

Crystal Ridge HOA Board Meeting

Wednesday, March 6, 2019

Email: board@crystalridgehoa.org

Website: www.crystalridgehoa.org

Board Members Attending:

Mark Crawford, Tim Evans, Fred Herber, Peggy Kloes, Emory Gearhart,
Patti Lundell, Chong Lam

Committee Members Attending:

Tim Evans, ACC
Fred Herber, ACC
Peggy Kloes, R&R, FRC
Dale Meints, Fence Replacement Committee (FRC)
Marcus Rawley, FRC

Vista Representative:

Jenny Ross

Homeowners Attending:

Lori Evans, Dale Meints, Marcus Rawley, Brian Roberts

Subsequent Board Action: On March 8, 2019, the Board voted via email and approved a change to the frequency of Board Meetings. The vote was 5 Yes; 0 No. Meetings will be held quarterly on the first Wednesday of March, June, September, and December at the Puyallup Library from 7:00 to 9:00 PM. An annual meeting of the HOA will be scheduled in January.

Scheduled Meetings:

June 5, 2019, Wednesday, Board Meeting, North Meeting Room

Proceedings:

- 1. Call to order and Board Member quorum established—all 7 members present.**
- 2. Minutes:** The minutes of the January 23, 2019, Annual Meeting were approved via email on February 12, 2019, **VOTE 4 YES; 0 NO.**

- 3. Violations Report:** At the December 2018 Board Meeting, the Rules and Regulations were re-authorized with a change for compliance inspections to every 3 weeks instead of every 2 weeks. This reduces the number of inspections to 17 from 26 per calendar year.

Currently, violations are primarily for trash bins that are visible from the street and vehicle/trailer storage. All trash, recycle, and yard waste bins must be stored within 24 hours after pickup. Vehicle/trailer storage may not exceed 48 hours.

4. Treasurer and Collections:

Collections were reviewed for January and February 2019.

Sale is pending for E-52. If sale funds are sufficient to cover the first lien against the home, the HOA as the second lien holder will be reimbursed.

E-46 has been listed for sale.

E-47 may be in foreclosure; bankruptcy was filed; further inquiry will be made to determine status.

Reminder to Board Members: Legal Counsel is involved in these cases and Board Members cannot engage in conversation with the homeowners about the status of the property. It is both a legal and an ethical issue.

\$31,640 is still in collection; 18 homeowners have not paid assessments for 2019.

The HOA does not accept payment plans for current assessments other than in hardship circumstances. Homeowners may pre-pay monthly for 2020 assessments.

5. Review Annual Meeting Budget Vote and Voting Procedures:

The **quorum** (Bylaws, Article 3, Section 4) that was established at the Annual Meeting is for the meeting and voting for elections, not for budget votes. The budget is automatically ratified by law ([RCW 64.38.025](#) (3)) “Unless at that meeting the owners of a majority of the votes in the association are allocated or any larger percentage specified in the governing documents reject the budget, in

person or by proxy, the budget is ratified, whether or not a quorum is present.” This means that 2/3 of the 301 homeowners in Crystal Ridge would need to vote “no” for a budget to be defeated. Amendment 17 (Article IX, Section 5) of the CC&Rs gives 2 votes to each homeowner in the Estates and 1 vote to each homeowner in the Classics.

Several **proxies** that were brought to the Annual Meeting were invalid because the homeowner was not in “good standing”—meaning assessments were not paid in full for the previous year—thus, their vote was invalid. The Annual Meeting notice that homeowners received the first week of January, requested that proxies be returned to Vista no later than 5:00 PM on January 18, 2019. A number of homeowners gave their proxies to a neighbor to bring to the meeting.

Such proxy votes were subsequently counted but did not defeat the budget vote and the budget passed.

Proxies will not be accepted in the future if they are not submitted to Vista by Friday of the week prior to the Annual Meeting by 5:00 PM. Homeowners may specify on the proxy the “duly authorized attorney-in-fact” and a ballot will be given to the person chosen to vote for the homeowner at the meeting. All homeowners must be deemed to be in good standing in order to vote, including those who submit a proxy.

6. Estates/Classics Fence Replacement Committee Report:

Amendment 2 of the CC&Rs specifies the Estates/Classics border fence as a common maintenance area. The fence is over 25 years old and needs to be replaced. \$30,000 is budgeted for replacement in 2019.

Seven bids were received by Vista and the committee recommended 3 bids for the Board’s consideration—Rainier Fencing and Decking, Olympic Landscaping, and Elite Construction. The bids were reviewed and compared with the specifications in the RFP.

Items of discussion:

Directives to contractor:

- Follow all specifications and drawings
- Set the new fence as close as possible to the old fence line.
- Tie side yard fences to the new back fence.
- Both builder and HOA sign drawings.

- Include Board and HOA as additionally insured.
- Builder will acknowledge any damage workers cause to homeowner property and will repair at his expense.
- Clear start and finish dates.

Directives to Homeowners:

- Homeowners will clear a 2 foot wide path on each side of the current fence line in order to give the builder easy access. If a homeowner does not clear the fence line and the builder does the clearing, the homeowner will incur the cost of the cleanup.
- All 20 homeowners must sign a Permission to Enter with an HOA “hold harmless” clause in order for the contractor to enter the premises. If this is not signed and returned to Vista prior to the beginning of construction, there will be no replacement of fencing along that property line. (Note: refusing to sign an agreement impacts the homeowner on the opposite side of the fence as well.) 16 homeowners have signed the Permission to Enter; 4 have not.
- Should a problem arise when workers are on site, homeowners may contact Jenny Ross at Vista; a contact number will be provided.

Each of the 3 bids under consideration followed the specs with Elite Construction’s bid price closest to the amount budgeted for 2019.

Prior to voting to award the contract, Board members were asked if anyone had ties or a financial interest in any of the construction companies. Tim Evans disclosed that he has hired Elite Construction to install the siding on his new home, but he has received no financial consideration from them for a favorable vote.

Motion: Fred Herber moved to accept the Elite Construction bid. Patti Lundell seconded the motion.

Mark Crawford added a friendly amendment to include in the contract (a) no upfront payments; (b) progress payments only; (c) name the HOA as additional insured; (d) completion of the project within 30 days and 2 weeks notice to start date; (e) change top rail to 2”x 4” rather than 2”x 6”.

Fred accepted the friendly amendment.

No further discussion.

Peggy Kloes recused herself from voting because her property borders the Estates/Classics fence.

VOTE: 5 YES; 0 No.

Members of the FRC, 3 Board members, and Jenny Ross will meet with Elite Construction's owner on March 13, 2019, to finalize the contract.

Vista will be the liaison with the contractor to establish a schedule and notify homeowners 24 hours prior to entrance to their lot.

Work will be inspected twice per week by either Tim Evans, Dale Meints, or Marcus Rawley.

7. Review 2019 Capital Expense Budget:

Play lot completion:

- slab for bench and handicap ramp will require about 2 yards of concrete
- propose work weekend in May to form up
- pour same day as Tim Evans pour at new home to save on expense

Tree replacement: \$19,000 budgeted for replacing trees that are diseased or encroaching on and buckling sidewalks. Fred has been marking trees for replacement.

8. 2019 Board Meeting dates tabled and will be voted on via email.

9. New Business:

Emory Gearhart reported that, after a year plus of police activity, the home on the corner of 39th and 15th has been purchased by a new homeowner and is in the process of being remodeled.

Fred Herber asked that time be allotted at the next Board meeting to discuss Washington State's new WUCIOA (WASHINGTON UNIFORM COMMON INTEREST OWNERSHIP ACT) and how it applies to pre-existing HOAs.

A motion to adjourn was called: Peggy Kloes moved to adjourn; Fred Herber seconded; **VOTE 6 Yes; 0 No.**

Meeting adjourned at 9:00 PM

Addendum:

Subsequent to the Board meeting there were additional actions by the Board.

1. On March 13, 2019, the FRC (as agents for the Board) met with contractor Thomas Weems of Elite Construction to finalize the contract to replace the Classics/Estates fencing. Thomas asked that the HOA pay 50% upfront for materials. The group agreed to a pre-payment of 50% if both Elite Construction and the materials supplier were paid jointly.
2. March 17, 2019, the HOA received a repair estimate from Olympic for the irrigation system for \$13,536. \$4,200 was budgeted for 2019 repairs. Within the total estimate, repairs at the CRD monument are estimated at \$2,473.

The tree replacement budget is \$19,000 and trees have been marked for replacement.

Discussion: Either reduce the tree replacement budget to \$12,000 to cover the shortfall for the irrigation repair or table the tree replacement until fall.
Additional Consideration: The City of Puyallup wants to remove the CRD monument and pay the HOA for the value, thus no need to repair the irrigation.

\$13,536	total repair estimate
- 2,473	CRD monument repair
\$11,063	Net
- 4,200	Budgeted
\$ 6,863	Shortfall

MOTION: Mark moved the Board approve the irrigation repair as listed except the CRD Entrance Monument, reduce the tree replacement budget to \$0 and re-evaluate replacing trees at the September 2019 Board meeting. Peggy seconded the motion. **VOTE: 5 Yes; 0 No.**