

Woodbine HOA Special Assessment/Plumbing Meeting Minutes  
June 13, 2019 6:30 P.M.

Woodbine HOA Board Members: Ed Barrett, Lorraine Baird, Barbara Hatcher, Jeremy Almeida, Dana Sheffield, Cameron Collette and David Donnelley

Representing Pro-Management: Michael Marchese, Shelly McMahan and Renee' Miller

This Special Assessment/Plumbing Meeting was called to order at 6:35 p.m.

There was a brief introduction of all the Woodbine HOA Board Members.

There was a motion to approve the Woodbine HOA Board Meeting Minutes from May 30<sup>th</sup>. 2019 by Liz Hagen. The motion was seconded by Ken Curtis. All approved and none were opposed.

For this meeting, we will need a 60% quorum or 98 Woodbine Homeowners present or represented by proxy to pass this special assessment for the re-plumbing of all the water lines on this property. We have 163 units at Woodbine and each unit will be assessed the same amount. Each condominium gets 1 vote. A majority of the quorum (49) will be needed to vote for the assessment.

Homeowner from Unit #25 discussed the 6-foot hole she has had in her patio from a water leak. This has been very difficult for her to deal with not having the use of her patio. Michael said he would speak with her after the meeting as some of the disruption and not getting her patio area cleaned up is due to the Idaho Power upgrade. She advised had she known there was an issue with the water lines on this property she would not have bought here.

Homeowner in Unit #116 said he researched this Shell Oil Class Action Suit and it was settled in 1995. He was wondering if we participated in the Settlement Fund. The answer was "no". Tomlinson began the HOA in 1997. We do not know if Tomlinson had a settlement option. It has been over 30 years since this settlement took place. This homeowner advised in his review; he saw where another class action suit was filed over this blue poly pipe. It was not taken any farther. This homeowner was unaware of the failing blue poly water pipe when he purchased his unit 6 months ago.

A homeowner asked how long this "re-plumbing" would take. We are expecting a window of 5.5 years under the proposed financing arrangements and needed special assessment to fund the project.

A homeowner asked if we got more bids than just Cloverdale Plumbing. We did explain we asked many companies to bid and only Cloverdale Plumbing responded with bids; a couple others looked

at our project and declined the job. Cloverdale Plumbing is a long-established company in the area. They are in very good standing with the Better Business Bureau.

A homeowner asked if Cloverdale Plumbing would have to re-do the repairs already made. Michael replied the answer is "yes" as that is the only way Cloverdale can guarantee the work on this project. Also, the routes for the new plumbing will be different in some cases than where the lines are now. Many of the leaks were only patched with a spliced in new pipe, and no long sections or pipe were replaced, except behind the K building. We will have Cloverdale inspect this section of maybe 50 yards and see if it is acceptable not to replace.

Michael said we have had 6 leaks on the property already this year and have spent another \$20,000 bringing our total water leak repairs to \$100,000. Right now, the water and sewer are 29% of our total dues paid.

We are estimating this new water line project will take 5-6 years. At this time, we are looking at a cost of about \$600,000.00 This is a time and materials bid. Cloverdale Plumbing said there are too many variables to bid this project any other way (for example riverbed rocks/ground conditions, tree roots, weather considerations, etc.). This is the only way Cloverdale Plumbing would work on this project. Cloverdale Plumbing is company with a 50-year reputable history here in the area.

Michael discussed helping "offset" the cost of "grunt work" like taking out a patio or filling in the ditches after installation of new lines with his "in-house employees." For Cloverdale's lowest paid worker, we are billed about \$75 per hour with the licensed plumber being paid \$125 per hour. Cloverdale Plumbing will have a "dedicated staff" that will work this project. Cloverdale Plumbing is very aware of our financial situation and will work with the "boots on the ground-support folks" helping reduce our costs.

A homeowner asked where we will be getting our credit line. Mountain West Bank will work to provide our \$200,000 credit line. This homeowner suggested we support this bank to show our appreciation.

A homeowner asked if we will be getting a little less water pressure as the narrower gauge of pipe is inserted into the older and a little wider pipe, which is the preferred and least expensive approach to repair the branch or "feeder lines" into each stack of condos. It was reported from Suez Water as previous lines have been changed in this way; no difference in pressure was noted.

It was asked if Mountain West would consider a 7-year term to our loan. Ed advised he did ask at Mountain West and they would not go more than a 2-year \$200,000 revolving line of credit.

Homeowner in Unit #129 asked if all buildings were at risk of these water line failures. The answer was that every homeowner is at risk of a water leak on this property. This homeowner feels if it isn't broken, why fix it.

A homeowner did not seem to understand, just because there was no failing water line at their location at this time, why their unit needed new waterlines and why should they pay for the rest of the property.

A homeowner said they would be selling their unit and NOT disclosing the water line failures with the whole property. This homeowner said the realtor they used, claimed they wouldn't be disclosing this problem either. They were advised that if the HOA was asked or submitted a form that addressed a special assessment or major project repair in process that the HOA would not lie or omit the information. It was also noted that the fact the problem will have a plan of action to eventually correct the problem will be a positive note to present to buyers or banks considering financing Woodbine condominiums.

It was asked by a show of hands in the room, how many folks have experienced water leaks from the blue poly pipe. The show of hands was **almost all of the 58** folks in the room have had a water leak or been inconvenienced by one from the failed blue poly pipe.

Homeowner in Unit #159 said they were not against replacing everything, but wondered if there was any alternative. It was asked if we start next year and stagger the repairs and the use of the credit line? Michael advised the longer we stretch this project, the more we add to the cost including 'band aid' repairs and continued higher water/sewer bills. It was mentioned again the \$20,000 we have experienced so far this year with water leaks and the blue poly pipe failing.

Homeowner in #184 is concerned with delaying this project, as the value of all the homes are affected here at Woodbine. Because we are now addressing this blue poly pipe failure, as homeowners we must disclose this if we go to sell our property.

Homeowner #50 advised after she moved here, she was not told of the problem with the failing blue poly water lines. Her Realtor did not mention the blue poly water leaks as the realtor did not know. It is the responsibility of the seller to disclose this information if they know it, and the responsibility of the realtor to ask the seller; typically, a seller signs a disclosure form 'to the best of their knowledge'. The HOA is hiding nothing and never has.

When the plumbing special assessment goes into affect, it must legally be disclosed with the forms that are filled out by Pro Management when a property is sold or refinanced.

A question was asked about the short timeline of replacing the blue poly water lines. Could this project be extended to reduce the monthly assessment fee. The prompt replacement of the

blue poly pipe is necessary as these water leaks are consuming most of the \$4,000 monthly placed into our reserve account.

We presently have approximately \$68,000 in our reserve account. Michael mentioned when the reserve account reached \$150,000 the HOA Board voted to have the property painted. This was a very value-added project. There was a brief discussion about the company that painted the property. This is the same company that painted the property 10 years prior. Collins Brother Paint will be touching up areas, which will complete the 2-year warranty. Collins Brothers Paint is not responsible for replacing any rotting wood. The rotting wood is an ongoing issue with this older property and what some homeowners are seeing as white patches especially on the berms, is deteriorating wood that has been prepped for re-painting. Again, this property is about 30 years old.

This reserve account will be used to fund the replacement of the old failing pool and spa heaters. This new equipment is gas and we will save money with the efficiency of new spa and pool heaters. The old equipment was electric. The HOA Board had decided last year, when this old equipment again failed or need repair, new and more efficient equipment would be purchased.

A homeowner had a question asking if this replacement of the blue poly water pipe could be done in 2 stages. This project is best done with each building done completely all at once-is the opinion of the plumbing company. If you look at our leaks, they are randomly all over the place, so in answer to a question we really can't start in the worst places. We the Board has decided is to start with the older buildings first, i.e. Phase I as the property was built. However, the whole place was probably constructed in a year or so, hence it appears that no building is significantly older than another.

Homeowner in Unit #51 is a ground level unit. It is her understanding we will be voting today for a special Plumbing Assessment to go for 5.5 years at approx. \$55 per month. There is a concern about the water pipe replacement work that will be done on the interior of the units. How will the access to the interior of the unit be gained? There is concern about the dirt in the interior lines that will need to be cleared of dirt and debris with the new water lines. The answer was that replacing the main line replacement will have no effect on the interior. The effect will be with the new feeder line placed in the house when it is attached near the water heater of the ground floor unit.

A homeowner asked if we had Insurance to cover the replacement of these failed pipes. Michael replied a few years ago we did submit an insurance claim advising the failure was due to tree roots. The claim was paid. The next year he submitted another claim and the insurance company denied the claim as they said they do not cover water leaks. Research was done and there is no insurance company anywhere that will provide coverage for water leaks.

With this meeting if we are unable to establish a quorum to approve this Special Plumbing Assessment, notice of another meeting in 30 days will be posted. For this meeting only 45 votes will be needed to approve this special plumbing assessment, with a majority of the quorum needed to vote in favor. The votes from this meeting will carry over to the next meeting.

Homeowner in Unit #4 was extremely upset over the painting around her unit. She is upset about the "white paint" done by her burm at her front door. Michael advised Collins Brothers Painting will be completing their contract with the last of the touch up painting, and that the white paint is just primer in preparation of that final touch up. Collins Brothers does not repair or replace rotted wood hence the HOA is doing that prior to painting. She is upset and concerned with the financial burden the plumbing assessment will create on their limited income.

Homeowner in Unit #184 addressed the homeowner group and advised getting angry with the Management Company and HOA Board was inappropriate. He told the folks the HOA Board was strictly volunteer and worked to have the best interest of every homeowner with the decisions they make. He suggested a thank you to each board member and Management Company was appropriate.

Homeowner of Unit #44 advised Woodbine is a very beautiful and desirable property. Each homeowner has to be responsible for the entire complex. She feels the dues are very low for such a beautiful complex. This is truly a favorite location, but older property and we need to take care of it. The alternative is buying a house. Investors feel it is much better to raise the dues versus agreeing to a special assessment.

Homeowner in Unit #17 is concerned with her investment and was wondering if there was any consideration in raising dues over and above a special plumbing assessment. In response, our HOA Bylaws only allow for a maximum of 5% yearly raise, and this will be a HOA Board vote at the time of approving a 2020 budget. It would take a super majority vote of homeowners to raise the dues more than 5%. It was also noted that there have been years of no monthly dues increase, or less than 5%. But to keep up with increases in outside vendor labor, utility services, and maintenance materials dues increases are sometimes necessary. Also, the \$55 special assessment will be discontinued as soon as the plumbing replacement is complete and paid for.

Homeowner in Unit #118 said she loves living in this place. She has lived here for 3 years. She took out a personal loan for \$3,900 to fix her blue poly pipe as the failure was in her house, not under the slab. She said she did not mind this repair as this is a very important internal structural issue. She feels we all need to be responsible for fixing this problem. She feels we are all blessed to live here and this needs to be done.

A question was asked if the blue poly was pipe being used for the sewer lines. The sewer lines are a different material and there is no problem with them.

Homeowner in Unit #4 apologized for her temper and angry outburst. She advised \$55 is a big bite out of their income. She advised she was just out of funds. She asked if we can get a contract with a "hard ending" for perhaps 12 months. The answer is that to condense the plumbing replacement in 12 months would require a much, much larger special assessment amount; the total amount per homeowner (@\$3600 each) will be the same no matter how many months it is divided into.

We discussed how our HOA Board Member, Lorraine, is always very concerned with folks living here on limited fixed incomes and any dues increase and this special plumbing assessment. We do understand the financial impact this assessment will create. This is one of the reasons the "Line of Credit" was researched. We really tried to complete this project as "budget friendly" as we can make it.

Michael explained "A Memorandum of Understanding" will be written with Cloverdale Plumbing. The variables will be spelled out and the entire document will be reviewed by our attorney.

The weather is a definite variable. Cloverdale is hoping to complete 4 buildings a year. There could be changes in utility laws or plumbing laws, from the start to completion of this project. This is the "soft science" part of this project. The numbers are based on lineal feet of pipe replacement.

Cloverdale Plumbing will guarantee their work and have made a commitment to this project. We will have documentation from Cloverdale. This will be a time and materials project. There is always the possibility this project could run under budget and take less time. Cloverdale Plumbing may just get better/faster as the project moves along. There are 359 trees on this property and there are roots just everywhere. This property is also built on a riverbed. Getting through and around the rocks is also difficult.

Michael advised we will be in communication with the homeowners. The HOA Website will have all the legal documents. We will also, as we always have, communicate through the quarterly newsletters. Besides being emailed to everyone, and posted on the website, the newsletter and special announcement are always placed in flyer boxes throughout the property located by the mailboxes; additionally, we post on bulletin boards at the clubhouse.

Homeowner in Unit #19 advised he works for a large company and is fine with the completion date. Right now, we have a projected completion date of 5.5 years at \$55 per month. Right now, the plan is to begin with the oldest buildings first. We will also meet with Cloverdale Plumbing and see if there is a specific area, he feels would be a most efficient place to begin.

Homeowner in Unit #94 would prefer to have dues raised instead of a special plumbing assessment. This homeowner does not want this special plumbing assessment to impact the value of this property.

Homeowner in Unit #184 asked if this special plumbing assessment will also affect the Woodbine Apartments as it applies to the Woodbine HOA. At this point the Woodbine Apartments are not involved in this blue poly water line replumbing, however as soon as we launch the project they will be notified and offered the opportunity to follow in our footsteps to upgrade their property as well. There has been an objective to convert those apartments into condos whenever Tomlinson feels the market is right and then they will become part of Woodbine HOA.

Homeowner in Unit #32 was asking for a quarterly update on the project progress. The reply was that there is a quarterly newsletter and to keep an eye out for that.

Some folks left before the meeting closed and filled out ballots before they left. The remaining homeowners filled out ballots after the meeting closed. Balloting will be open for the next 30 days until the next formal meeting.

Meeting Closed at 8:01 p.m.