



SURFSIDE III NEWSLETTER



October 2007

From the Board of Directors

SATURDAY, SEPTEMBER 29, 2007 Open BOD Meeting at 10:00 AM

Reminder that the information sheet with your CC&Rs and By-laws announced an open board meeting to start at 10:00 AM, Saturday, September 29, 2007. At this meeting the inspectors of election will count the ballots for the new CC&Rs and By-laws which have been amended to comply with current law and policies. You will really want to know the details of the major renovation which will begin as soon as the coordination of several contractors is complete. To that end the agenda will also include an owner update on the special assessment repairs, our operations and capital plan. This information will be presented in a PowerPoint format.

BALLOTS for CC&Rs/BY-LAWS UPDATE

PLEASE, PLEASE, PLEASE, WE MUST RECEIVE BY MAIL OR IN PERSON YOUR BALLOT FOR THE NEW CC&Rs/BY-LAWS APPROVAL DECISION BEFORE THE POLLS CLOSE A LITTLE AFTER 10:00 AM ON SATURDAY, SEPTEMBER 29, 2007, WHEN THE COUNTING WILL BEGIN.

PLEASE READ THE FOLLOWING VERY IMPORTANT MEMO FROM STONEMARK

Surfside III HOA - Project Newsletter IV, Sept 2007

The Re-Piping Project Begins! This next phase of work for Surfside III will begin in October/November. Exact dates will be sent out in advance and is dependent on coordination of several contractors. This involves the removal and replacement of all cast iron drain line piping in the condominiums and re-coating of water lines in the condominiums and townhomes. Please review this newsletter carefully so you know what to expect: it is important that all residents cooperate so that repairs can be made efficiently and on schedule so as to minimize downtime for all and be most cost-effective for the Association.

Because piping is connected up and down between all three floors in the condos, work will march down the buildings one "stack" at a time and will be organized in a tight schedule. Expect your first advance Notice about two weeks before the work begins and a final Notice with the actual start date three days before. All residents will also have an opportunity to meet with the Project Manager before construction begins to discuss the particulars of your home. Work in your stack will take about 3 weeks, start to finish, and will progress in the following sequence of events:

Step 1: The general contractor will open the walls at the pipe stacks in advance for the plumbers.

Step 2: The water for the current stack(s) will be turned off so that the plumbers can remove and replace the drain or waste water lines. You will be left with a toilet and one sink at the end of each day; however, you may not always have a shower. Arrangements have been made for residents to use the bathroom facilities in the clubhouse.

Step 3: While the plumbers are replacing the pipes in the stacks, they will also use this as an opportunity to clean the

waste water lines under the condo buildings.

Step 4: Once the waste water pipes have been replaced, the pipe-coating contractor will shut off all water for the stack(s), and begin the process of recoating the water lines. This process involves power cleaning the inside of the lines, then coating them with a potable epoxy treatment. All potable water will remain off for the 2-3 days this coating takes to cure. For this period, residents will be provided potable water to drink and also buckets in which to save water so that you can flush your toilets.

We appreciate that having all water turned off in your unit will be the most difficult part of this project. Again, the clubhouse bathroom facilities will be available for you to use at any time. Please be assured that we will closely monitor the curing process so that the water can be turned back on as soon as possible.

Step 5: The general contractor will return and restore your unit to its pre-project condition, including drywall replacement, painting, etc.

We understand this work will be inconvenient, but please know that a great deal of thought and planning has been done to accomplish as much work as possible in occupied units in the most economical manner. Thank you for your cooperation!

Questions? Call on-site manager Marcy Sherbok at (805) 488-8484

Stonemark Construction Management, on Behalf of your Board of Directors

September 12th Meeting Must Have Set Records

The Board had a pre-meeting start at 6:30 PM and did not leave the clubhouse until 12:30 AM. This should help answer the questions of those that have asked how much time the Board spends. We also meet a second time each month, although this was probably the longest meeting that this board member can remember. This does not include the 9 management files sent to the board members for this meeting that had to be studied in preparation for the meeting, numerous e-mails every day and special executive assignments.

The Rules & Regulations passed with only a 3-2 margin. The concern is that the CC&Rs/By-laws/Rules and Regulations Update committee had some additional significant comments that they have not yet presented to the Board for decision. However with the new R&Rs now in place as of September 12th, we will only have to mail out changes for a 30 day comment period rather than the entire package again for a third time, which is a significant cost savings. It is critical that this very important committee begin working on these comments and bring them to the Board as soon as possible. Our committees are critical to the operation of Surfside III and an essential adjunct to the Board. **This is the official notice that the Rules & Regulations sent to you a little over 30 days ago have now been implemented as of September 12, 2007.**

Without the chair of the Landscape committee in attendance, the Board defeated a request to do more tree trimming by a 2-3 vote. That budget is already \$5000.00 over spent. We invite the chair of that committee to come to our next open meeting with some expert opinion.

What is unusual and another record for this board is the closeness of these votes.

It is very important that each committee provide the budget committee good financial forecasts. Overruns and excessive budgets translate into dues increases. The Board is very sensitive, especially in these times of heavy renovation expenses and so many unforeseen issues. A serious example is that present forecasts indicate that our renovation that is being funded by the special assessment indicates that we will be over 1.4 million dollars. The Board is working hard to work within our current financial structure and expects to handle this situation with only a modest dues increase. No real decisions about future funding can be made until actual expenses start to come in when the renovation starts early this October. The costs are not fixed because of the unknown variation in plumbing and the possibility of having to replace shower enclosures or other components that may get damaged and have to be replaced.

With all the overruns being discussed and the plethora of financial requests for more expenditures being made by our on-site property manager, Katy Greenstreet came forward with a request for yet another modest unfunded request for

expenses for redoing the mural in the clubhouse. Before the Board could act, Tom Barwick came forward and donated \$200.00 so that Katy can start on the Mural next week. Many thanks to Tom Barwick for his generosity and we will be reminded of his act of generosity every time we look at the beautiful Mural that Katy will be doing for us.

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 8/11/07 from 10-12 in the clubhouse to discuss 2008 Budget planning and special assessment accounting. The following members/persons were present: Ira Rubinson (Chairperson – Acting), Jean Wahlstrom, and Lynn Cannon (via telecon) and Wayne Matayoshi (Treasurer).

2008 Budget Planning: The second review of the proposed 2008 budget was conducted to estimate HOA dues for next year.

Key 2008 budget tasks to be coordinated with the Board/Committees: (Ira Rubinson to coordinate/delegate)

- Bulk trash collection costs are rising based on construction/un-controlled dumping (blue dumpster) – Coordinate with Architectural Committee and Marcy to review potential unit renovation trash costs vs. typical construction contractor dumpster costs
- Solar panel replacement for spa/pool heating costs – Coordinate with Clubhouse Committee and BOD to weigh increasing gas costs vs. capital replacement and life of new solar panel system.
- Tree trimming budget estimate (\$32,500/yr) needs to be reviewed to see if once a year trimming is adequate.
- Security camera/company plan to improve parking enforcement, site safety, and improved area lighting – Coordinate with Neighborhood Watch and BOD.

The following 2008 operating tasks need cost estimates to be developed by the following committees/Board/on-site mgmt: Due date is no later than 9/12/07.

- Records Mgmt – Bill Betts
- Legal (misc) – Ira Green
- Management – Board Mtg costs – Bill/Ira
- Printing and Postage – Lordon and Marcy (separate GLs)
- General Maintenance – Marcy & Antonio
- Equipment Maintenance – Marcy & Antonio
- Office Equipment & Supplies- Marcy
- Clubhouse Improvements – Clubhouse Committee
- Security Services – Marcy & Neighborhood Watch Committee

The 2008 capital reserve replacement plan covers the following areas: (Total - \$385K)

- Townhouse building envelope repairs (phased over four years) - \$215K
- Paving and re-striping (to be reviewed for phase replacement or complete replacement) - TBD
- Exterior doors - \$16K
- Exterior paint - \$132K

Current HOA dues estimate for 2008 is \$400/month to meet rising utility costs and capital reserve replacement requirements.

FROM THE EDITOR

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, Editor

OWNERS' CORNER

The Owners' Corner is a place in the newsletter for owners to voice their observations and suggestions about the association operations or make announcements about any Surfside III social event or activity. While the newsletter Editor and the Board do review these submissions, the opinions and content only represent the author and not the association. We will refuse and return to the author for re-writing any material that is not factual or is in bad taste or denigrates any individual. We are not perfect and apologize in advance if you find the content of anything in this section offensive.

The Surfside III Condominium Association ("association") is not responsible for the content and accuracy and any information provided by owners or third parties. The association and its Board of Directors will not accept any liability for any direct, indirect, incidental, special or consequential damages that result from or are related to material submitted by the owners or other third parties. By submitting any material for publication in this newsletter, all individuals agree to indemnify, defend and hold the association, its officers, directors, members, representatives, managers and agents, harmless to the fullest extent permitted by California Law, from any and all claims, actions, and/or lawsuits, arising out of or related in any way to their material published in this newsletter.

Mindset adjustment?

This may begin by sounding overly philosophical, but I think it's relevant to our present situation here, so I hope you will indulge me. At the national, state, county, city, and homeowners' association level, perhaps even at the individual family level, we in the U.S. are terribly resistant to taxes or similar charges. I guess it's natural -- but beyond a certain point it is also counterproductive. My wife and I have spent nearly three years in Europe, where many people pay 40-55% of their income in taxes, and we have never heard any serious complaining from any of our European friends. Why? They seem to know they are getting something very valuable for their money. They have great police and fire services, mostly good highway maintenance, excellent health care, security for the aged, etc.

In the U.S., however, where most of us give up less than a quarter of our income to taxes, we complain bitterly about any kind of increase, virtually always voting for the candidate who promises lower taxes, even if it means that a levee fails or a bridge collapses a few years later.

I'm sure you can see where this is heading. After our homeowners followed the same path for many years, it is now painfully clear to all of us that it would have been both more cost effective and fairer if more money for maintenance and repairs had been appropriated from the beginning of Surfside III. Yes of course, it's easy to see this in retrospect. But now what do we do? Well, the first big steps have already been taken. We voted for a substantial special assessment, which will take care of our most pressing problems.

OK, so what's next? Do we now wimp out and go back to pinching pennies? Bad idea. Yes, there is talk of an increase in our monthly dues. What do I think of this? Well sure, my first reaction is that I'd rather keep my money for myself. But then, when you get over yourself you realize that our volunteer Board and Budget Committee have done tremendous work in controlling costs, while still taking care of the things that need attention. If, after all of their studies and recommendations, they deem that an increase is necessary, then we have to get past the first, selfish reaction and step up.

The approach we are seeing now, where we try to assess when the roof or something else will need to be replaced, and allot funds for it in advance, is the only one that makes sense. Otherwise we can expect things to cost much more than necessary (when they are done on an emergency, piecemeal basis).

I honestly don't know exactly what kinds of financial obligations await us in the coming years. I do know, though, that if we anticipate them, appropriate the funds in advance, and deal with them before they are emergencies, it will cost us less in the long run, and our beautiful beach environment and property values will be protected in the best way possible.

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 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 Direct Contact:

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manager@surfsideiii.com

Management Company:

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Covina, CA 91724
Phone: 800-729-5673
For after hours emergencies, hit 0

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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: OTHER DEPARTMENT EXTENSIONS

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

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

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

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