



La Cresta POA 60 Second Wrap-Up

Meeting Date: March 5, 2026

Next Meeting Date/Time/Location: April 2, 2026 6pm at The Corporate Room, Wildomar

Directors Present: Roy Paulson (president), David Boyd (vice president), Paul Gaarenstroom (treasurer and secretary), Tsun-I Wang (director at large), Michael Ghafouri (director at large) - absent.

Main Discussion Points/ Topics:

1. Announcements: No Recording allowed. Thanks to all who set up and also who attended the Fire Safety Town Hall. Special thanks to the Johnsons for hosting. At the special meeting last month, concern was voiced over proper member notification protocol. POA attorney, Anne, discussed this with board. LCPOA meetings are to be noticed on the LC website and on the information board on ALC. In addition, emails are sent out to members. The board had previously approved electronic notification. All of these are complied with.

2. Open forum speakers: Speaker (Susan H) – Firesafe brush collection: Next week in La Cresta and the week after Easter in Tenaja. Still waiting for proper flag lighting. Speaker (Steve B) – Questioned the costs associated with Elisa’s extra workload for legal work presented by Director Boyd last month. He also questioned other costs presented by Director Boyd related to lawsuits. Wants finance committee to present these numbers. Asked for written report and not flip chart. Wants clarification on numbers spent on Gene P’s lawsuit. He submitted a list of questions to board and wants answers at next meeting. Speaker (Rick D) – Commended Director Boyd on the use of flip charts and wants him to continue this. Applauded the past boards for being able to not raise the dues for many years and believes it is time for a dues increase; especially after reviewing the Bucknam report. Reminded everyone that our Reserve Studies for past years continue to allege dues need to be increased.

3. Committee Report Highlights:

- **ARC** – Lance R gave a brief report for Jan and Feb; Several approvals and denials and 2 extensions including the steel building on Castilla. **Vote taken to approve minutes.**
- **Beautification** – No report
- **Election Security** – Steve C reported the committee has completed a search for a 2026 Inspector of Elections. Eight companies were approached and five were not interested in bidding our job. Of the three who did provide bids, the best price and the committee’s recommendation was for Advanced Election Services (they were our IOE last year). **Vote taken to approve minutes.**
- **Finance** – Jim K reported that 2 Merrill Lynch CDs will mature and recommended renewing them at 3.75% x 6 mo. January financials are on track with our budget (26.4% expended in 25% of the time). January financials showed a budget deficit of \$9102, but Feb has a budget surplus of \$1243, (net increase of \$ 10,345), however late invoice submittals remain an issue. Reserve study indicated \$3,145,720 needed to be fully funded. We are currently 64% funded and this will drop to an estimated 60% funded after payment of 2025 construction projects. Director Wang wanted clarification as to why it appears LCPOA is not staying on budget. He was told by Director Gaarenstroom that some of the 2026 invoices were actually from 2025 and this is being corrected. **Vote taken to approve report**
- **Gov Documents** – Director Boyd reported the committee has completely reviewed the CCRs and will be meeting with the POA attorney. Bylaw review is also complete. Outreach questions from 7 or 8 members will be directly answered. **Vote taken to approve minutes**
- **Fire Safety** – Director Boyd reported on the Fire Safety Town Hall last month. 100-150 attendees and just under 20 vendors attended. Heli-hydrant locations are being selected on the plateau. Safe Soss (a product to place in vents to prevent embers from entering the attic) was recommended by one vendor and is for sale at Lowes. **Vote taken to approve minutes**
- **Litigation** – Director Boyd presented updated costs associated with litigation occurring as of four years ago. During that timeframe, a total of 5 lawsuits were filed. The association is currently addressing four active lawsuits. Since the beginning of these lawsuits, costs to the association have risen to \$248,575. These costs include increases in management expenses and insurance premiums plus legal fees. In light of recent posts on Nextdoor by some

residents who assert that the Gene P. lawsuit against the La Cresta Property Owners Association (LCPOA) is going poorly for the association and that the association is expected to lose, the Litigation Committee wishes to clarify that those statements are not consistent with the information reported to the Board by the insurance attorney. The committee further advised that, at the most recent hearing, the court ruled in favor of the LCPOA in its entirety, specifically determining that Mr. Gene P.'s Open Meeting Act claim, as pleaded, does not state a legally valid cause of action under California law. The litigation remains ongoing. Below are the updated expenses the POA has incurred. Current costs incurred by our Association and not covered by insurance for lawsuits now totals **\$248,575**. (1) Governing Documents Committee Expenses \$12,616. These are discretionary legal fees for the betterment of the Association and are not part of the lawsuit costs. (2) LCPOA Management and Administrative Expenses over the past 4 years due to Lawsuits total **\$146,450** as of Jan '26. (3) Insurance premium increases total **\$40,683** as of Jan '26. Premiums rose from \$30,000 to \$65,000 yearly. DNO Deductibles increased from \$5,000 to \$15,000. General Liability Deductibles increased from \$0 dollars to \$50,000. (4) Legal fees over the last four years for lawsuits (POA attorney, etc) currently total **\$49,352** as of Jan '26. Director Boyd also corrected misleading comments made by a couple residents on Nextdoor. They posted, "If lawsuits are filed regarding the association, but individuals are never served, then there are no costs to the association." That is a completely false statement. Once a lawsuit against LCPOA is filed, regardless of whether anyone is served, the Insurance carrier and legal firm require notification for several reasons and fees will then begin to accumulate. Below are examples of how these fees are incurred:

- **Example 1:** The first lawsuit was filed by Vince Scarpino. The lawsuit named Vice President Rick DeAndero, President Cal Westra, and Proxy Committee member David Boyd. None of the accused were served for the lawsuit. The lawsuit was completed a couple years later when it was discontinued by Vince Scarpino. Even though the lawsuit was filed and later discontinued, the costs to the association included a \$5,000 Insurance deductible and legal fees of \$8,908 totaling \$13,908.50. Our insurance deductible increased from \$5,000 to \$15,000 shortly thereafter.
- **Example 2:** Documents spanning a decade have been requested by some LCPOA member(s) not related to a specific lawsuit. Management costs will escalate because of hours spent researching financial documents. Specifically, all documents, contracts, and invoices for Vendors for fiscal years 2023, 2024 and 2025, including all original executed contracts, any amended contracts, paid invoices were requested. Additionally, all documents, contracts, and invoices for Advanced Election Services (this was an independent Inspector of Elections hired to run our 2025 election) were requested including original executed contract, any amended contracts, paid invoices.
- **Example 3: IDR (Internal Dispute Resolution) and ADR (Alternative Dispute Resolution) -** An IDR is where the member with a grievance meets with 1-2 Directors to attempt to resolve the issue. An ADR required an attorney/mediator become involved. It's basically the last step before a lawsuit is filed. A couple of residents requested both an IDR and ADR simultaneously due to their perceived 2025 election interference, voter suppression and rigged election. After several demands by the two individuals, a ZOOM meeting was scheduled. In preparation for that meeting, there was legal and administrative time spent. On the day of the zoom meeting, three Directors and the attorney assigned to the case waited on ZOOM but neither member who requested the ADR/IRD joined the call. This IDR/ADR preparation cost the Association **\$13,838**

The Association's total legal bill for the month of February was in the amount of **\$15,317**. Of that amount, **\$6,520** was directly related to the lawsuits. PowerStone's Manager, Elisa Garibay, confirmed these amounts. Director Wang asked Director Boyd not to intimidate him or other members. Director Boyd stated that in the interest of transparency for the association, he was only citing facts.

- **Neighborhood** – Kajsa B reported that currently her committee oversees the Trunk or Treat, Xmas Lights and Cocoa and Spring Fling (location has been selected). They are asking to take over the "Corner Carnival" which has been held immediately after the July 4th parade on ALC and Castilla. The homeowners previously funded this, but the committee would like the Association to cover the water slide and insurance. She will provide pricing for the slide. They also would like to host two small welcome events (BBQs) annually for new members and directors to attend.

- Road – Jeff W began by refuting the post on NextDoor authored by Steve B which stated that road projects were justified by random numbers without proper due diligence. Jeff stated the road repair costs are expertly calculated (\$2.5-3.2mil depending on level of maintenance selected). Additionally, Tory Walker Engineering estimated that to repair our medium and high priority culverts will be an additional \$1.6mil. The preliminary results that are just being received by the road committee show these culverts are failing. This means we will need about \$4.1-4.8 mil over next 5 years for our reserves to have the funds to pay for the road and culvert needs. Currently our dues collection is approximately \$1mil / year. In the event of a significant fire, leading to hydrophobic soil, runoff and debris will lead to culvert failure in our compromised culverts. In the event of such a disaster, repair payment will require adequate reserves or a special assessment. Historically we have funded our reserves with approximately 45-50% of our collections. Currently, much of these funds are being used for legal expenses. In 2025, only 36% of our collections went to reserves. There have been no dues increases in 18 years. Director Wang stated because of no dues increases in 18 years, the association must have been charging homeowners too much. Jeff stated by next year, if changes are not made, we will be underfunded. In 2026, the board voted to allow \$550,000 for road repairs. The board has been tasked with making the difficult decision to increase dues, decrease spending or some hybrid of the two options. It is unlikely, Jeff said, that the Association can decrease the spending by much because of the increased legal expenses being incurred. Regarding road conditions, ours are currently in good shape with PCIs ranging from 79-82 (please review the Feb 5, 2026 60-sec wrap up for PCI details). You can only allow the PCI to drop to a certain level, before the roads become extremely expensive to repair. The higher the PCI, the less expensive road repairs are and the lower the number, the more deferred costs the association will eventually incur. There are 26 miles of primary roads and 52 miles of shoulders to maintain. Director Wang asked why, if we just repaired 6 culverts, are they failing again. Jeff clarified that those 6 are fixed with no further needs, but new culverts are failing. If reserves drop below 50%, lenders are not excited about loaning money for home purchases/ low reserves raise red flags for lenders.

Vote taken to approve minutes

- Trails – Rick reported no meeting, but trails were inspected.

4. Consent Calendar:

- Feb 5, 2026 Open Session minutes reviewed. **Vote taken to approve minutes**
- Feb 20, 2026 Special Open Session minutes reviewed. An error was corrected by Elisa. **Vote taken to approve minutes**
- Jan 2026 Financials reviewed. Director Wang pointed out again that spending is not consistent with budget. Director Gaarenstroom had previously clarified this. **Vote taken to approve**

5. Old Business:

- Code of Conduct – Directors Ghafouri and Wang still refuse to sign it. A document that Director Paulson is required to return to our CPA puts him in conflict. Specifically, one question refers to whether a conflict of interest resolution is in place (this is referenced in the code of conduct which two members refuse to sign).
- Director Paulson suggested that the request by two members for all Association records dating back 10 years appears to be an effort to reduce our finances. He also made it clear that there are no special or pet projects the board intends to authorize.
- Architectural Guideline changes – still pending. Includes metal roofs, prefabricated barns, interface (driveway to street) guidelines, ADUs) will go out once all is resolved.

6. New Business:

- 2025 Audit report consideration. **Vote taken to approve++**
- Advanced Elections Services for 2026 election. **Vote taken to approve**
- Proposal to approve Everthrive (\$15k) for trails maintenance. **Vote taken to approve**
- Policy for Unmanned Aircraft Systems (Drones) – Director Paulson wrote a policy that he wants to be reviewed. It would mandate FAA compliance and stipulates multiple restrictions. It will be presented to board and to legal. **Vote taken to review**
- Association Newsletter Publication – Director Paulson moved to have the 60-second Wrap-up and other communications to be shared with the members by the newly formed Communications Committee after review by the President. Director Wang believes the intent of the 60-second Wrap-up is to intimidate him and Director Ghafouri because their NO votes are in red. **Vote taken to approve**
- Director Boyd asked to address the applications for serving alcohol on two properties (1) Majorica and (2) Hombre. The Hombre location is not a part of the LCPOA and they do not pay for road maintenance. There is a concern these two locations may have wedding or other venues.

7. **Open Forum** – Speaker Barbara B wants a copy of the letter Director Boyd read from the attorney. She also falsely accused a member of having her post removed from social media. Speaker Jenny W supports the Directors being able to speak on behalf of all members. Speaker Lorene A wanted more information on the drone that trespassed on Director Paulson’s horse facility. Discussion about a manned gyrocopter which takes off/lands in La Cresta, but the owner does not live here. Gets close to powerlines with the threat of a fire in high winds.

Sincerely, Roy Paulson
LCPOA President

Votes:

Topic:	Roy P	David B	Paul G	Tsun-I W	Michael G
Approve Architectural Committee Minutes	Yes	Yes	Yes	Yes	ABSENT
Approve Election Security Minutes	Yes	Yes	Yes	Yes	
Approve Finance Minutes	Yes	Yes	Yes	No	
Approve Governing Documents Minutes	Yes	Yes	Yes	Yes	
Approve Fire Safety Committee Minutes	Yes	Yes	Yes	Yes	
Approve Road Committee Minutes	Yes	Yes	Yes	Yes	
Approve Feb 5 Open Session Minutes	Yes	Yes	Yes	Yes	
Approve Feb 20 Special OS Minutes	Yes	Yes	Yes	Yes	
Approve Jan 2026 Finance Reports	Yes	Yes	Yes	No	
Approve 2025 Audit Report	Yes	Yes	Yes	RECUSE	
Approve Hiring Adv Election Services	Yes	Yes	Yes	No	
Approve Everthrive Trails Maint (\$15k)	Yes	Yes	Yes	No	
Approve review of Drone Policy	Yes	Yes	Yes	Yes	
Transfer 60-sec Wrap Up to Communications committee	Yes	Yes	Yes	No	