



**Board of Directors' Meeting Minutes
In Person and Via Zoom
June 8, 2023
2:00 PM**

Board Member(s) Present:

- Jan Van Willigen, President
- Laurel Klaus, Vice President
- Jim Young, Treasurer
- Paula Turner, Secretary
- Carol Nolte, Director
- Jay Agoado, Director

Board Member Absent:

- Dean Rivale, Director

Also Present:

- Michael Walker, General Manager
- Kelly McGalliard, Operations Manager
- Doug Enroth, Pinnacle Design
- Leslie Ford, Bank of America
- Patrick Prendiville, Prendiville Insurance Agency
- Matt Lawton, Prendiville Insurance Agency

CALL TO ORDER

Jan Van Willigen called the meeting to order at 2:00 PM. The Board of Directors, Management and eight homeowners were present in person at the HOA office, which is located at 54-320 Southern Hills La Quinta CA. There were three additional homeowners present via Zoom.

Meeting Minutes

Paula Turner made a motion to approve the minutes of the Board Meeting of April 11, 2023, the Executive Session of April 11, 2023, and the Landscape Committee Meeting of April 17, 2023, which had a quorum of the Board present. Seconded by Carol Nolte; passed unanimously.

Financial Statements

Jim Young provided an overview of the April 2023 month end financial statement, as well as a summary of the year-to-date financial position of the Association. Mr. Young also addressed reserve investments and an Investment Committee update. Jan Van Willigen made a motion to accept the Operating Fund Financial Statement as of April 30, 2023, Accounts Receivable Summary

of April 30, 2023, Financial Review Certification for March and April 2023, SEIA Portfolio Review, and Investment Committee update as presented. Seconded by Paula Turner; passed unanimously.

Old Business

Homeowner Conduct Rules Reviewed by Legal Counsel – At the April 11, 2023 Board meeting the Board considered draft Conduct Rules, which were developed because the Association’s CC&Rs are lacking in language that clearly addresses reciprocally acceptable conduct. The Board directed Management to seek legal counsel’s review of the draft rules. The matter was tabled until the June 8, 2023 Meeting, following counsel’s review.

The Board reviewed the draft Homeowner Conduct Rules as revised by legal counsel. Jan Van Willigen made a motion to direct Management to provide the draft Homeowner Conduct Rules to the PGA WEST Residential Association membership, as statutorily required for a minimum 28-day review and comment period. The draft Homeowner Conduct Rules to be considered for adoption at the September 7, 2023 Board of Directors’ meeting. Seconded by Paula Turner; passed unanimously.

Master Landscape Plan Update – Doug Enroth of Pinnacle Design – Doug Enroth was present to provide an update on the progress of the Master Landscape Design Plan. Mr. Enroth was asked to direct initial focus on the landscape design for the wall side of Oak Hill. Mr. Enroth agreed. No Board action required, none taken.

Vertical Bridge Cell Tower Update – An email correspondence from Jim McCulloch, Senior VP Vertical Bridge, indicates that Vertical Bridge is regularly discussing the opportunity to provide cellular augmentation in PGA WEST Residential Association. To date no offers from cellular carriers have been presented. No Board action required, none taken.

Wall Repair Status (Henry’s Masonry) – The Board was advised that Henry’s Masonry, the contractor scheduled to reconstruct the Oak Hill Wall that was damaged in the February 21, 2023 windstorm, has applied to the City of La Quinta for a permit. Upon receipt of the permit, wall reconstruction to begin within one week. No Board action required, none taken.

Tree Removal Invoice (MA) – The Master Association’s Landscape Contractor, Pro Landscaping was authorized by the Master Association Assistant GM to remove a tree that fell onto PGA Boulevard during the February 21 windstorm. The Master Association has presented an invoice to Res I for tree removal in the amount of \$7,500.

The subject tree is owned by PGA WEST Residential Association. PGA WEST Residential Association’s Landscape Contractor, Sunshine, is contractually obligated to clean up fallen trees because of a storm, at no additional cost to the Res I Association. Consequently, had the Res I

General, Operations, or Landscape Manager been advised of the fallen tree and given the opportunity to contact its contractor, the tree would have been removed at no cost.

Management was directed to respond to the MA’s demand for payment, explaining that Res I will not provide reimbursement for a cost that should not have been incurred.

August 14 BOD Meeting revision – Due to Board members’ scheduling conflicts, the August 14, 2023 2:00 PM Board of Directors’ meeting was rescheduled to September 7, 2023 at 9:00 AM.

New Business

Banking Change – Jim Young informed the membership that the Association is in the process of migrating from Pacific Western Bank to Bank of America. Management interviewed Chase, Wells Fargo, US Bank and Bank of America. Bank of America stood out as the institution who can best meet the current needs of PGA WEST Residential Association. Mr. Leslie Ford, B of A Relationship Manager was present and indicated that B of A is looking forward to providing banking services to PGA WEST Residential Association. No Board action required, none taken.

Pool and Spa Heating Schedule June through December 2023 – Jim Young made a motion to heat 54 pools and 54 spas October through December, and February through May; January no pools, and no spas to be heated. Seconded by Jay Agoado. Discussion ensued; ultimately the Board opted to not vote on the pending motion, and to wait until early fall to determine the overall 2023 actual year to date expenses to budget. Further, to allow Management the opportunity to prepare a gas analysis which shall include historical data and 2023 usage and cost.

10/01/23 Insurance Renewal Date – Patrick Prendiville - Consider Bare Walls Coverage - Common Area Coverage – Patrick Prendiville, of Prendiville Insurance Agency addressed the Board regarding the October 1, 2023 renewal insurance policies. He discussed the current insurance market and the rate and capacity difficulties associated with the reinsurance market. Mr. Prendiville confirmed that several well-known insurance companies, including State Farm and All State stopped writing property insurance in 2022.

Regarding the upcoming property policy, Mr. Prendiville discussed Bare Walls Coverage versus Walls-In Coverage. Bare Walls covers Association structures, including the residential units. The interior coverage extends to all studs, drywall, rough electrical and plumbing. Walls-In covers Association structures, including the residential units. The coverage extends to interiors, covering all original interior elements such as floor coverings, cabinets, plumbing and electrical fixtures, but only to the level of the original, builder’s grade components. It was agreed that the property

insurance proposal for the policy period 10-01-23 – 09-30-24 will include both options of bare walls and walls-in options.

Fall Color 2023 Contract – Contract proposals were obtained from two growers for the Fall 2023 Annual Flower Contract. Paula Turner made a motion to award the 2023 flower purchase contract to Armstrong, who has provided the flowers for the past two seasons. Seconded by Carol Nolte; passed unanimously.

2023 Contract Greens Painting – Contract proposals were obtained from four local, reputable Painting Contractors to paint 53 Greens Units and 2 Pool Areas. MC Painting provided the low bid and has successfully completed many painting projects within the Association in past years. Paula Turner made a motion to award the 2023 Greens Painting Contract to MC Painting. Seconded by Carol Nolte; passed unanimously.

2023 Contract Pool Furniture Refurbishing – Contract proposals were obtained from two patio furniture refurbishing companies. Both companies have successfully refurbished the Association’s pool area furniture in past years. Jan Van Willigen made a motion to award the 2023 Pool Furniture Refurbishing Contract to Patio Guys Inc. as they provided the lower bid. Seconded by Jim Young; passed unanimously.

2023 Foam Roofing Contract – Contract proposals to install polyurethane roofing on fourteen Fairways Units were sought from three qualified Roofing Contractors, however, only two contract proposals were received. Both roofing contractors who provided proposals have successfully installed polyurethane roofing systems with the Association in the past. Jan Van Willigen made a motion to award the 2023 Foam Roofing Contract to BRS Roofing as they provided low bid. Seconded by Carol Nolte; passed unanimously.

2023 Pool & Spa Replastering - Contract proposals to re-plaster two pools and two spas (pools 19BA and 11b, and spas 5A and 11B) were sought from three qualified Pool Plaster Contractors, however, only two contract proposals were received. Both pool plaster contractors who provided proposals have successfully replastered pools and spas within the Association in the past. Jan Van Willigen made a motion to award the 2023 Pool & Spa Replastering Contract to Rammell Construction. Seconded by Paula Turner; passed unanimously.

2023 Oak Hill Ficus Tree Removal Update – PWLC II’s proposal to remove nine Ficus trees from the Oak Hill Wall area was approved, and the nine Ficus trees are in the process of being removed, and their stumps are to be removed in the coming weeks.

Landscape Maintenance 2024 Contract – The 2024 Landscape Maintenance Contract Discussion was moved to Executive Session.

2024 Pool Service Contract – Mike Walker prepared a Sole Source Recommendation to the Board of Directors, which supports awarding the 2024 Pool Maintenance & Cleaning Service and 2024 Routine Service and Repairs to Valley Pool Service. Jan Van Willigen made a motion to approve awarding the 2024 Pool & Spa Service and Maintenance Contract to Valley Pool Service, with a 4.5% increase over the 2023 rates. Seconded by Carol Nolte; passed unanimously.

2024 Reserve Study Contract – Kelly McGalliard provided a Sole Source Recommendation to the Board of Directors, which supports awarding the contract to prepare a Level III Reserve Study to SCT Reserves. Jan Van Willigen made a motion to award the 2024 Reserve Study Contract to SCT Reserves. The study to be a level III financial update. Seconded by Jim Young; passed unanimously.

Committee Reports – The Landscape/Pool Committee Report, the Architectural Committee Report, the Compliance Committee Report, the Master Association Report, and the Communication Report were provided by the respective Committee Chairs, (except Architectural was provided by Committee Member Jan Van Willigen) Paula Turner, Jan Van Willigen, Jay Agoado, Jim Young, and Carol Nolte.

Correspondence - None

General Manager's Report - Michael Walker, General Manager, provided information regarding Association activities, including utility consumption updates, work order report, speed report, landscape, pest, lake, pool, and maintenance departments.

Mandatory Board and Management Training was discussed and scheduled for November 7, 2023 at 9:00 AM.

Open Forum – The homeowners were invited to address the Board. Several Homeowners expressed that they are not in favor of eliminating all pool and spa heating for the month of January. Two homeowners expressed that there are too many pools within the Association for today's pricing, and that the Association should consider eliminating unused pools. One homeowner stated that he is not in favor of Bare Walls Insurance Policies. One homeowner communicated her satisfaction with Sunshine Landscape Company.

Jan Van Willigen made a motion to adjourn at 4:45 PM. Seconded by Carol Nolte; passed unanimously.

Respectfully submitted,

A handwritten signature in cursive script that reads "Paula Turner".

Paula Turner, Secretary

The next Board of Directors' Meeting is scheduled for
September 7, 2023 at 9:00 AM

An Executive Session to discuss legal issues and member discipline was conducted
immediately following the Board of Directors' Meeting.