

EAST GATE HOMEOWNERS ASSOCIATION
BOARD MEETING
JANUARY 28, 2025

1. CALL TO ORDER: 7:03 pm Dan Kidder. Those in attendance were Dan Kidder, Jennifer Young, Diane Ellis. Darrel Frisch & Chase Powell were on Zoom. Chase was not able to stay the full time. Zoom stopped recording after 30 minutes, so Darrell finished the meeting by phone.

2. FINANCIAL REPORT: The HOA is barely breaking even. Insurance went from \$6,000 to nearly \$9,000 when we renewed last year. The HOA paid \$7,000 last year for the plumbing blockage caused by Chase Powell's units which he has yet to reimburse the HOA. The HOA has yet to receive the plumber's bill of \$4,500 for this month's repair of the water leak.

3. PRESIDENT'S REPORT

a. WATER OUTAGE: The repair was delayed because we must get approval from Blue Stakes before we can dig. It is now taking at least 72 hours before we can get approval. Approval wasn't received until 8 am on Friday. The HOA spent \$600 for American Leak Protection to locate the leak. This saved thousands of dollars that would have been spent digging to find the leak, filling in the holes and replacing the road.

b. MEMBER INTERFERENCE: Unless you are a board member you are not authorized to conduct HOA business. Earlier this month, when there was a water leak, Cinthia VanAlst called the insurance company, Complete Plumbing, our normal plumber, the excavator, and Blue Stakes for repairs. The manner in which Cinthia conducted herself on the calls resulted in Dan not having his calls answered to find out the status of the repair. This could have resulted in a delay and increased cost. The HOA would not have made an insurance claim because the cost would be less than the deductible, and normal water leaks are not covered under our policy. The cost of HOA insurance may go up because of the claim Cinthia made. See item 5a below for the consequences of unauthorized actions in the future.

c. LIEN FOR CHASE POWELL: Last year the tenants of unit 1, which is the student housing that Chase owns and operates, clogged the pipes with female products and condoms. Chase is responsible for the negligence and damage of his tenants. The HOA paid \$7,000 for the repairs. Chase has yet to reimburse the HOA resulting in the lien.

d. LANDSCAPING: The HOA needs to find a new landscaper. The landscaper we were using was engaging in inappropriate behavior on the property, which was witnessed and recorded by a tenant of one of our members and we terminated him.

4. MEMBERS AT LARGE: Darrel is checking into a possible new law that says roofs have to be replaced by an the HOA under an assessment. Owners individually replaced roofs in recent years with some help from the HOA with arrangements and financing. Dan will check on this.

a. MEMBER SANCTIONS: Dan made a motion to fine \$1,500 for each individual act of any unauthorized member who tries to conduct HOA business or represent themselves as a board member. Diane seconded the motion, and the vote was unanimous. See item 3b above for examples. Additionally, any member who contracts a vendor on behalf of the HOA without authorization from the board will be financially responsible for any expenses incurred on behalf of the HOA.

b. INSURANCE RATES: The board discussed ways to lower insurance which jumped from \$6,000 to possibly \$9,000 upon renewal. The HOA insurance already covers \$1,000,000 for each unit. The deductible is \$50,000 for each unit, which covers most of what members are already paying for their individual homeowner's insurance. Members could lower this cost by switching their current plan with an HO6 policy to cover just the \$50,000 deductible and the contents of the home, not covered by the HOA's comprehensive coverage. Dan will check the HOA insurance policy to make sure this plan will work. The current HOA policy can be found on (<https://eastgatehoa.org/documents>).

5. OLD BUSINESS

a. **MEMBERSHIP DUES:** While most HOA's in the state have been raising their dues, ours have not been increased for 10 years. With raising costs the HOA is needing to increase dues or find some way to offset the increase. One way is by changing the HOA insurance and each unit's homeowners insurance. See 4b above for how this would work. The cost of homeowners insurance for each member would decrease enough to offset an increase in HOA dues from \$150 to \$175 if the change their coverage from full coverage to an HO6 deductible only coverage. An increase in dues requires a member vote and would not happen until the September annual meeting.

b. **STUCCO REPAIRS:** Many units have needed stucco repaired for the past few years. Chase said he would find someone, but the repairs have not been done. Dan is a handyman and said he would do the repairs, but was told it is a conflict of interest. The board will get 2 more bids and make a decision.

c. **BYLAWS REVISION:** The Bylaws need to be updated to reflect the current laws and needs of HOA members. This is a 3 month process which involves a month for members to review the Bylaws. After a month there would be a meeting for members to bring suggested changes. A month later, probably at the annual meeting in September, there would be a vote which requires 16 of 24 votes to accept the new Bylaws. There is a copy of the current Bylaws on the HOA website (<https://eastgatehoa.org/documents>).

d. **SALE OF THE PARK:** Chase Powell is interested in purchasing the park to build another unit for student housing. If this occurs he would separate from the HOA. To start this process he needs to present a plan to the board. If approved, the sale would provide the HOA with the finances to make much needed improvements to the property and save money on water and insurance. The sale would need 16 of 24 votes to pass. Dan said he would check with the city to see if pipes going from Chase's property to the street would be the simplest way to separate water from the HOA.

6. **NEXT MEETING:** Thursday, February 28, 7:00 pm in unit 5.

7. **ADJOURNMENT:** A motion to end the meeting was seconded and passed with a majority vote at 8:30 pm.