of e-mails set out and who sent them. This is an activity report and we should be able to run it daily or weekly if we need to.

Bulk e-mail

E-mail messages should be from the whole list, or a subset defined by parameters such as building, floor, unit type, or even unit. Bulk e-mail can only be sent by the Site Administrator, Management Access, or Board Access. This activity will be part of the activity report.

Private Owner Records

Each owner can apply for a password protected account by using their owner account number. Personal files will be stored in this area. No other owner will have access to these records. You must have Site Administrator, Management, or Board Access to see these files.

Administrative Files:

This will be a storage area for files which can be placed or read only if the person has Site Administrator, Management, or Board Access. The administrative area is for Management and the Board to upload large documents and reports. Management can place our Board meeting documents there for the Board to download and print or save on laptops rather than have office staff spend much of their day copying, collating, and stapling.

Site Administrator:

This level of access will allow access to see and change anything on the website.

Management Access:

Allows uploading data to general and owner/tenant accounts and updating any contact information. E-mail addresses will not be available for viewing. Allows viewing any data on the website except for e-mail addresses. Allows sending out e-mails to the addresses in the directory.

Board Access:

Allows viewing any data on the website except for e-mail addresses. Allows sending out e-mails to the addresses in the directory.

Owner Access:

Owners will be able to register themselves on the website. After registration, they will have access only to their own contact information, but they will only be able to add and not delete any information in their directory record. They can add comments regarding obsolete information. An update report should be created weekly and go to the Site Administrator and Management. A designated person can then update data as marked obsolete, review the new data and also update the billing data base. This interface should eventually be automated. They will be able to see private records for their unit such as violation or architectural approvals. They will be able to see all general information such as governing documents, financials, newsletters, minutes, and general data.

PROPOSED CHANGES TO THE RULES AND REGULATIONS

The following proposed changes are open for discussion for 30 days. Please send Ira Green your comments at ira.green@surfsideiii.com. He will be assembling all the input for the committee responsible for these changes and the Board, regarding COMPLIANCE, R&R POLICY STATEMENT, VIOLATIONS PROCESS, and R&R MODIFICATIONS

COMPLIANCE: [ADD TO "FOREWORD"]

" Compliance with all requirements of the Davis-Sterling Act and all applicable City of Port Hueneme codes and regulations, California Civil Code statutes, and all other government regulations, statutes, and codes, will be enforced."

POLICY STATEMENTS:

[ADD as a new section after FOREWORD and INTRODUCTION]

RULES and REGULATIONS POLICY

"IN EVALUATING PROPOSED RULE-CHANGES, the R&R Committee will use basic Common Sense to decide what rules to add -- and how to revise existing rules. In this consideration, the Committee will try, as possible, to balance the reasonable desire of owners to make personal decisions with the requirements of the Association for protection of its legal and financial interests. The operative standards to be: reasonable; practical; and fair."

"IN EVALUATING REPORTED VIOLATIONS, the on-site Staff will use the "Reasonable Man" standard to determine if action is required. The situation will be appraised with deliberate consideration for what is appropriate under the circumstances. In the interest of privacy and protection, the office will maintain anonymity of both reporting persons and validating staff members."

VIOLATIONS PROCESS:

[ADD TO PART 1 BEFORE "VIOLATION OF RULES AND REGULATIONS"]

COMPLAINT OF VIOLATION must be reported to On-Site Office or to Management Company in one of the following ways:

During Business Hours

- Violation Reporting Form: on-line and on-site office
- Telephone call to on-site staff or Management Company.
- E-mail to on-site staff or Management Company.

After Business Hours [Serious/Offensive Disturbances Only]

- Call Police to report disturbance
- Get Police Report number
- Obtain copy of Police Report
- Fax, mail, or bring in Report to office or Management Company

Board shall authorize on-site staff to validate the violation by personal inspection; verification by other residents; police file; or any other reasonable and appropriate method.

(Validating staff members to be anonymous.)

ANONYMITY of reporting person will be protected by authorization of on-site staff to present complaint to Board. Reporting person need not appear.

VALIDATION OF VIOLATION: On-site Staff

- Notify Management Company if violation is validated.
- Management Company: VIOLATION NOTICE LETTER: 10 day deadline for response [If necessary, owner may request time-

extension from manager]

- Owner must correct violation or request board hearing.
- Staff to verify correction in 10 days and inform Management Company of status.

CONTINUING VIOLATION / APPEAL

- Management Company to issue HEARING NOTICE to owner.
- HEARING to be scheduled at Executive Session of Board and Violation Complaint to be presented by a Staff member to protect anonymity of reporting person and validating staff members.

BOARD DETERMINATION RE: VIOLATION

- Notify Management Company to issue BOARD DECISION LETTER
- Owner may request Appeal with reasonable cause
- On-site Staff to notify Management Company of each recurrence of same violation by same owner for consideration of additional fines.

CHANGE: "VIOLATION OF RULES AND REGULATIONS POLICY"
TO: "VIOLATION OF RULES AND REGULATIONS"

PART II GENERAL No. 1: NOISE

REMOVE:

Excessive noise, such as made by stereos and musical instruments, etc., is prohibited. No nuisance, illegal acts will be permitted. All City of Port Hueneme Municipal and Vehicle Code Sections as well as California Civil Code rules are to be adhered to.

SUBSTITUTE PROPOSAL:

"All excessive noise, such as made by – but not limited to - stereos, musical instruments, TVs, loud voices, parties, barking dogs, car and motorcycle engines, construction, loud household appliances [use limited from 8 AM to 9 PM] and any other noise which is so excessive as to disturb nearby neighbors - is prohibited.

Parties in common areas shall continue no later than 9 PM on weekdays, 10 PM on weekends [Friday and Saturday], and 10 PM before weekday holidays to avoid disturbing nearby neighbors.

In any instance when a call to police is required to stop continuation of excessive noise, a valid complaint and verification thereof will result in a warning to the owner. Subsequent violations will result in substantial fines."

PART II GENERAL No. 12: ALCOHOL

REMOVE:

Alcohol in common areas (excluding exclusive use areas, balconies, patios, etc.) is prohibited.

SUBSTITUTE PROPOSAL:

"Alcohol (beer and wine, but no hard-alcohol) is allowed ONLY in common area picnic locations [in and adjacent to covered areas with picnic tables and barbeques] during gatherings of owners, renters, and their guests ONLY when such events have been pre-registered with on-site Office."

PART II GENERAL No. 19: HANGING DECORATIONS

ADD PROPOSAL:

"Residents may hang decorative items from balconies, framing structures or overhangs as long as the hanging objects are not unsightly, offensive, unsafe, deteriorated, noisy, or that substantially obstruct neighbors' views -- and there is no unsightly damage to stucco or wood. Residents are prohibited from installing any decorative item on any vertical surface exposed to wet weather. When any hanging object is removed, the perforation into the wood or stucco must be filled and the surface must be returned to original condition. Damage to structural material caused by objects that have been attached to the structure is the responsibility of the owner. Repairs to be performed by Surfside III contractor and billed back to unit owner. When a unit is sold, an inspection must be allowed 15 days before close of escrow."

REMOVE PART I: VIOLATIONS OF RULES AND REGULATIONS POLICY
FINES WITHOUT BENEFIT OF A WARNING: No. 13

REMOVE PART II: RENTAL UNITS No. 6
POLICE RESPONSE/FINES

REMOVE:

Occupants' conduct that requires the police to be called a second time will result in a \$200 fine to be assessed to the owner. If the occupant is not an owner, that fine will be waived if the owner evicts the occupant within 120 days.

PART I: VIOLATION OF RULES AND REGULATIONS

ADD PROPOSAL:

"Any occupant's conduct that requires police to be called a second time within a one-year period – and the complaint is validated under the provisions of the Violations Process -- will result in a \$200 fine to the owner of the unit. Reports of violation may be validated by entry in police log; police report; complaint filed by another neighbor regarding the same disturbance; or other reasonable method of verification. Each subsequent incident within a one-year period for which a valid complaint is filed and verified as above will result in a fine which increases by \$100 per incident.

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An occupant's conduct that requires police to be called four or more times within six months, or six or more times within one year -- and valid complaints are verified as above -- will result in fines to the owner which increase by \$300 per incident.

In the case of violations caused by a renter who is evicted, all fines levied during the 120-day-period preceding the eviction will be waived.