



La Cresta POA 60 Second Wrap-Up

Meeting Date: Oct 1, 2026 (Director's below are our newly voted in board composition as of today)

Next Meeting Date/Time/Location: Nov 5, 2026 6 pm at The Corporate Room, Wildomar

Directors Present: Roy Paulson (president), David Boyd (vice president), Paul Gaarenstroom (treasurer and secretary), Michael Ghafouri (director at large), Dave Lysengen (director at large).

Annual Meeting – Directed by Chad of Advanced Election Services (5pm)

359 ballots received. Two directors were announced for 2026

Paul Gaarenstroom (241), Dave Lysengen (228), Derek Williams (200), Zun Hin Woo (34), MDM Auger (6), Steven Stavig (5)

Main Discussion Points/ Topics:

1. Announcements: No AV Recording of any type allowed. Ca Penal code 632 makes it illegal to intentionally record or eavesdrop on a confidential conversation without the express consent of all parties involved. No one is giving permission to be recorded.

2. Open forum speakers: Speaker Barbara B discussed removing LCPOA committees like the Fire Safety committee which she believes does not pertain to our community (she referenced Cal Fire, etc).

3. Committee Report Highlights:

- ARC – Lance R discussed approvals, denials and extensions. Board presented a plaque for Bob B's past 5 years of leadership as the AC chair. **Vote taken**
- Beautification – No report
- Communications – Claudia L no meeting but stated website is still being populated with missing documents. Added a link to POWERSTONE's website for convenience. Added a dark sky policy. Notify committee if anything is missing.
- Election Security – No meeting. Waiting for Chad's report. Steve C reported committee will provide a comprehensive review of the election process at next meeting.
- Finance – Jim K reported they met Sept 21. Surplus of \$125,784 (up by \$8,104 primarily due to interest income). Mentioned the money transfer incident (which the Board had not approved and was unaware of initially). This was a situation that happened during the time accounts were being consolidated/ transferred by Powerstone and funds (\$22k) wound up going to the wrong account and should not have happened. This is being rectified now that the board is aware. Dir Ghafouri asked why a dues increase when we have surplus of \$126k? Answer: Not all invoices have been received and this is answered by a very large, comprehensive series of documents (on LCPOA.com under "Dues Increase") mailed to all members thoroughly explained the \$16/month/5 acres dues increase. Op Acct: 650.982, Reserves: \$2,148.810 and Other Assets: \$37,336. Total: \$2,671,397 (74.5% funded). **Vote taken**
- Neighborhood – Kajsa B reported they met several times and are focused on Trunk or Treat at the Weatherly's ranch (new decorations, hot dogs). Need volunteers for setting up the fence/hay bales/lighting (day before) and tear down (day after). Contact Kajsa. Insurance/Porta Potties in the works.
- Nominating Committee – No report
- Road – Jeff W reported on 5 items. 2026 Road Improvement Project – Corrected insurance endorsement expected tomorrow. Pre-construction meeting Oct 5. Culvert Cleaning 2026 project – To begin on Oct 12 by Everthrive. 30-day projection for completion. Culvert Repair – Tory Walker Engineering details reviewed. The anticipated timeline: RFP to Powerstone Oct 12, Board to review draft at Nov 5 meeting, RFP to be issued by Powerstone by Nov. 9, bids to be reviewed by the Road Committee on Jan 18; recommendations to the Board for the Feb meeting. Huge thanks to Jim K for his detailed review of all drafts. Storm water project (6 areas)- sent out RPFs to 9 vendors. Received 3 expressions of interest. Job-walk with all 3. Only one of the three submitted a bid (Foster's Grading) but the terms were not acceptable to the Committee. Working with that company's owner to tighten it up. Losing long term member Mark Clemmons who started a new job with a lot of traveling. Committee will miss Mark! New volunteer

app by Mike Suchy (35-yr LCPOA resident) with knowledge of construction and our roads. Will be a great addition to the committee. Board vote to approve his application. Dir Ghafouri wants to see/review the bids before voting. Jeff confirmed no vote required now. Dir Boyd suggested all directors review projects and meet at project site to familiarize themselves with each project. **Vote taken**

- Trails Committee – Andrew A reported that maps are being developed that will be superior to any previous trail maps. Ghafouri stated CCRs do not mention horse trails and asked why funds are being spent on trails in the setting of a dues increase. He was told trail expenses are very little relative to budget and committee does trail inspection.

Vote taken

- Gov Documents – Dir Boyd reported the committee will present our board with binders containing the CCR draft by Nov. Once approved by the board, he will add it to LCPOA.com and send it to members for their review and invitation to Q&A Town Hall. **Vote taken**
- Fire Safety – Dir Boyd stated no meeting, but Oct 13 from 9am to noon an onsite dip tank meeting is offered. Info will be sent to members.
- Litigation – Dir Boyd reported on the status of lawsuits since 2023, followed by a comprehensive report. A power point presentation with details was provided. Highlights include: Vince Scarpino (2023), Gene Prokhorenko (2024), Michael Ghafouri (2025), Justine Brown (2025), Michael Ghafouri X-complaint (2025). Scarpino and Brown filed yet never served, but this still cost the community approximately \$15,000. MG lawsuit is active- goal is for LCPOA to recoup \$36,287.13 for infrastructure damage allegedly caused by the defendant. LCPOA insurance was not used for MG case. Justine Brown complaint (filed by Steve Brown) was never served. LCPOA attorney said this is unusual (to file and not serve). Soon after, Directors & Officers Liability deductible went from \$5k to \$15k. MC cross-complaint (active) named LCPOA, Rick D and Dir Paulson. LCPOA insurance used.

--The Un-Redacted check (posted on social media) is yet another example of this group spending Association money frivolously. Once Powerstone was made aware of this posting, they insisted legal get involved. Checks were cancelled, the account was closed, and expenses were incurred because a member posted a check copy globally on social media to humiliate the board over a very legitimate expense. To correct this and protect our funds, the cost incurred by our Association was \$1,324. It's sad that rather than apologize, a select few posted a cartoon on social media belittling our board stating "Public Shaming - Priceless".

-- Gene P lawsuit had many social media posts by a small group of Gene P supporters including "Gene P prevails". It appears a small group really wanted the Association to lose. They posted a cartoon that implied the Board got a black eye. So, WHO WON and WHO LOST the Gene P case? The case was filed Oct 16, 2024. On July 7, 2026 a judge ordered a Settlement Hearing. A "Section 998" offer was utilized which is a formal, statutory settlement proposal designed to encourage both sides to resolve their case before going to a trial or arbitration. The case was settled for \$101,000. The POA paid a \$5k deductible and the two insurance companies paid the balance of \$96,000 totaling \$101,000. Gene P's initial demand had been \$300k. He claimed he incurred significant legal fees and hundreds of thousands of dollars of alleged property devaluation and damage, yet settled for \$101k. During the 3-hour zoom settlement hearing, Gene asked for the following: \$800k (denied), \$400k (denied), \$250k (denied), \$200k with the caveat that LCPOA would force Gene's neighbor to do something (denied). On that meeting, the final offer to Gene P was \$100,000. He denied it. Later, Insurance companies offered him \$101k which was their final offer. Our attorneys felt really good about how strong our case was. Ultimately, the insurance companies made the decision that it would be much more expensive to go to court than to settle. At the 11th hour, Gene P emailed our attorneys directly to accept the \$101k offer (bypassing his attorney). There was some controversy over who would receive the settlement checks. Gene demanded they be mailed directly to him, but his attorney wanted them to go to the attorney's office.

Meanwhile, on social media, the same group hammered LCPOA suggesting there would be massive dues increases, special assessments or association bankruptcy. Our board had to remain quiet and could not reply to all of these allegations (none of which were true) until the case was resolved. Now they can discuss it. In summary, LCPOA paid out \$5,000 plus some miscellaneous legal and management fees related to the case. Subsequently, we lost the insurance company. There were 3 claims (Scarpino, a damaged care back in 2021, and the Ghafouri cross complaint that triggered the loss of our insurance company.

--Additional/Unnecessary costs over the past 4 years was discussed. Month of Oct 2026 we spent: \$3,000 (legal which are not directly lawsuit related, Management: \$4,000 (there was no OT this month). Brings our total to \$310,733.70.

Insurance – the premium has gone from \$30k to \$66k last year. We do not know what the new policy will charge. Our legal costs (\$3,000 this month) are related to abusive and excessive use of association resources and continued threatening and abusive correspondence directed at Powerstone personnel and Directors including repeated, unsubstantiated allegations of civil code non-compliance. There have been specific threats to Elisa. Powerstone has now forbidden her to reply to any abusive communications by members. Instead, any job threatening communication to Powerstone or Elisa is to be sent directly to LCPOA legal (more cost to our association thanks to those members who have continued to threaten her).

--So in conclusion – WHO WON? WHO LOST? Well, LCPOA spent \$5,000 for deductible expenses and we lost our insurance company- so premiums and deductibles are expected to be much higher. The two insurance companies lost \$96,000 plus their attorney fees totaling \$169k. Gene P lost attorney fees which were substantially higher than his settlement plus his reputed property devaluation and damage in the hundreds of thousands of dollars range.

4. Consent Calendar:

Sept 3 OS minutes **Vote taken**

Aug 2026 Financials reviewed. **Vote taken**

5. Old Business:

- Code of Conduct – Dave Lysengen will sign it.

6. New Business:

- Water mitigation project – RFP - no vote.
- Association Insurance Policy Renewal – Will require a zoom meeting to review/approve before Nov OS meeting.
- Flock Cameras – discussion ensued as to positives and negatives. Annual contract is \$12,500. No one on board is allowed access to them. Dir Ghafouri said they do facial recognition. Dir Boyd stated the flock cameras were used to locate a stolen truck and to identify the murder on the plateau two years ago. They are much cheaper than hiring security full time. Dir Ghafouri wondered if the other POAs can sue us for flock photos, will this invite lawsuits? Anne suggested we post signs to notify drivers of their presence. **Vote taken**
- Decide if accepting a road committee resignation and application. **Vote taken**
- Roy read part of a letter from Alma Ramirez from Eastern Municipal Water District which stated LCPOA property is no longer a viable location for the radio tower and they will look elsewhere.

6. Open Forum – None

Sincerely, Roy Paulson
LCPOA President

Votes:

Topic:	Roy P	David B	Paul G	Michael G	David L
Approve Architectural Committee Minutes	Yes	Yes	Yes	Abstain	Yes
Approve Finance Committee Minutes	Yes	Yes	Yes	Yes	Yes
Approve Road Committee Minutes	Yes	Yes	Yes	No	Yes
Approve Trails Committee Minutes	Yes	Yes	Yes	No	Yes
Approve Gov Documents Comm Minutes	Yes	Yes	Yes	Yes	Yes
Approve Sept 3, 2026 OS Minutes	Yes	Yes	Yes	Yes	Yes
Approve August 2026 Financials	Yes	Yes	Yes	Abstain	Yes
Approve Flock Camera Contract \$12,500	Yes	Yes	Yes	No	Abstain
Approve Mark C Road Comm Resignation	Yes	Yes	Yes	Yes	Yes
Approve Mike S Road Comm Application	Yes	Yes	Yes	Yes	Yes