

NORTH SHORE TERRACE CONDOMINIUM HOMEOWNERS ASSOCIATION
Minutes of Meeting August 18, 2012
10:00 AM, Office of Yaquina Bay Property Management, Inc.

Directors Present:

Al Gilhuly Dolores Johnson Paula Jones Barry Winters

Others Present:

Paul Amundson Ken Brophy Lee Hardy, Yaquina Bay Property Mgmt.

Call to Order/Establishment of a Quorum:

Al called the meeting to order at 10:00 AM. Four directors were present. Paul Amundson volunteered to fill one of the vacated director positions. Directors present accepted his offer, making him an interim director until the next general election. With five directors now present, a quorum was established.

Directors present discussed the possibility of reducing the number of directors required from seven to five and reducing the number of directors constituting a quorum from five to three. Lee noted that this would require an amendment to the documents and the approval of 75% of the membership. A motion was made, seconded and passed to authorize Lee to approach the association's attorney to investigate the feasibility and, if feasible, initiate the process of changing the number of directors. If the process gets underway, Barry offered to write a cover letter for the ballot to the members of the association discussing the pros and cons of such a change, concentrating on the enhancement of the board's ability to deal with the business of the association.

Ken Brophy's Presentation: 2012 Common Area Replacement Projects:

Ken provided the directors present with a summary of the work completed to date this year, including deck and fence replacement for the 66 building, deck and fence repair for the 76 building, discovery and repair of dry rot in siding under the deck attachments, west wall dry rot repair to 76A, staining of the 85 building decks, and an assortment of patio, fence and gate repairs to other units in the complex. He detailed the labor costs to date and will provide the material costs as well in a final billing to the association. Lee will then be able to add the costs of these projects to the reserves budget and summary for the component replacement work and to the operating budget and summary for other repairs.

Al reported that he and Ken had inspected the front porches of the 66 and 76 buildings which consist of wood decking. They discovered that there was dry rot and determined that these will need to be replaced soon as well. Ken will provide an estimate. This work may wait until next spring, depending on costs and consideration of other needed work.

Minutes of June 2012 Board Meeting:

A motion was made, seconded and passed to approve the minutes of the June board meeting following the annual meeting as delivered.

Financial Report:

Lee said she would finalize a financial report once she has received Ken's billing. She noted that the work Ken did fell into two categories. Some expenses will be paid out of the reserve account, and some will be paid out of the operating account.

Old Business:

Resolution to Clarify Unit Owner Responsibilities Regarding Decks:

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Lee presented a resolution drafted by the association attorney that clarifies the respective responsibilities of the association versus the unit owners regarding caring for the decking, which is limited common area. The resolution stipulates that the unit owner is responsible for keeping the decks clean and free of debris and damage and that the association is responsible for the replacement of deck components and for staining or sealing the decks. Should a unit owner neglect his or her obligation to keep the decks clear of leaves, needles or other debris to the extent that such accumulations accelerate the deterioration of the decks, the board may assess that owner any costs incurred by the association as a result of that neglect. Barry made a motion to approve and sign the resolution. The motion was seconded and passed. Al signed the resolution as president, and Paula signed the resolution as secretary. A copy will be mailed to all unit owners.

Discussion of Division of Responsibility Between Unit Owners and the HOA for Repairs Needed After Plumbing Leaks:

Lee reviewed some of the questions that arose as a result of plumbing leaks in walls that damaged the interior finish of a couple of units. The HOA has always paid for the repair of the plumbing leaks as the affected plumbing is part of the common area and is located in wall or ceiling voids and not within the units whose boundaries are described in the association declaration. The by-laws clearly state that the unit owner is responsible for repairs to the unit itself and should carry insurance for that purpose. Lee further said that the association would only be liable for the unit repairs if the association was aware of a problem and did nothing to correct the problem. A motion was made, seconded and passed to ratify the understanding that the unit owner is responsible for repairing his or her own unit in the event of damage from a plumbing leak or other event that occurs outside the unit boundaries.

Plumbing Leaks:

Unit 66C has had two plumbing leaks in two years. 66A has had one leak this year. Units 96A and 96D have had multiple plumbing leaks over the years. The cause in three of these leaks appears to have been electrolysis. As a result of the leaks, the association has had the grounding checked and improved as needed at the meters and on the exterior of the buildings. Unit owners were advised to check the grounding at their water heaters and correct that if necessary. Lee said she has done some checking and found that electrolysis is not a widespread problem, but if a leak caused by electrolysis has occurred once in a building, it is more likely to occur a second time. She said that she checked with the city's water treatment plant supervisor and was told that the City of Newport monitors its water quality closely by testing several times a day in order to keep pH and chlorine levels within acceptable limits. She also noted that building codes have changed since the mid-nineties relative to the amount of grounding that is needed for a building's electrical systems. She advised the association that exterior grounding for each building in the complex has been checked and that it has been enhanced in the two oldest buildings. It is unknown whether there will be further leaks, but she recommended that the association consider a plan to replace plumbing where multiple leaks have occurred and to monitor all reports of leaks to determine whether a widespread problem exists. She said she could obtain estimates of the costs to replace plumbing if that is deemed necessary. If it is determined that there is further risk to some of the units, these costs can be incorporated into the budget. The cost to replace plumbing, while expensive, is likely to be less expensive than the cost to restore a unit if a leak occurs, especially if the unit is unoccupied when a leak occurs and causes extensive damage.

Impact of New Parking Rules:

Al reported that the parking signs are up and that the fire lane striping has been completed. Compliance seems to be the rule, and occupants seem to be more cooperative.

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New Business:

Other Projects to Consider:

Lee said that reports from Northwest Roof Maintenance about the roofing on 76 and 96, especially the south facing roofing, indicate that roof replacement planning should be on the table. She said that she will obtain some estimates to replace roofing and confirm the reports of deteriorating roofing and present these to the board. Since there will be some prioritization of projects that will be necessary, all information should be considered before choosing one project over another. A motion was made, seconded and passed to consider all current and projected costs for such things as roofing or decking or plumbing repairs in light of the importance of the projects and then include those costs in the budget based on priority. The motion was seconded and passed without opposition.

Satellite Dish Placement:

Al reported that there is still lack of clarity in the policy regarding where satellite dishes can be placed. Issues that need to be considered are protecting roofing from satellite installation that penetrates the roof, protecting siding from unnecessary penetration and preserving a consistent appearance unmarred by the presence of unsightly satellite dishes. He described where they could be installed safely on the west eave the 85 building and on the 66 building. The chimney chases on the 86 building provide a good site. The 76 building presents a problem due to the location of the cable hookups in the building. The 96 building has feasible sites up high on the clerestory. Barry suggested looking a possible installation sites and then confirming the feasibility of those sites with a satellite service vendor who can check for quality of signal.

Asphalt Damage:

Al reported that a moving truck had damaged asphalt in front of the 85 building. He said a paving contractor suggested the asphalt may not have been poured in a thick enough layer or the ground may not have been prepped correctly. The asphalt in that location has been crushed, and loose gravel is evident. Lee said she could get the local paving company, Road & Driveway, to evaluate the damage and provide a bid. The board agreed and Al said he wants to meet with the contractor. This project will be added to the list of projects noted previously that need to be prioritized.

Other New Business:

A director noted the catch basins for the storm sewer need to be cleaned out. Lee said that the landscaper has done that in the past. Al said he would talk to the landscaper and ask that the work be done.

Next Meeting:

The next meeting of the board of directors is scheduled for 10:00 AM, October 27, 2012, at the office of Yaquina Bay Property Management, Inc.

Adjournment:

A motion was made, seconded and passed to adjourn this meeting at 12:12 PM.

Lee Hardy
August 19, 2012