

Crosswoods Homeowners Association

Board of Directors Meeting Regular Session

June 24, 2009

I Call to Order at 6:00 p.m. by President Leslie Lake

II Roll Call by Secretary Carolyn Blevins

Members present: Carolyn Blevins, Secretary, Jim Fuchs, Diane Hamel, Leslie Lake, President, Alan Leach, Vice President, Paul Ogden, Treasurer, Gene Schrepel, Eva Slover, Wayne Wilcox.
Members absent: None

Also present: Mike Wolcott, Association Manager, Stan Spalding Chair of Finance and Insurance Committee, Diane Spence, representative from Landscape Committee, and homeowner Lori McKinnon

III Member Forum

Homeowner from Monticello Court expressed concerns regarding: 1. Parking issue by residents on Crosswoods Circle parking their loud, noisy vehicles on street adjacent to her unit; 2. Multiple cars parking in driveway of unit next to hers on Monticello; 3. On going work order regarding seepage from new roof when it rains and water from sprinklers that is causing the concrete pad of the sidewalk near step to front porch to sink; 4. Her landscape (shrubs and trees) are a jungle and need trimming; and 5. Back gate to Crosswoods being opened for safety exit in case of emergency. Mr. Wolcott recommended the following to resolve issues raised: 1. Contact Citrus Heights Police Department regarding loud vehicles, they will take complaint and contact owners; 2. The new Rules will address this issue when approved; 3. Facilities supervisor will be sent to look into the situation with the sidewalk; 4. Put in a work order for landscape crew to trim shrubs and trees; and 5. The Board will take her request to open back gate on San Altos under advisement.

Ms. Lake requested to allow Mr. Wolcott to address the Board. Mr. Wolcott stated that since this is his final Board meeting, he had agreed to attend for 30 or 40 minutes to answer any transition questions the Board may have. Questions were asked and responses were given by Mr. Wolcott regarding the following areas:

- RV Lot ramada demolition: Mr. Wolcott recommended that we not pursue the demolition of the structure due to the potential cost. Per the Air Resources Board it will cost \$500.00 for an asbestos inspection. If asbestos is found the cost is prohibitive to remove the structure. No documentation is on file in the office regarding his investigation into this issue.
- Crew Dress Safety Issue: Mr. Wolcott stated that memos were copied for each employee regarding the clothing safety issue (jeans) and that the supervisors were directed to deliver the memo to each employee on their crew. No signature was required from the employees that they had read and understood the memo and then the copy filed in their personnel file.

- Potential legal action from homeowner: Mr. Wolcott stated that all correspondence from this homeowner has been forwarded to the Association's attorney. Our attorney has directed the Association to treat this individual the same as any other homeowner who is delinquent in their dues.
- Wearing of Crosswoods shirts by employees: Mr. Wolcott stated that all the shirts have been given out and if an employee is not wearing a shirt it is because he/she doesn't have one.
- Bulk storage facility in the RV Lot: Mr. Wolcott recommends that the Association investigate purchasing a Tuff Shed structure with forklift access. Mr. Wilcox could do a cost analysis regarding the shed. The benefit to the Tuff Shed is the quality of the structure; the shed is delivered assembled by the company and is immediately ready for use.
- Clarification on copy machine capabilities: Mr. Wolcott stated that the current office copier can: make copies, send and receive faxes, and scan documents. It can send scanned documents digitally to office computer. Mr. Wolcott stated further that it had been decided not to save the scanned documents to CD; he prefers that the data be saved to a hard drive. What is needed next is the hard drive and a Records Retention Policy. The copy machine is capable of scanning 50 pages per minute, which is faster than a scanner.
- Mower demonstrations: Mr. Wolcott stated that all bids are in a file in the office.

IV Approval of Consent Calendar

The following items were approved as follows by vote of the Board members present via Consent Calendar form. Nine (9) forms with check-off marks and signatures were submitted to the secretary.

Item #1: Approval of Summit Roofing Contracts #5148 and #5150 for replacement of the flat roofs in the amount of \$4,993.00 and \$2,358.50, respectively, plus any needed repairs.

Vote to approve via Consent Calendar was: Yes 8 No 1

Item #2: Approval of Summit Roofing Contract #5149 for the replacement of the Hardshake roof. Contract total was as follows: \$6,161.00 with Crosswoods share at 18% being \$1,108.98. Said amount to be paid from the Slope Roof Reserve. In addition, new gutters and any needed repairs are authorized, with costs to be separately billed and paid from the gutter reserve.

Vote to approve via Consent Calendar was: Yes 6 No 3

Since the vote on both items was not unanimous the items were not approved.

Ms. Blevins requested that the following information be placed in the record regarding the dissenting votes to Item #2 of the Consent Calendar:

Three Board members voted not to approve Consent Calendar Item #2 due to the fact that approval was requested with unspecified costs through the statement: "In addition, new gutters and any needed repairs are authorized, with costs to be separately billed and paid from the gutter reserve."

Mr. Spalding, Chair of Finance and Insurance Committee, explained that a check of the Reserve Study showed that new gutters had already been installed on the unit referenced in Item #2 and therefore no replacement will be necessary. The new gutters will be re-installed after the new roof is installed. This makes the cost issue a moot point.

Ms. Lake requested that the dissenting members, Ms. Blevins, Mr. Fuchs, and Ms. Slover, amend their Consent Calendar forms by crossing out the sentence, "In addition, new gutters and any needed repairs are authorized, with costs to be separately billed and paid from the gutter reserve." Then write yes with their initials next to Item #2. Only the above dissenting Board members with the concern regarding the gutter cost crossed off the sentence in question.

Mr. Fuchs addressed his concerns regarding the phrase "plus any needed repairs" included in Consent Calendar Item #1. He shared that he had recently attended a Community Association Institute (CAI) seminar on financial fiduciary responsibility conducted by a CPA, in which it was emphasized that a Board member should not sign anything that does not have a cost/dollar amount stated.

Mr. Spalding recommended, that if the Board wishes to change the present operating policy then the entire Board needs to vote on whether to require Summit to provide an estimate on what the repairs might be, or vote to establish the present practice as a policy. He feels it is an unreasonable request to require the prior estimate. Mr. Spalding does not believe, not having the estimate jeopardizes a Board member's fiduciary responsibility.

Ms. Slover asked, given the number of roofs that Summit has done within the Association would it be possible for Summit to give a "not to exceed estimate?" Ms. Slover stated that this is normal good business practice.

Motion #1: Mr. Leach moved that the Board continue the current policy of not requiring an estimate regarding roof and gutter replacement or repair by Summit Roofing.

Seconded by Mr. Wilcox

Motion was approved by a vote of: Yes 5 No 3

V Approval of Board Minutes

A. May 27, 2009 Regular Session Minutes

Correction/changes made to page 9 and page 10 respectively, as follows:

Addition of the word "stated" and deletion of phrase "was rather dismissive"

Correction of spelling of precedent

Motion #2: Ms. Hamel moved the approval of the May 27, 2009 Regular Session Minutes as amended.
Seconded by Mr. Fuchs

Motion approved unanimously

B. May 27, 2009 Executive Session Minutes

Mr. Ogden raised concerns regarding details. Board agreed to table discussion and approval until next regular Board meeting.

C/D. June 3, 2009 Executive Session Minutes and June 4, 2009 Reconvened Executive Session Minutes

Motion #3: Ms. Slover moved approval of June 3, 2009 Executive Session Minutes and June 4, 2009 Reconvened Executive Session Minutes.

Seconded by Mr. Fuchs Motion
approved unanimously

E. June 17, 2009 Executive Session Minutes

Board agreed to table discussion and approval until next regular Board Meeting.

VI Treasurer's Report

Mr. Ogden stated that financials is a positive and reviewed the current status of Association as follows:

- Positive Cash in Reserves to cover liabilities
- Combined income is \$3,711.23 over budget

- Controllable Expenses Year to Date is \$14,761.25 under the budget and reflects moving the water budget in line with the actual usage cost when the bills are received.
- CDs are all in place.
- The question raised in May by Mr. Leach regarding the \$40,000.00 is an immaterial

- number and Mr. Ogden is working the Patty Wright, Bookkeeper, and Sue Harris, Accounts Receivable, to add several more line items in the income/expenses statement that will resolve the issue raised. It is a bookkeeping number that is required by the auditor. The system makes it difficult to fix.

Mr. Wilcox requested an explanation regarding Facilities line item #61037 – Bulk Storage Facilities: RV Lot overrun of \$759.39 – due to electrical service work.

Ms. Blevins requested clarification of Accounts Receivables and Allowance – doubtful accounts on Balance Sheet. The Accounts Receivables line item is in fact the amount of delinquent dollars and that this amount is on-going from year-to-year or until it is written off as bad debt. The Allowance – doubtful accounts is a line item recommended by the auditor to cover those bad debts and that we have funded that line item with \$25,000.00. As the bad debts are written off

the money is taken out of Allowance – doubtful accounts line item. Mr. Ogden confirmed that this information is correct.

Mr. Ogden recommended in the near future that he would arrange for our bookkeeper, Patty Wright (bookkeeper), to meet with the Board for a training session on the operating budget, similar to the one Mr. Spalding did on the Reserve Study.

Mr. Spalding explained the new form for showing the Late List chart which makes it easier to track the number of homeowners who are late in dues, owe insurance, are in pre-lien status, lien status, foreclosure, bankruptcy, etc. The Personal Debt column shows which homeowners we have authorized for Assessment Recovery through Sunrise Assessment Services.

Motion #4: Mr. Wilcox moved approval of the Treasurer's Report as given.

Seconded by Ms. Hamel

Motion approved unanimously

VII President's Report

Ms. Lake stated that the items in her report would be covered later on the agenda in Old and New Business.

Ms. Lake shared that she has been meeting with Mr. Wolcott regarding the agenda and many other issues to assure a smooth transition when Mr. Wolcott leaves on Friday, June 26, 2009. Mr. Ogden has also been meeting with Mr. Wolcott as well regarding contracts and financial issues.

Search Committee has met and is starting the recruitment process.

VIII Committee Reports

A. Finance and Insurance
June 17, 2009 Minutes

Motion #5: Ms. Blevins moved approval of Finance and Insurance June 17, 2009 Minutes as submitted.

Seconded by Mr. Fuchs

Motion approved unanimously

Mr. Spalding reported on the following:

- Asphalt and Concrete bids:
 - After meeting again with Action Asphalt a new final list of streets was developed and has gone out to bid. New quotes are expected to be received by July 8, 2009.
 - There were nine streets that need sealing – five of these need to be sealed because they previously had been overlaid but not sealed.

- Concrete work to be done on Navarro, Ebano, and Monte Verde, as well as pool concrete work will be re-bid.
- First report of the new Browning Reserve Report has been received. Upon review, several items came to light that needed correction due the spending amount being based only on the quarterly report not the full year. The new estimate is our best projection of what we anticipate to spend remainder of the year. This new estimate, along with new quarterly reports have been forwarded on to Browning for correction to their information and report back to us. Mr. Spalding is working directly with Browning Company to complete these revisions.
- Changed the budget on water.

B. Architectural Control Committee
June 2, 2009 Minutes

Motion #6: Mr. Fuchs moved approval of the Architectural Control Committee as submitted.
Seconded by Mr. Leach
Motion approved unanimously

Discussion covered the following items:

- Sunscreens for the Office – Mr. Ogden will check on the approval list for the appropriate screens to be purchased and installed.
 - Architectural Control Committee did not feel that facilities oversight was within their prevue and that they were not in the “policing business.” Their charter does outline their responsibility for overseeing all approved architectural changes whether through the committee or the office after the project has been completed. Mr. Wilcox will take this responsibility back to the committee.
 - Facilities oversight will be handled later in the agenda.
- C. Landscape Committee

June 9, 2009 Minutes

Motion #7: Ms. Hamel moved approval of the June 9, 2009 Landscape Minutes.
Seconded by Mr. Fuchs
Motion approved unanimously

Ms. Lake stated that she would be attending the next landscape meeting regarding the New Business item in the minutes, the prohibition trimming by homeowners. This suggested was attributed to Ms. Lake and she did not make it. It originated with the past chair, Carolyn Brian, of the committee.

Mr. Ogden questioned the prohibition and Ms. Lake will take this back to the committee. Ms. Spence, representative from Landscape, agreed that many homeowners do trimming due to the length of time between crew trimmings and the quality of trimming by the crews.

Discussion of the following occurred regarding:

- Redwood tree to be planted in the Herb Garden – question of need and effect on remaining plants.
- Replacement of trees and shrubs; use of rock (cobble) and the impact on budget
- Special projects being done without authorization or consideration for the budget
- Need for landscape supervisor to limit the planting – using too many new plants which when mature result in the area being over planted.
- Question regarding where landscape is making their purchases – high end nurseries
- All these are issue that the Board needs to address

D. RV Lot Committee No meeting/no minutes

E. Pool Committee June 9, 2009 Minutes

Motion #8: Ms. Blevins moved approval of the June 9, 2009 Minutes as submitted.

Seconded by Ms. Hamel

Motion approved unanimously

Discussion of resignation of Mr. Childers as chair of committee. Mr. Childers spoke with Ms. Lake regarding the misunderstanding over the early opening of the pools.

Motion #9: Ms. Blevins moved approval of Chris and Bill Swars as the new co-chairs of the Pool committee.

Seconded by Mr. Fuchs Motion approved unanimously

F. Neighborhood Watch Committee
No meeting/no report

G. Long Range Committee

A. June 1, 2009 Minutes

Motion #10: Mr. Wilcox moved approval of June 1, 2009 minutes with Board recommendation, that the irrigation system changes are the responsibility of the Board.

Seconded by Ms. Hamel

Motion approved unanimously

Discussion of minutes and survey results were as follows:

- Overview of the committee's next step is to work on prioritizing the survey results to provide the Board with specific feedback from the homeowners and to maintain the communication link that has begun with the homeowners.

- Posting of the survey results to the Association web site
- Discussion of the two top priorities – control the dues and maintaining the community
- Need for water audit from CAW

Mr. Wilcox raised the issue of having GP Landscape representative provide an evaluation of Crosswoods landscaping.

- Board approved the contact of GP Landscape representative, Jamie Phillips, to provide free of charge, an 8-hour walk-through evaluation of Crosswoods Landscape conditions and management. Mr. Phillips will provide a comprehensive report to the Long-Range Committee, which will then be discussed with the Board of Directors. The report will emphasize the efficiency and differences in management methods. GP Landscape bid for providing landscape services will be reviewed by the Board as an informational document only.
- Walk-through to occur the end of July, specific date to be determined. Bob Acrea and BJ Miyashiro will be accompanying Mr. Phillips. Any Board member is welcome to participate in the walk-through.

Vote to have GP Landscape representative return was: YES seven (7); No one (1); Abstention one (1)

B. Survey Results

Motion #11: Ms. Hamel moved approval of survey results and comments for posting to Crosswoods website under button labeled “Survey.”

Seconded by Ms. Blevins

Motion approved unanimously

C. Article for the Reporter

Article revised to list only percentage data without any comments. New sentence added regarding availability of hardcopy for reading in the office. Article approved by Board for inclusion in the July/August Reporter.

H. Rules Committee

Covered under Old Business

I. Water Committee

A. No April Minutes

B. Presentation to CPUC

Presentation went very well before the Administrative Law Judge. Mr. Powell’s networking resulted in establishment of a link with representatives from Division of Rate Payers Agency. A copy of our presentation has been sent to them.

Mr. Spalding will be writing an article regarding the presentation to the CPUC for the July/August Reporter.

C. Irrigation Update Contract Information

Mr. Fuchs stated that CAW should be in contact this week regarding setting up a meeting to discuss the contract their attorney was working on.

Mr. Leach shared that the committee has decided to focus on one issue at this time – the rate issue through the CPUC. They have tabled any further discussion of investigating moving to Citrus Heights Water District. Preference is to continue building relationship with CAW.

IX Old Business

C. Action Items

February 2009

1. One time maintenance fee issue referred to Finance and Insurance – on going

March 2009

1. Flower pots, etc. issues with homeowner on Calexico – on going
Need to apply Landscape rules and correct by our crews if homeowner refuses to comply
2. Ramada demo in RV Lot – on going

April/May 2009

1. RV Lot Bulk Storage – on going
2. Board Goals – dropped

June 2009

1. Monticello parking problem – on going
2. Toluca parking – on going
3. Turkeys – on going in November
4. Driveway 6326 Monte Verde – closed
5. Summit Roofing – price in advance for new gutters – closed
6. Re-bid asphalt and concrete work – on going
7. Discussion Facilities Oversight Committee with Architectural Control Committee – moved to Charter review for Standing Committee and request members to join
8. Directors Manual – on going
9. Safety issue crew dress – on going Mr. Wilcox will follow-up on original

memo issue and include shirts to determine which employees do not have shirts and for them to sign the memo that they have read and understand it.

10. Rule and Fines – on going under Old Business (not an action item)
11. Pelligrini Landscape Work Order – closed
12. Employee Pictures – on going
13. Nominating Committee Chair – covered under Old Business
14. Night Out Date – covered under Old Business
15. Small Storage Facility for records – on going
16. Harassment Training Research – on going
17. Inspect Rancho Mirage gutter issue – closed
18. Parking sign issue: it has been affirmed that parking signs are legally appropriate – closed
19. Baydaline – Records Retention Policy – on going (write policy) Office staff can start removing records for shredding based on retention information received; Ms. Lake will look into the cost for this and the location in Roseville
20. Pool work completion forms – closed
21. Landscape Inventory (small tools) – closed
22. San Altos issue – closed

D. Directors' Manual

Ms. Blevins volunteered to complete the manual with the help of other Board members who are willing. Ms. Hamel volunteered. Point of the manual revision is to have important information available for the Directors so they don't have to look for it.

E. Records Retention and Archival Storage Policy

Ms. Lake asked if anyone is willing to work on the records to be kept and which can be removed. She will take this on and call on others to help.

F. Harassment Training Program – tabled

G. Board Goals – dropped

H. Rules and Fines

Ms. Lake stated that there are only two issues (cats and non-smoking) to discuss and resolve so the Board can approve the new rules and then distribute them to the homeowners.

1. Cats: rule will be difficult to enforce. Enforcement language to be the same as dogs for consistency.

Motion #12: Mr. Fuchs moved to add “cat” to the present rule language regarding dogs.

Seconded by Mr. Leach

Motion approved unanimously

2. Smoking: Ms. Slover handed out information on smoking rules, information that does not require a change in the CC & R’s from Davis Stirling web site. Reviewed article written by Mr. Schrepel in the Reporter July/August 2008, the possible wording of the rule, and practices being adopted throughout California. Discussion centered on enforcement, potential fire danger from smokers along paths near natural areas, and under what circumstances someone would be reported to the office. This would most likely be when it is a chronic problem. Recommendation is to place the smoking rule under the language nuisance clause (4.4) from the CC & R’s. The clause currently reads: No noxious, harmful or offensive activities shall be conducted upon or within any part of the development, nor shall anything be done that can become a nuisance to the residents of the development. To this language could be added “such as” and then identify specifically the activities such as smoking, loud music, barking dogs, etc. The Board was in agreement to add the smoking rule through the Nuisance clause and the “such as” with the specific activities listed.

Ms. Lake will rewrite the two rules to include these items – cats and smoking; then email them to the Board for approval. Reminder that emailed issues must be approved unanimously when the vote is conducted via email. The letter to the homeowners will state that the homeowners have 30 days to respond to the new rules and that all comments must be in writing.

3. Once new rules are ready for distribution to homeowners Ms. Lake will ask for volunteers to help distribute them.

- I. Staff, crew and Board member pictures – tabled until July
- J. Facilities Oversight Committee – moved to Committee Charters
- K. Date for Annual Meeting – set for November 12, 2009. Location to be determined. May be back at Citrus Heights Elementary but will need to stay in contact with the school to confirm the usage and there are not problems.
- L. Date for Annual Night Out – set for September 10, 2009

Discussion regarding location and guests – to be taken under advisement.

M. Assessment Recovery Program

Ms. Blevins reviewed the prior discussion of this item during the April and May Board meetings, and the Board was interested in authorizing the new service through Sunrise Assessment; only step necessary is to approve a motion.

Motion#13: Mr. Fuchs moved the approval of the new Assessment Recovery Program through Sunrise Assessment Services provided that the fee (\$250.00) for the initiating the service and the 35% of recoverable debt does not cost more than the amount of money to be recovered.

- N. Committee Charters – Drafts to be reviewed by the Board. Ms. Lake asked Ms. Hamel to work with her on these as well as Mr. Schrepel. Item tabled to July agenda.
O. Nominating Committee Chair Section

Ms. Lake explained that the chair is normally a board member who has the longest term remaining on the Board and that the chair can recruit members for the interview committee from other Board members and the community. This year the chair position would fall to either Mr. Ogden, Mr. Wilcox or Mr. Fuchs.

The Board expressed their appreciate for the excellent job that Mr. Leach did last year as Nomination Chair.

Ms. Lake will put an article in the Reporter – Seeking New Board Members. Any member in good standing can run for the Board.

Motion #14: Mr. Ogden moved approval of Mr. Fuchs as committee chair.

Seconded by Ms. Hamel
Motion approved unanimously

X New Business

A. Background Check Policy

Review of history of Association background check process. Through the emails between Mr. Wolcott and Ms. Slover it was determined that background checks were only being do on the counties that the employee listed on their application; in which case they could omit a county in

which they may have had a felony or misdemeanor. Thus, it would not be identified. The current service costs about \$18.00 per check, however, we may not be receiving the information necessary given the apparent limited scope of the search.

Ms. Lake requested that Mr. Ogden look into the background check company as to what types of background check services they provide and their prices. Mr. Ogden stated that he would also like to discuss the matter with Chuck O’Bear, who did the checks previously for us through Raleys.

B. Foreclosure Procedure

Issue brought to the Board by Sue Harris, accounts receivable staff person. She raised the need to determine if the bank has foreclosed or has set a sale date on a unit in the arrears for \$7,444.20. If the bank has not, then we could foreclose and recoup the amount owed to the Association. Key factor is whether the bank has already begun their foreclosure and sale of the property. Mr. Ogden will work with Ms. Harris to determine status of property with bank and if a date has been set.

Motion #15: Ms. Blevins moved approval of authorization to foreclose on property through Sunrise Assessment Services for a cost of between \$800.00 and \$1,000.00 provided that the bank has not set a sale date or if no date is known. If the bank has set a date we will not authorize foreclosure action.

Seconded by Mr. Wilcox
Motion approved unanimously

Ms. Blevins suggested that we shred copies of sensitive information included in one piece of correspondence. The original will be kept with the Office copy of the Board packet.

XI Manager's Report

Item handled immediately after Member Forum

XII Correspondence

Discussion of several letters in terms of background information only and the resolution of issue raised in letter or memo. Included among the letters/memo were copies of the installation documentation filed with the State regarding the pool safety drain upgrade.

XIII Adjourned to Executive session at 9:04 p.m. by President Lake

Minutes submitted by Secretary Carolyn Blevins

Secretary Carolyn Blevins

Date of approval

President Leslie Lake

Date of approval