Civil Resolution Tribunal

Date Issued: August 20, 2025

File: ST-2023-007697

Type: Strata

Civil Resolution Tribunal

Indexed as: *Shostak v. The Owners, Strata Plan NW2207*, 2025 BCCRT 1169

B E T W E E N :

DOROTHY SHOSTAK and CYNDI MCLEOD

**APPLICANTS**

A N D :

The Owners, Strata Plan NW2207

**RESPONDENT**

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**REASONS FOR DECISION**

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Tribunal Member: Nav Shukla

## INTRODUCTION

1. The applicants, Dorothy Shostak and Cyndi McLeod each own or co-own a strata lot in the respondent strata corporation, The Owners, Strata Plan NW2207. The applicants say that the strata had the owners vote on implementing a water treatment system at the strata without the strata council first doing its due diligence about the system and while withholding information from the owners. The applicants

further say that votes that took place at the strata's April 25, 2023 special general meeting (2023 SGM) were illegal and invalid. The applicants also allege the strata failed to do routine inspection and maintenance of the building's main pressure release valve (PRV). Finally, the applicants say the strata council failed in its duty to act honestly when it issued a notice of the applicants' hearing and minutes of the hearing, against the applicants' wishes. The applicants seek orders that the strata:

a. Tell owners there were errors at the 2023 SGM that made the votes invalid,

b. Hold information sessions with various experts to allow the owners to better inform themselves about the water treatment system and any legal implications,

c. Hold another vote after the information sessions if the owners want one,

d. Publicly admit errors in the hearing minutes, and

e. Publicly apologize for violating the applicants' privacy.

2. The strata denies all of the applicants' allegations.

3. The applicants are self-represented. A strata council member represents the strata.

## JURISDICTION AND PROCEDURE

4. These are the formal written reasons of the Civil Resolution Tribunal (CRT). The CRT has jurisdiction over strata property claims under section 121 of the *Civil Resolution Tribunal Act* (CRTA). CRTA section 2 says the CRT's mandate is to provide dispute resolution services accessibly, quickly, economically, informally, and flexibly. In resolving disputes, the CRT must apply principles of law and fairness, and recognize any relationships between the dispute's parties that will likely continue after the CRT process has ended.

5. CRTA section 39 says the CRT has discretion to decide the hearing's format, including by writing, telephone, videoconferencing, email, or a combination of these. Here, I find that I am properly able to assess and weigh the documentary evidence

and submissions before me. Further, bearing in mind the CRT's mandate that includes proportionality and a speedy resolution of disputes, I find that an oral hearing is not necessary in the interests of justice and fairness.

6. CRTA section 42 says the CRT may accept as evidence information that it considers relevant, necessary and appropriate, even where the information would not be admissible in court.

7. Under CRTA section 123, in resolving this dispute the CRT may order a party to do or stop doing something, order a party to pay money, or order any other terms or conditions the CRT considers appropriate.

## *Preliminary Issues*

8. First, in the applicants' written argument, they make additional allegations to those made in the Dispute Notice. For example, the applicants allege the strata failed to maintain business records and make them available to them in a timely manner, that the strata failed to obtain a depreciation report by the stipulated deadline, and that the strata sent them a threatening letter to intimidate and pressure them to withdraw this dispute.

9. The strata says that the CRT should not decide these new allegations. It says that the applicants did not request a hearing about these issues as required by *Strata Property Act* (SPA) section 189.1(2)(a). It also says the applicants' alleged "harassment" claim is outside the CRT's strata property jurisdiction.

10. The applicants say that these are not new claims but rather additional allegations that support their claims about the strata's wrongdoings. I note that the applicants do not seek any additional remedies relating to these new allegations. So, I will consider these allegations only to the extent that they are relevant to the claims set out in the Dispute Notice.

11. Next, most of the applicants' allegations focus on the strata council's alleged failure to act honestly and in good faith or to exercise care and diligence in proceeding with implementing the water treatment system. Though the applicants do not specifically

refer to it, these allegations mirror the language in SPA section 31 which sets out the standard of care each strata council member is held to. To the extent the applicants alleges that individual strata council members breached the standard of care set out in SPA section 31, I decline to address these claims for the following reasons.

12. First, the applicants have not named any individual strata council members as respondents in this dispute. I cannot make orders against non-parties. Further, and in any event, in *The Owners, Strata Plan LMS 3259 v. Sze Hang Holding Inc*., 2016 BCSC 32 at paragraph 267, the BC Supreme Court said that the duties of strata council members under SPA section 31 are owed to the strata corporation, and not to individual strata lot owners. So, even if the applicants had named individual strata council members as respondents, they would not have standing to claim against those strata council members for an alleged breach of SPA section 31.

13. Outside of SPA section 31, I find the applicants' claims against the strata are that the strata acted unreasonably in choosing and proceeding with implementing the water treatment system to address the strata's leaky pipe issue. I have considered this issue in my decision below.

14. Finally, in their written argument, the applicants say that since the strata proceeded with installing the water treatment system before the CRT decided this dispute, most of their requested remedies are now moot. So, the applicants ask the CRT to do "whatever is in its power" to hold the strata council, individual strata council members, the strata manager (MC), and the strata management company responsible for their alleged wrongdoing in implementing the water treatment system. Specifically, the applicants ask the CRT to consider "firing" MC, terminating the strata's contract with the strata management company, as well as ordering various strata council members to resign or not run for council again.

15. First, I note that the applicants also have not named MC or the strata management company as respondents. As noted, I cannot make orders against non-parties.

16. Also, in *Jiwan Dhillon & Co. Inc. v. Gosal*, 2010 BCCA 324, the BC Supreme Court held in paragraphs 22 to 23 that it did not have authority to remove an entitlement set out in the SPA, such as the right to stand for election to the strata council. These paragraphs in *Jiwan Dhillon* deal specifically with SPA section 165, which applies only to the Supreme Court. However, I find the court's reasoning applies equally to the parallel powers of the CRT, as set out in CRTA section 123. So, even if the applicants had named individual strata council members, I would not have the authority to order that they cannot stand for election.

## ISSUES

17. The remaining issues in this dispute are:

    a. Are the resolutions passed at the 2023 SGM valid?

    b. Did the strata unreasonably proceed with installing the water treatment system?

    c. Did the strata include incorrect information in its hearing minutes?

    d. What remedies, if any, are appropriate?

## EVIDENCE AND ANALYSIS

18. In a civil proceeding like this one, the applicants must prove their claims on a balance of probabilities (meaning more likely than not). I have read all the parties' submissions and evidence but refer only to the evidence and argument that I find necessary to explain my decision.

### *Background*

19. The strata was created in 1984. It is a townhouse style complex with 84 strata lots.

20. In 2021, the strata discovered pinhole leaks in its copper pipes. The strata council formed a committee in early 2022 to investigate the leaks and propose solutions.

21. The strata council sought to implement a water treatment system by Hytec Water Management (Vancouver) Ltd. that would potentially address the leaks and delay a complete pipe replacement. So, in February 2023, the strata council held a townhall with the owners for an information session with Hytec.

22. Following the townhall, the strata issued its notice for the 2023 SGM. At the 2023 SGM, the owners passed 2 resolutions. The first resolution approved the strata entering into a 66-month contract with Hytec for the water treatment system's installation and maintenance. The second resolution approved paying $45,000 from the strata's contingency reserve fund for Hytec's system components and monthly payments of $1,670.14 for 66 months after that.

### *Are the resolutions passed at the 2023 SGM valid?*

23. The applicants argue that the 2023 SGM resolutions are invalid because the strata improperly amended the resolutions prior to the vote, disallowed proxies because of the improper amendments, and did not conduct the secret ballot process properly.

24. In the agenda included in the 2023 SGM Notice, the strata noted that the owners would vote on 2 resolutions. The first resolution was to enter into a contract with Hytec for $140,301.28 for 66 months to be paid by one of 2 options: 1) $45,000 from the contingency reserve fund and then $1,670.14 per month for 66 months, or 2) a special levy of up to $145,000 to be paid by the owners based on unit entitlement by August 1, 2023. The second resolution was to authorize the strata council to sign any documents required by Hytec or the city for the project, including registering a covenant in favour of the city.

25. According to the 2023 SGM minutes, during the meeting, the owners noted a typo in the first resolution set out in the notice, which said "contact" instead of "contract". The minutes say that the owners agreed that they understood the intent was to enter into a contract with Hytec. At MC's suggestion, the owners voted on a resolution that "a contract be entered into with [Hytec] in the amount of $140,301.28 for the installation and maintenance for 66 months of a water treatment system".

26. A secret ballot was requested. The minutes note that the strata only allowed those owners in attendance to vote, as the 17 proxies were not clear on the voting for this resolution. The minutes record the votes as 40 in favour and 13 opposed, with 1 voter not voting, which the applicants say was actually a spoiled ballot.

27. The owners then voted on the payment method which passed by 61 votes in favour and 10 opposed. It appears that proxy votes were allowed, and no secret ballot was requested for this vote.

28. The minutes say that the resolution to authorize the strata council to sign documents was not required, so the owners did not vote on the resolution dealing with the covenant. It is undisputed that the strata later realized it did in fact need the owners to vote to allow it to enter into the covenant with the city. The owners voted to pass a resolution allowing the strata to do so at its April 2, 2024 special general meeting (2024 SGM).

29. So, are the resolutions passed at the 2023 SGM valid?

30. First, it is clear from the 2023 SGM minutes that the strata improperly disallowed proxies to vote on the first resolution approving the contract with Hytec. SPA section 56 specifically allows owners to vote in person or by proxy. The proxy form the strata included with the 2023 SGM notice allowed for the possibility of a general proxy, which would have been allowed to vote on amended resolutions. The strata provided no evidence to support its assertion that all of the proxies were unclear as to whether they could be used to vote on the first resolution.

31. I also agree with the applicants that the strata did not conduct the secret ballot votes for the first resolution properly. In *Imbeau v. Owners Strata Plan NW971*, 2011 BCSC 801, the court held that a secret ballot vote must be held in a manner that provides for a private location for the voter to mark, and deposit, the ballot. A secret ballot is not private when others can easily see responses marked on voting cards. The strata admits that it failed to put the voting box in a private location for each owner to cast their ballot.

32. Given the lack of a private voting box for the secret ballots at the 2023 SGM, I find the strata did not conduct the secret ballot votes properly. I find the lack of private voting and disallowing proxies are serious issues that invalidate the first resolution that approved the strata to enter into the contract with Hytec. However, these issues do not apply to the second resolution that approved the payment method as the proxy votes were allowed for this resolution, and a secret ballot was not requested.

33. The question then is whether the second resolution is invalid due to the changes that were made to the resolutions at the 2023 SGM.

34. Under SPA section 45, a strata corporation must give at least 2 weeks' written notice of a special general meeting (SGM) and the notice must include the proposed wording of any resolution requiring a ¾ vote, such as the resolutions passed at the 2023 SGM. However, SPA section 50(2) allows for floor amendments so long as the amendments do not substantially change the resolution and are approved by a ¾ vote before the vote on the resolution.

35. The applicants say there was no formal vote on the change to split the resolution into 2 resolutions. They also say that this change was substantial and so should not have been allowed under SPA section 50(2).

36. The courts have held that to comply with SPA section 50(2), amendments to resolutions during an SGM must be of a "technical and relatively minor" nature. See *Thiessen v. Strata Plan KAS2162*, 2010 BCSC 464 at paragraph 17. I do not agree with the applicants that the changes to the original first resolution were substantial. In fact, it is arguable that simply splitting the resolution into 2 resolutions was not an amendment at all. Under the circumstances, no vote would be required to effect the change as SPA section 50(2) would not apply.

37. Even if I accept that splitting the first resolution into 2 resolutions was an amendment, it was a minor and insignificant amendment at best, which is allowed under SPA section 50(2). I agree with the applicants that the strata did not hold a formal vote to approve any amendments to the first resolution as required by SPA section 50(2)(b). But given the inconsequential changes to the original resolution,

even if splitting the resolution into 2 resolutions is considered an amendment under SPA section 50(2), I find the lack of a vote approving the split is not a serious enough breach to justify invalidating the second resolution.

38. The applicants have shown that the strata improperly disallowed proxies and did not provide a private place for voters to cast their secret ballots for the first resolution passed at the 2023 SGM. Is this enough to require the strata to hold a new vote to approve the Hytec contract? For the reasons that follow, I find it is not.

39. First, as noted by the strata, the owners reiterated their support for the Hytec contract by voting at the 2024 SGM to allow the strata to enter into the covenant with the city. At the 2024 SGM, the owners also voted not to table the resolution about the covenant until the CRT issued its decision in this dispute. Both of these votes passed by an overwhelming majority, signally that the owners are generally in favour of Hytec's system.

40. Second, while there were serious issues with the votes for the first resolution at the 2023 SGM, the same is not true for the second resolution which I have found remains valid. Eighty-six percent of owners voted in favour of paying Hytec through an initial $45,000 payment from the contingency reserve fund and the $1,670.14 monthly payments for the contract's term at the 2023 SGM. Only 10 out of 71 voters voted against passing this resolution. This strongly suggests that the will of a sufficient majority of owners at the 2023 SGM favoured the strata implementing Hytec's system.

41. I also find that by approving the payment method for Hytec's system in the second resolution, the owners have effectively approved the strata contracting with Hytec and installing its system.

42. I note that ordering a re-vote would also potentially expose the strata and the owners to liability. The strata has already entered into the contract with Hytec and the water treatment system is now in place. The strata is bound by the 66-month term set out in the contract. So, if I ordered a re-vote and the owners voted against

approving the contract and the expenditure, the strata would have no choice but to breach the contract and would likely be liable for the full amount in any event.

43. Given all of the above, I find it appropriate not to make any order to remedy the invalidated first resolution. The second resolution from the 2023 SGM remains valid and negates the need for another vote to retroactively approve the contract.

### *Did the strata act unreasonably?*

44. Next, the applicants say that the strata rushed into implementing Hytec's water treatment system. I find the applicants essentially argue that the strata acted unreasonably by:

    a. Failing to thoroughly investigate, including by consulting an independent water expert, the pinhole leaks' causes and possible solutions,

    b. Failing to routinely inspect the PRV and check the water pressure at the strata,

    c. Failing to properly inform itself and obtain legal advice about Hytec's contract and the covenant with the city before proceeding with an owners' vote, and

    d. Failing to properly inform the owners about other possible causes to the pinhole leak problem before the 2023 SGM vote and concealing information in order to increase the chances of the owners voting to approving Hytec's system.

45. As noted above, in their written argument, the applicants say that many of their requested remedies are now moot since the strata has already installed Hytec's system. It is unclear what remedies the applicants seek with respect to the above allegations. However, for completeness, I have considered the applicants' allegations below, starting first with the applicable law.

46. SPA section 72 requires the strata to repair and maintain common property. The parties do not dispute that the water pipes at issue are common property. The Supreme Court of British Columbia in *Dolnik v. The Owners*, *Strata Plan LMS 1350*,

2023 BCSC 113, summarized the principles about a strata's duty to repair common property:

a. deference must be given to strata decisions on how to fulfill this duty to repair and maintain common property,

b. the strata must act in the best interests of all owners and endeavour to achieve the greatest good for the greatest number by implementing necessary repairs within a budget that the owners as a whole can afford,

c. the standard against which the strata's actions are to be measured is objective reasonableness, not perfection, and is to be assessed by considering the circumstances at the time without the benefit of hindsight,

d. as strata councils are made up of lay volunteers and are not expected to have expertise in the subject matter of their decisions, latitude is justified when a strata council's conduct is being scrutinized,

e. a strata is entitled to rely upon professional advice, and if those who are hired to carry out work fail to do so effectively, the strata will not be held responsible so long as it acted reasonably in the circumstances, and

f. as there can be "good, better or best" solutions available to deal with repair and maintenance problems, choosing a "good" solution rather than a "best" solution is not unreasonable.

47. The strata says that it acted reasonably. In particular, it says that it took the following steps before holding the 2023 SGM to have the owners vote to approve the strata entering into a contract with Hytec for the water treatment system.

48. In March 2022, the strata council formed a committee to look into possible solutions to the pinhole leak problem. The strata consulted with another strata corporation that was built by the same developer that was investigating its own leak issues.

49. The strata council took the information it obtained from that strata corporation and contacted the contractors it recommended to determine the strata's options. The

strata obtained a $788,000 estimate from a contractor for complete pipe replacement.

50. The strata then met with Hytec to find out more about its water treatment system. In December 2022, Hytec provided a $121,123 estimate. The strata also contacted another water treatment company who provided a $192,000 estimate. The strata says there were no significant differences between the 2 proposed water treatment systems.

51. The strata then contacted 2 other properties that had installed Hytec's system. The strata says both representatives recommended Hytec and advised the strata that Hytec's system had substantially rectified their leak problems.

52. The strata says it considered all of the above information and ultimately decided that proceeding with installing Hytec's water treatment system was the best option.

53. The strata then held the February 15, 2023 townhall with the owners to meet with a Hytec representative for the information session. After receiving an email from Ms. McLeod after the townhall about some questions she had raised about the water treatment system with the city, the strata says it contacted the city's water planning engineer who confirmed that a "good portion" of the water for the city is soft water and a smaller portion is hard water. The applicants question whether the strata did contact the city's water planning engineer, noting that the strata has not provided any evidence showing that it did.

54. Then, in a March 1 email, Dr. Shostak emailed the strata suggesting that a second information meeting should be held. The strata says that a strata council member contacted Dr. Shostak by telephone to discuss her concerns, and that she agreed that a second meeting was not necessary. The applicants say this is incorrect, and that Dr. Shostak reiterated the need for another information meeting.

55. Then on April 3, the strata issued the 2023 SGM notice. In the notice, the strata said that one of the main causes for the leaks was corrosion due to soft water. The notice said the strata looked at 2 possible remedies, being complete pipe

replacement for $788,000 or installing a water treatment system, which could extend the pipes' life by 30 years. The strata urged all residents to attend and to bring their questions.

56. The strata then held the 2023 SGM, the results of which I have already noted above.

57. I find the evidence generally shows that the strata took reasonable steps to find options to address its pinhole leak problem and reasonably decided to proceed with Hytec's system.

58. It is clear that the strata took steps to investigate its options and relied on the advice provided by the professionals it consulted to choose Hytec's water treatment system. This was the more economical option compared to replacing all of the pipes, which I find the evidence does not show was necessary.

59. I do not find that the strata was required to consult with a water engineer as the applicants allege. If the owners felt this, or consultation with other experts was necessary, they could have sought to direct the strata council to do so under SPA section 27(1), but this did not happen.

60. As noted in *Weir v. Strata Plan NW 17*, 2010 BCSC 784*,* disagreements between strata councils and some owners are not infrequent. Like the court, the CRT should be cautious before inserting itself into the process, particularly where the issue is the manner in which necessary repairs are to be affected.

61. Further, as mentioned above, a strata choosing a "good" solution, rather than the "best" solution does not render that approach so unreasonable that intervention by the courts or the CRT is warranted. While I accept that there may be other possible solutions to the strata's pinhole leak problem, on the evidence before me, I am not satisfied that the strata choosing Hytec's water treatment system was unreasonable. It is clear that re-piping the entire strata would have cost the strata much more, and it was reasonable for the strata to try Hytec's proposed solution to

see if it would help extend the existing pipes' life and delay the need for replacement.

62. I find that the steps the applicants wanted the strata to take before proceeding with the vote to proceed with Hytec essentially demanded perfection from the strata. However, as noted above, the strata is only required to act reasonably. While the applicants may have preferred that the strata do more of its own research and obtain legal and other expert opinions before proceeding with Hytec's system, I do not find its failure to do so was unreasonable.

63. As for the PRV, I am not satisfied from the evidence before me that the strata purposely held information from the owners about the PRV, that the PRV was "broken" as the applicants allege, or that it required regular maintenance. The applicants rely on a March 11, 2023 email from DM, Ms. McLeod's family member who they say is a "water expert", to say that DM told the strata that the PRV was broken and the water pressure was too high. I do not find it clear from this email that there was a "break" in the PRV as alleged. Further, DM's qualifications are not before me, so I find their opinion does not qualify as expert evidence in this dispute.

64. I also find that the evidence does not show that the strata concealed information from the owners in an effort to have the 2023 SGM votes approved.

65. Overall, while the strata may not have proceeded perfectly, I do not find that the steps that it took to address the pinhole leak issue and choosing to proceed with Hytec's system were unreasonable. So, I dismiss this part of the applicants' claim.

### *Did the strata include incorrect information in its hearing minutes?*

66. On July 12, 2023, the strata council held a hearing at the applicants' request to allow the applicants to explain their concerns about the 2023 SGM procedures and related issues. The applicants say there were serious errors in the minutes and the strata council sent out the hearing minutes to all owners, against the applicants' request.

67. The applicants essentially argue that the strata used the hearing minutes to further its own objectives and included distorted facts about the applicants and their position in order to misinform the owners and discredit the applicants.

68. The applicants provided a recording of the July 12 hearing to show the alleged mistruths in the minutes. I have reviewed the recording and find there are 2 general inconsistencies between the recording and the minutes.

69. First, I agree with the applicants that the minutes lack any mention of the applicants concerns about the 2023 SGM taking place without the owners having had an opportunity to ask questions about the appropriateness of Hytec's water treatment system, and their request for a further information session if the strata council agreed that the 2023 SGM votes were invalid.

70. Under SPA section 34.1, hearings are part of strata council meetings. SPA section 35(1) requires a strata corporation to keep minutes of strata council meetings. In *Kayne v. The Owners, Strata Plan LMS 22374*, 2007 BCSC 1610, the court considered SPA section 35 and said that minutes must contain records of decisions taken by council but may or may not report in detail discussions leading to those decisions. This means that there is no requirement for the strata to include any details about the discussions that take place at a hearing in its minutes.

71. Given this, I find nothing improper about the minutes lacking reference to all matters that were discussed at the hearing. I also find it unproven that the strata purposely omitted this information to mislead the owners as the applicants suggest. Under the circumstances, I find these missing details about what was discussed at the hearing are not errors in the minutes that the strata must remedy.

72. Second, I agree with the applicants that the minutes incorrectly say that it was the applicants that requested the proxies not be allowed to vote on the "amended" resolutions at the 2023 SGM. The strata has provided no evidence to support its position that it was the applicants who requested this. Given the applicants' position in this dispute and the position they took at the July 12 hearing, I find it unlikely that

it was the applicants that asked for proxies to be disallowed. So, I find this part of the minutes is likely inaccurate.

73. The applicants ask that I order the strata to publicly admit this error. I find it unnecessary to make this order as the CRT's decisions are publicly available and I have set out the proven error above.

74. Finally, I address the applicants' allegation that the strata was wrong to send the hearing minutes to all owners. The strata does not dispute that the applicants asked the strata not to circulate any minutes about their hearing.

75. While it may have been better for the strata to follow its usual practice of not sharing hearing minutes, I do not find that the strata committed any legal wrong by sharing them here. I also note that the applicants requested remedy with respect to this issue is a public apology, which the CRT typically does not order. This is because, as a general rule, forced apologies serve little or no purpose. So, I dismiss this part of the applicants' claim.

## CRT FEES AND EXPENSES

76. Under CRTA section 49 and the CRT rules, the CRT will generally order an unsuccessful party to reimburse a successful party for CRT fees and reasonable dispute-related expenses. As the applicants were generally unsuccessful, I find they are not entitled to their claimed CRT fees. The strata did not pay any fees and none of the parties claim any dispute-related expenses, so I award none.

77. The strata must comply with SPA section 189.4, which includes not charging dispute-related expenses against the applicants.

## ORDER

78. I dismiss the applicants' claims.

Nav Shukla, Tribunal Member