



SURFSIDE III NEWSLETTER



March 2007

Report From the Board of Directors

It will get worse before it gets better

As we move forward with the special assessment repairs and elevator renovations, there will be times when the Board will decide not to make repairs to broken elevators or other common elements because the restoration of that common element is imminent.

An example of this is the Jacuzzi. There are at least twelve breaks in the solar panel pipes. The solar panels are used to heat the Jacuzzi water. Repairs would cost between \$500 and \$1000. The solar panels will be removed in March to replace the clubhouse roof. After the roof is replaced the solar panels would normally be re-installed. The cost of temporary repairs, the removal and replacement of the old panels, will cost the same as new panels. It makes more sense to not repair the panels and wait for the roof replacement and make permanent repairs.

The Jacuzzi will be down until the clubhouse roof is replaced, probably mid to late March.

The roof replacement will result in closure of the clubhouse for up to two weeks.

Parking plan

The Board is working on a new parking plan that will result in a phased approach to controlling access to the complex. The plan involves camera system improvements, parking decals for all owners and tenants, and security foot patrols.

Elevators

As of the February 13, two elevators are down (Buildings 4 and 6). Both have significant issues and will cost over \$7000 to repair. We will exceed our 2007 elevator repair budget by the end of February.

Recently, some minor destructive testing was done to determine why the elevator shaft pits fill with water. There is no tar paper under the stucco. Rainwater saturates the stucco and flows down the interior walls, damaging elevator components and filling up the maintenance pit underneath the first floor stop. The construction management company is preparing a plan and specifications for contractors to repair or replace the exterior wall weatherproofing of the elevator shafts. This will of course need to be done in conjunction with the elevator restoration work, and will add time and money to the project.

When the elevators are restored, each elevator will be off line for ten to fourteen weeks.

Committee Briefs

For more committee information visit <http://www.surfsideiii.com/docs/committee/committee.htm>

Please contact the committee chair to volunteer

Budget Committee Chair: Wayne Matayoshi, wayne.j.matayoshi@boeing.com and wjm3206@verizon.net

A budget committee meeting was conducted on 2/3/07 from 10-12 in the clubhouse to discuss 2006 year end operational budget expenditures/issues, 2007 operating budget/reserve adjustments, special assessment accounting, and service contracts review. The following members/persons were present: Wayne Matayoshi (Chairperson), Ira Rubinson, Kellie Egan, and Linda Flores (Lordon Management).

Operational Budget Expenditures and Issues: The Board will be requested to consider line item adjustments to add funding to line items where our expenses are exceeding budget.

Service contracts were reviewed to determine contract costs, defined scope, duration, and termination terms. Specifically, we reviewed the landscaping, fire alarm service, security, pool/spa, and elevator contracts. We found out that the contracts were renewed for a period of five years by Spectrum back in 2005 and have a 30-90 termination clause. The landscaping, security, and elevator services seem to be deficient in their duties as stated in their contracts. Noted performance deficiencies will be forwarded to the Board for review and discussion as to whether to look for new vendors and rates.

Another review of the landscaping committee's tree removal/trimming proposal was conducted by Kellie Egan to determine 2007 funding issues. Approximately \$12K has been budgeted for tree trimming in 2007 out of an estimated proposal for \$34K+. The Board has requested a priority list (i.e., trees creating concrete/walkway damage, branches over carports/garages, dead/diseased tree removal/replacement) be provided during the February open meeting to review budgeting concerns. Kellie has volunteered to coordinate with the Landscaping Committee to understand priorities and costs. These efforts should be in conjunction with the landscaping plan (\$6K budgeted) and pagoda light replacement to be conducted this year.

Special Assessment: A spreadsheet has been developed to track Stonemark costs by phase to date. It has been submitted to the Board for review and posting on the website. Currently, there are three phases, of which two have "not to exceed" amounts. Hopefully, the third (forensic collection and analysis) will have an NTE cap late in February after the initial hydrojet testing has been completed in building 7.

Next committee meeting will be on Saturday 3/17/07 from 10-12 in the clubhouse.

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Landscape Committee (Chair, Terry Smith 805-648-5433, 1:15-8:00 pm; smithannterry@yahoo.com)

Bids have been requested for tree removals. Some of the removals will leave planter areas that need to be landscaped to add color and flowers. The problem will be how to accomplish all that needs to be done. We will be submitting the cost information obtained and our recommendations to the Budget Committee and Board, as costs will exceed our present budget. At this time, we are recommending removal to be done first, as this will reduce our trimming costs. Barry at Seabreeze Landscape will be helping us out by removing our dead palms gradually at no cost to us. Thank you Barry!

Until our trimming can be done on a routine schedule, safety tree issues should as usual be reported to the Management Company with type of tree, location, safety issue, and a diagram would be helpful. Please be patient in reporting only real problems, as trimming or removing trees individually is very expensive.

Correction: Tree at 784-782 Seawind (not 784-782 Lighthouse) has been identified for removal. If you sell your unit, you will need to include it as a disclosure if the tree has not been removed as yet. After reviewing the list on our website for location and reason, if you have any questions or concerns please call Terry Smith.

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Special messages

Several residents (including my older son) brought two very similar articles to my attention, which should be of great

interest to the entire Surfside III community. An Internet link to one of the articles is included below, and you are encouraged to read the complete text, but here is a summary.

Halaco, the former owner and operator of the aluminum recycling plant slightly east of Surfside III, polluted the local air and water for about 40 years, despite increasing pressure from environmental groups. In 2002, however, they filed for bankruptcy, and then shut down operations in 2003. At that time they were bought out by Chickadee Remediation Company with the intention of restoring the property for eventual residential development.

Apparently their cleanup effort was proceeding too slowly and, spurred on by pressure from environmental groups, the U.S. Environmental Protection Agency has stepped in to speed things up. They have already begun to reduce the size of the slag heap, as well as insulating the area around it so that rain will no longer wash its chemicals into the surrounding land and water. The process is expected to take around two years.

Dan Kessner, Editor

Details on the article:

Ventura County Star, February 6, 2007, by Kevin Clerici

http://www1.venturacountystar.com/vcs/county_news/article/0.1375.VCS_226_5330688.00.html

FOLLOW-UP FROM LAST MONTH

The February Newsletter invited owners to contact the management company if they did not want their addresses shared with anyone requesting them. Only 20 owners opted out of this, so the Board assumes that everyone else is all right with your billing address being given out on request. If this is not the case, please inform Donalea Bauer (contact info at the end of the Newsletter). The Board will be asked to review their current policy regarding the release of the membership list in the light of the fact that 289 owners have not responded.

OWNERS' CORNER

OUR AIR QUALITY

I would like to get some help from our Surfside III residents, and those serving us, on a topic of significant concern. I am an owner since 2000 and live here full-time in Building 8. I am very worried about the AIR QUALITY in our otherwise-beautiful area. Almost every day I see our area listed in the L. A. TIMES as having excellent air quality; yet I note that we are invaded with what I cannot call anything but "black soot." It is all over our cars, the patios, and filters into our units. I have white deck furniture which I covered with a plastic because it got black so quickly and had to be cleaned off almost every week. I get the impression that this is not a problem for the other Surfside complexes; I see deck furniture and beautiful flowers elsewhere which do not seem to suffer from this blight.

At any rate, does anyone know what causes this black soot? I have speculated that it might come from automobile exhaust. Yet, as I live here full-time, it seems to me that the traffic coming by my building is not that great. Could it be from our leaf blowers, the power plant, or city or port facilities?

I run an air purifier in my unit 24 hours a day! If this were L. A. or an area next to the 405 freeway, I might understand. But this seems unconscionable in an area by the ocean, one which would be expected to have outstanding air quality! I think investigation of this problem and a search for possible solutions impends on all of us, as we all breathe this filthy air!

Rick MacDonough
[647 Bluewater Way]

CHECK THE NUMBERS AND CHANGE THE CC&R'S? ONLY THE OWNERS CAN DO IT!!!

Betts received 154 votes from 115 owners...elected, votes from 37.2% of all owners, 74.7% of those that voted
Green received 151 votes from 113 owners...elected, votes from 36.6% of all owners, 73.4% of those that voted
Matayoshi received 152 votes from 108 owners...elected, votes from 35% of all owners, 70.1% of those that voted
Twyman received 108 votes from 97 owners...elected, votes from 31.4% of all owners 63% of those that voted
Kaplan received 102 votes from **37 owners...elected, votes from 12% of all owners, 24% of those that voted**
Dehorty received 100 votes from **96 owners...not elected, votes from 31.1% of all owners, 62.3% of those that voted**

The above and following information was provided thru the ballots by the association. The ballots provided did not disclose any homeowner names or addresses etc.

You may ask why Joe did not get elected when 62.3% of the 154 owners that voted, voted for him. 2.6 times the 37 owners that voted another candidate in. The reason is simple. Our CC&R's specify **CUMULATIVE** voting, which simply means an owner can give all 5 votes to one candidate. In the case of the candidate that got elected by 37 owners (24% of those that voted), 14 (4.5% of all owners and 9.1% of those that voted) gave her all 5 votes. This accounted for 70 votes. I would say that is a small group of people determining who is on the Board, and who has a vote on how your \$20,000 is spent. Other candidates received all 5 votes from owners, but not close to 14 for one candidate. Removing the Cumulative vote allows the owners to elect the candidates on a level field.

If our CC&R'S called out for POPULAR voting, then you would only be allowed one vote per candidate for up to 5 candidates per unit that you owned. You could decide to cast one vote for a candidate and not vote for anyone else, or you could vote for anywhere from 1-5 candidates, but only **1 VOTE PER CANDIDATE per unit owned**.

The previous Board did an admirable job in trying to reduce the proxy issues of the past. Unfortunately, they can **not** change the CC&R'S on their own. It takes **75% of the owners** to vote an **approval** on a change to the CC&R's.

Doesn't it make sense to have the Board consist of candidates that the majority of homeowners want on the Board? When I resigned from the Board, I said it was time for the owners to get behind their Board and get involved in making positive changes in their community. This is that opportunity to make a positive change to the CC&R'S. **YOUR** governing documents, **YOUR** community. Please get involved.

At the question and answer session before the elections that took place in December of the candidates, one candidate stated that the special assessment was an unpopular vote...only a small percentage of the owners voted for it, and a smaller percentage approved it. Well 217 owners voted for the special assessment and approx 62% approved it, Only 154 owners voted at the annual election, considerably less then the 217, and only 37 voted for one candidate...much much less than the special assessment approval numbers. So what is Popular? Let's get to a **popular vote** instead of cumulative.

I had asked the Board for a mailing list of owners so that I could spend my money to request your involvement. To date I have been denied. I would like your feedback to see if there is enough interest to change the CC&R'S for this one item. You can email ccrsssiii@yahoo.com or mail to **CC&R'S, 962 Lighthouse Way, Port Hueneme, Ca 93041**.

Please...In your email subject line put "Yes I want to change the CC&R'S" or "No I do not want to change the CC&R'S." In the body of the email, please put your name, current address and preferred contact method (Phone number is preferred) and the address of the unit(s) you own. If there is enough interest, I will forward the requests to the Board.

I realize that a lot of people do not read the newsletter, so please pass the word to your neighbors and other homeowners. It will take a huge effort to get 75% of the owners to vote on this, but you have shown the willingness to organize for the betterment of your community in the past. Please do it again.

Skip Perry

The majority of discussion in the newsletters and the meetings focus on fiscal issues yet there is very little publication of the full financial status in the monthly newsletters. I would recommend full disclosure (say, two pages of the newsletter dedicated quarterly) of the accountants report to increase transparency, understanding and participation of owners and tenants.

Thanks for this opportunity to comment, George W. Wright, CPA, MBA, MS

Board Vice-president comment: We do not have an accountants report, except when we have an audit. But full financial

reports are posted on our website. If you have suggestions on how to make them clearer, please let us know.

Contact Information

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

Contact 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 more urgent, call Donalea Bauer.

Jennifer M. Critchfield, the assistant community manager can be reached by e-mail at jennifercritchfield@lordonmanagement.com or by telephone at 800-729-5673 x 3380. If you leave a message with your telephone number or e-mail address, Jennifer will return the call within 24 hours. Why do you usually get Jennifer's voice mail? This is because Jennifer is either on the telephone or listening to your messages. She logs all calls and the results. A single call may result in Jennifer calling Linda Flores, the community manager, Donalea Bauer, Vice President at Lordon, our maintenance personnel, or a vendor to schedule some work. Jennifer may also be trying to reach the Board for an item that requires Board involvement. There is a way to get in front of all these activities. When you get Jennifer's voice mail, hit zero. This will get you to the operator. Tell her that you want to wait to speak with Jennifer when she is off the telephone. If you get the voice mail then a second time, hit zero again and ask the operator to page Jennifer again. You WILL get through!

Surfside III Direct Contact:

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

Management Company:

Lordon Property Management
31416 Agoura Road, Suite 105
Westlake Village, CA 91361

Jennifer M. Critchfield, assistant community manager

Email: jcritchfield@lordonmanagement.com
Phone: 800-729-5673 x 3380

Linda Flores, community manager

Email: manager@surfsideiii.com

Donalea Bauer, Vice President

Email: donaleabauer@lordonmanagement.com

Phone: 800-729-5673 x 3342

Our Board:

Bill Betts - President bill.betts@surfsideiii.com

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

Wayne Matayoshi - Treasurer wayne.matayoshi@surfsideiii.com

Karl Twyman - Secretary karl.twyman@surfsideiii.com

Linda Kaplan - Director linda.kaplan@surfsideiii.com

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LORDON MANAGEMENT DEPARTMENT EXTENSIONS

MAINTENANCE, KEYS, REMOTES, CARDS, GENERAL CONCERNS/QUESTIONS

Jennifer ext. 3380: jcritchfield@lordonmanagement.com

1. Maintenance concerns/questions
 2. Request for keys/cards/remotes
 3. General questions/concerns
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ESCROW

Chelia ext. 3339: chelia@lordonmanagement.com

1. If an appraiser calls for information regarding the complex...
2. If an escrow company or homeowner calls for documents, certification form or a demand statement...
3. If an escrow company wants information on a special assessment or litigation for their escrow...
4. If a homeowner is requesting for a refund on from the close of their escrow...
5. If someone wants to know what the association covers...

INSURANCE, LIEN AND LEGAL

Liz ext 3338: licarlos@lordonmanagement.com

1. If a homeowner calls for a copy of the insurance or insurance information on their association...
2. If a homeowner calls and wants to place a claim...
3. If a homeowner is calling about a lien letter or lien...
4. If a homeowner would like to have a lien released...
5. If a homeowner wants to place their account on hold...
6. If a homeowner received a letter from their lender saying that they do not have insurance...
7. If a homeowner calls and they are with an attorney...

ACCOUNTING DEPARTMENT

Pam ext 3325: Pammarczinko@lordonmanagement.com

1. If the homeowner is calling about their bill, late charge or payment...
2. If the homeowner would like to be set up on Auto Pay or a Payment Plan...
3. If the homeowner would like to change their mailing address...
4. If the vendor is calling on payment for an invoice...