

Thoughts on a frustrating, controversial subject, I think worthy of transparency and discussion.

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By Dag Forssell

Date: Thu, 02 Mar 2023 11:02:30 -0800

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From: Dag Forssell [mc@forssell.com](mailto:mc@forssell.com)

Subject: AT&T contract

Cc: John Loughlin <johnploughlin79@gmail.com>, Brian Pirzadeh <brian\_pirzadeh@yahoo.com>

Friends,

The AT&T Connected Community Contract has been a bone of contention for some years. I have personally found AT&T's behavior infuriating. I have written about it in the 2022 and 2023 MC Information Directories. AT&T has disconnected my service three times because I did not pay their fraudulent bill. The last time was Jan 27, and I started to think what to do about it.

I collected some information and asked Shirley if I could share it with her. As a result, she has informed me that the board is going to

1) ask our attorney about legality.

2) do a survey of residents.

I wonder if it is necessary to ask our attorney whether the Association has the right to enter into a contract and impose fees and collect fees on owners for a bulk utility contract.

A survey may be useful, but if the existing AT&T contract is contrary to the CCR's what use is a survey?

Here are some thoughts for your consideration about

A) Legality

B) Fraud

C) Property values

D) HOA subsidies / AT&T coercion

E) Win-win solution

### **A) Legality**

Our current 2007 CCRs say:

#### **ARTICLE V**

##### **DUTIES AND POWERS OF THE ASSOCIATION**

**5.1 Duties:** In addition to the duties enumerated in the Bylaws, or elsewhere provided for in this Declaration, and without limiting the generality thereof, the Association shall perform the following duties:

**A. Maintenance:** The Association shall maintain, repair, replace (when necessary), restore, operate and manage all of the Common Area and all facilities (including Utility Facilities to the extent described in section 6.3),....

#### **ARTICLE VI**

##### **UTILITIES**

**6.1 Owners' Rights and Duties:** The rights and duties of the Owners of Condominiums within the Project with respect to sanitary sewer, storm sewer, water, drainage, electric, gas, television receiving, telephone equipment, cables and lines, meters, catch basins, storage tanks, wires, ducts, flues, pumps, pipes and exhaust flues, collectively, "Utility Facilities") shall be as follows:

.....

**6.3 Association's Duties:** The Association shall maintain all Utility Facilities located in the Common Area except for those facilities maintained by utility companies, public, private, or municipal and those maintained by the Owners as described in section 7.22. The Association shall pay all charges for utilities supplied to the Project except those **metered or charged separately to the Condominiums**.

**Discussion:**

Technology has changed over the years and keeps on changing.

How did residents watch TV back in 1978? Rabbit ears? TV antennas on each roof with amplification and coax cables to each unit? I can only guess.

More recent, (I understand prior to the AT&T contract) MC had a large satellite TV antenna in our West corner by the E-building, where we have two parking places now. TV signals amplified and distributed by coaxial cable to each resident could not be individually metered, so it made perfect sense for the association to coordinate this service.

Telephone service was no doubt provided to individual residences, metered and charged separately. The HOA did not attempt to provide a bulk contract for telephone service to residents, did it? Telephone service to elevators, Commons Room, Val's office, Poolside, and such were of course HOA expense.

An analogous situation exists for electric service. HOA pays for common usage. Service to each unit is **metered or charged separately**. The HOA likely has never considered negotiating a bulk contract for electricity, to be paid through HOA dues.

Our CCRs are very clear: The Association shall pay all charges for utilities supplied to the Project except those **metered or charged separately to the Condominiums**.

As we shall see, the service provided by AT&T is indeed metered and charged separately, Telephone, Internet, and TV.

The HOA should not be in the business of forcing every owner and resident to pay for bulk services that are indeed individually controlled, metered, and billed by the service provider.

**B) Fraud**

During the four years Christine and I have resided in C-204, we have received monthly bills from AT&T. Since we were advised by Ann Mueller that the HOA bulk contract is all inclusive, and that unless we order something extra, we owe AT&T nothing, we have never paid their bill. With a bill of just over \$10 per month, the bill reached into the \$30s after 3 months. Every three months, we have received both emails and snail mails threatening disconnection of service, with a note that we would be charged a fee of \$35 to restore service. I have mailed the bill back several times, weeks ahead, with a note written on it to the effect that it is willful fraud to keep billing for monies I don't owe. No response.

I usually called before the cutoff date. Every time, the billing customer service rep apologized profusely, zeroed our bill, and promised that we would never again be charged. I have talked with supervisors, who told me they sent messages to the tax people. AT&T persists. And why not? No doubt some people pay.

The last three times, I lingered. Suddenly, our phone went dead. The Internet went dead. Our TV displayed a message to call AT&T right away. Obviously, we have been **metered or charged separately**. Still are.

I am sure BOARD members are well aware of numerous events where AT&T has cut off service. In our three cases our service was restored within the hour following my call (using my cell phone) per my instructions in the Info Directory.

But I can well imagine that numerous residents have been quietly paying their \$10+ fraudulent monthly bills for as many as ten years. Such a resident has paid easily \$1,200.- he or she did not

owe. How about refunds from AT&T? A class action lawsuit against AT&T? If the board carries out a survey, this is a question that must be asked.

**C) Property values**

Our 2023 operating budget provides \$129,837 for 122 subscriptions (121 units + Commons Room]. That is 1,064 per year per unit, or \$88.68 per unit per month. Because this item is included in the Operating budget and paid through HOA dues, some residents pay \$101.46 per month, while some pay \$74.59 per month. The current AT&T contract increases HOA dues for these units by these amounts.

When a unit is offered for sale, a buyer will consider the amount of HOA dues right along with property tax and mortgage payments. The higher the HOA dues, the lower the property value. This does not square with the fiduciary duty of the BOARD.

**D) HOA subsidies / AT&T coercion**

Because of the way the Operating budget in total is translated into HOA dues by unit, with a percentage that was established at the beginning of time, owners of larger units end up paying more than their share of the AT&T contract, subsidizing service to smaller units.

Owners and residents who prefer another service, are not here much or, during Covid, not at all, end up paying from \$895 to \$1,218 per year for service they have no need for or do not want.

With some residents not using the AT&T phone service at all (the gate system can and does call a cell phone just as well) and service from competing providers available both over the existing (AT&T) fiber network and, recently, with a changing technology landscape, by way of 5G wireless cell phone tower service, The HOA should not be requiring residents and owners to pay for and use one service or another. All are **metered or charged separately**. Our CCRs clearly state that it is illegal for the HOA to do so.

**E) Win-win solution**

A win-win solution becomes obvious.

- 1) Renegotiate the contract with AT&T immediately. Not next year.
- 2) Cancel the current contract immediately and with it HOA monthly payments to AT&T.
- 3) Reduce HOA dues accordingly.
- 4) Invite AT&T to reach out to all owners/residents with an offer to continue subscribing to their service as is, but with individual billing by AT&T.
- 5) Perhaps there are other service packages AT&T may wish to offer.  
How about Internet only? How about U-Verse with Internet but fewer channels, no phone?
- 6) Owners/residents who do not wish to continue with AT&T service return set-top boxes, cancel their phone service, and say goodbye to AT&T.
- 7) Owners/residents can opt to go completely without service, relying on their cell phone.
- 8) Owners/residents can sign up with a service provider of their choice.

The BOARD and HOA get out of the business of services **metered or charged separately**.

Sooner rather than later, or the Association risks legal action by one or more residents.

My 2 cents. Best to all, Dag

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As for C204, we are likely to accept a competitive offer to stay with AT&T U-Verse with the basic U-family channel rather than U-200, and no phone.

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No reply from our BOARD.

Date: Wed, 05 Jul 2023 21:21:21 -0700

To: Ann Mueller <ann.mueller@sbcglobal.net>, Shirley Clayton <shirleyclayton2@gmail.com>, Linda Meier <linda.meier@sbcglobal.net>, Josephine Dorval <jsdorval@yahoo.com>, Nichole Dillon-Lee [ndillonlee@manorinc.com](mailto:ndillonlee@manorinc.com)

From: Dag Forssell [mc@forssell.com](mailto:mc@forssell.com)

Subject: AT&T contract

Friends,

The AT&T Connected Community Contract is not on the agenda for tomorrow's BOARD meeting, but I am pretty sure that detailed information about this contract, how it works, and how homeowners are served and affected by it is of great interest to many.

Therefore, I suggest request that with reference to my March 2 email to the BOARD, in the interest of transparency about MC affairs, you announce that the Board will hold a workshop to inform about and discuss this contract on the next scheduled workshop date, Wednesday July 19.

Sincerely, Dag

No reply from our BOARD.

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Are our friends and neighbors confused? ...

Dag text to Nik Djordjevic, April 4, 2023:

Nik, can you possibly tell me more about Alex paying AT&T for months on end? I am pondering how to deal with the ongoing fraud by AT&T that I outlined in my email forwarded to you Thanks 😊.

Nik, April 4, 2023:

Well it turns out that the last bill was received in mid-January. It was for about \$130. This was right after he cancelled his account with ATT. Previous bills were of the order of \$20-\$30, and no one knows what this was for. Alex's justification for paying these without questioning is that it was so much less than previous Xfinity bill that he did not feel he wanted to know.

One explanation is that this was for services over and above those provided by the HOA contract with ATT. Alex and Vera did not buy or rent movies through ATT, so the only explanation is that this was something like additional hardware that is billed and taxed based on use. I can't think of what that could have been.

At any rate, I have returned all of their ATT hardware (modems and such) and we haven't seen any bills from ATT since the last one on January. The renters will get their own ATT account and the hardware will be checked out to their own account. It will be interesting to find out if they also receive monthly bills from ATT. I will also keep an eye for any new ATT bills to Alex's checking account. That's the extent of my insight into all of this. Good luck.

One more thing (which I think you are aware of). There seems to be a basic set of services provided by ATT via HOA contract with them. Basic cable, Wi-Fi and maybe even a phone land line. Apartment owners pay the same set fee for these through HOA dues. We don't know what these services are. HOA bills are not itemized so no one really knows how much we pay for ATT and what that is for. (At least I don't). It is possible that there is some ATT service which differs from apartment to apartment, and that is the bill we are seeing. It would be so much easier if we were told what all this is.