

Nine Mile Ranch Homeowner Association
Board of Directors Meeting
September 7, 2018

Meeting as held at Alpine Brewing Company Pub, Oroville WA

Board members physically present: Kirk Johnson, Rick Lewis, Wayne Naysnerski, Stacey Johnson. Susan Steward arrived at later time. Brett Coffman, Brian Rabe, Kate Naysnerski and Leo Culloo we present electronically. Note that at some point early in the meeting, electronic connection was lost with Leo Culloo. Association members present: Mike Emel and Ken Burch. Also, meeting was attended by Charles NcNeil and Danielle Croasmun, renter of Lot 39, Division 4.

Meeting called to order at 9:14 a.m.

Read into minutes email approval of July 13, 2018 Board meeting minutes on August 19, 2018.

Read into minutes email approval of August 3, 2018 Board meeting minutes on August 27, 2018.

Read into minutes of email motion made by Stacey Johnson on August 20, 2018: **Motion** for the Board of Directors to adopt, as part of the Collection Policy, a \$25.00 late fee to be charge on all past due members account. This fee will be charged at 30 days past due (July 1) as an one time annual fee. The purpose of the fee to to cover cost incurred by the Association for the collection process. Vote 7 yes, 2 no. Kate and Wayne Naysnerski voted no. Motion failed. Note: unless arranged before hand in a meeting, all email votes must be unanimous. Motion Failed.

Old Business

Record into minutes that July's newsletter costs was approximately \$135.00. This included postage only as the paper and envelopes used were already on hand.

Prior meeting a motion was passed to send letter to member that was in violation of the CCRs. Final content of letter was to be approved via email. Final content was approved by majority. Leo Culloo requested to have on record: "I vote no to the newest version of the letter to [violating Lot Owner]. I would request that my no vote be entered into the official records. However, I vote yes to sending the letter that is approved by the majority of the BOD to [violating Lot Owner] as soon as possible."

Brett Coffman gave update of research on whether Lynn Barnett is now legally responsible for paying yearly assessments on Lots he still owns. Brett sited of particular significance Bylaws Article 4, Section 4. Brett is still gathering information and will write up a report soon to be addressed and discussed further at the next meeting.

Update on new attorney search for Association: Leo Culloo has resigned from legal committee. **Motion** made by Stacey Johnson for Stacey Johnson to request more information from Omak Attorney firm Callaway Detro and secure firm as potential attorney to represent the Association. There is no agreement being sought to secure this firm at this time. Seconded by Brian Rabe. Given that the venue of any Association legal court issue is in Okanogan County courts, it would serve to have a local attorney representing the Association. A March 29, 2018 written communication from this firm quoted

their hourly rate at \$275.00, as well as confirmed that there is no conflict of interest in taking the HOA on as a client. Current firm used by the Association, Foster Pepper, bills the Association hourly rate of \$300 to \$400 depending on attorney used in firm, and they are located in King County. Stacey Johnson will pursue communication to verify there is still no conflict of interest in representing us at this time, as well as get in writing that they are experienced at representing Homeowner Associations and are familiar with HOA law. Motion passed unanimously.

Kate Naysnerski reported she received records from prior secretary. She stated that she received a file only, very limited records, and no ACC records.

Restate motion made by Kirk Johnson and approved in July 13, 2018 Board meeting; "I move that BOD minutes may be approved via email before the following BOD meeting. WHEREAS it can be an extended period of time before the next BOD meeting and consequently approving the prior meeting minutes, which also delays being able to publish the approved minutes to the membership." This motion is being restated because, while it was sanctioned in the July 13th meeting, it did not get properly recorded into the approved minutes.

Clarify motion made in May 30, 2018 Board meeting; The Board acknowledges that the contract that supported the May 30, 2018 spray motion was not for a fixed price but was an estimate, with final billing based on actual time and materials performed. This agreement was published to the Board on 6/2/18 and to the membership at the 6/23/18 Annual Meeting. Therefore, the over-expenditure amount of \$2,862.86 is consented to by the Board.

New Business

Road Report:

Official road report was read aloud by Kirk Johnson (see road report on website 9mileranchhoa.org).

Still looking for licensed and bonded contractor to use for smaller jobs that randomly need to be done. Kirk asked if Wayne would look for a contractor to be used. Wayne declined. Brian Rabe suggested we seek volunteers to help with some of these small tasks. Was suggested that we include this in the next newsletter, and also continue to state the liability disclaimer in newsletter that protects the Association from being held liable by volunteers if they were to become injured while working on Association tasks.

Brett Coffman will prepare a report for the Association to potentially adopt some Okanogan County Standards for our roads.

Treasurer Report:

As of 9/6/18:

Checking account: \$41,008
Savings account: \$14,573
CD account: \$32,769

Accounts receivable:

- \$14,470 owed from this years billing (\$13,208 not including Lynn Barnett)
- \$15,793 owing 2 years or more (\$14,324 of this is 3 years or more)

- \$4,376 was billing to members for current and back-charging of interest.

Per Bylaw Article VIII, Section 8: "...unless the property is managed by management firm the Treasurer shall sign all checks". Kirk Johnson was removed as signer on account. Stacey Johnson, as Treasurer, was added. Leo Culloo and Stacey Johnson are now the signers on bank accounts. Stacey now has on-line view of banks accounts. Debit card is now available if needed.

First letter for collection, with statements reflecting charged interest, was sent out on 9/1/18. Stacey has received 2 phone calls requesting availability of credit cards payments. Paypal payment availability was allowed to expire by prior Treasurer. Summary of research on this matter shows that the 2 ½ years Paypal was made available to members to pay it costs the Association 3% of what was collected through Paypal. A total of 18 members used this service. Stacey will provided report to the Board regarding this. Susan Stewart suggested another option for credit card/on-line payments. Stacey will contact Susan to get further information on this as well.

Motion made by Stacey Johnson to adopt policy to file liens for balance of assessments owed, plus the \$200 lien fee and interest, on members when they become 3 years past due. Seconded by Rick Lewis. Note: Lien filing fee is \$99.00. Member is charged for 2 fees; one for placing lien and one for releasing lien. Motion passed unanimously.

Motion made by Stacey Johnson to file liens on the 19 Lots that are 3 or more years past due. Cost will be \$1900.00. Liens will be filed on November 1st. Motion seconded by Brian Rabe. No liens have been filed since 2012. Okanogan County states that a lien stays on the property until released. They do not believe that liens "expire", but the Association would have to file additional liens every few years to account for members owing more than the original lien filed. Motion passed unanimously.

Motion made by Susan Stewart to charge all past due accounts a yearly one -time late fee of \$10.00. Seconded by Brett Coffman. Late fee will be charged November 1st for this year, with following years to be charged on July 1st. Motion passed unanimously.

Internal controls have been implemented: Scott Griffin (Canadian CPA and Association member) and Brett Coffman (Board member) will be supplied monthly a bank reconciliation report on all accounts, copies of all checks written that month with corresponding invoices. Scott Griffin reported that all looks okay from his first review.

Motion made by Kirk Johnson to spend \$135.00 for the upcoming Fall newsletter, and that content will be provided and approved by majority consent via email. Seconded by Susan Stewart. Rick Lewis volunteered to donate a case of copy paper. Motion passed unanimously.

Cash flow report was reviewed. Funds for Audit were taken off of report because of the following: RCW 64.38 states that we conduct an audit when the Association has income of \$50,000 or more. We have reached that amount now. We are now required to conduct an audit after the end of this fiscal year so costs of an audit will be in next years budget. The Association members will have the right to vote to waive said audit. Also, the Reserve Fund Study was removed from report because we are still seeking bids and other information. Reserve Fund Study will be incorporated in next years budget.

Motion made by Kirk Johnson to spend \$12,800 on gravel to be place this fall based on evaluations and recommendation by Brett Coffman and Kirk Johnson. Seconded by Susan Stewart. As stated in greater detail in the Road Report, Kirk has visited 2 different rock pits to evaluate type of rock

available. He has also scheduled availability, subject to board approval. This decision was made by the Board with the help of a Cash Flow Report on the rest of this fiscal year submitted by Stacey Johnson. It is understood that we may need to use some of the savings to accomplish this depending on the variable costs and income; how much we can collect of the past due assessments and how much will be spent on snowplowing and legal fees for the rest of the fiscal year. Motion passed unanimously. (see gravel placement report on website 9mileranchhoa.org.)

Motion made by Kirk Johnson at 11:14 to extend meeting by 20 minutes. Seconded by Stacey Johnson. Motion passed unanimously.

Quick discussion that the Association's CD will be expiring on October 16, 2018. We need someone to volunteer to research other options in placement of these funds. We are earning very little interest on it where it is now. Stacey Johnson is asking for someone who is experienced in this to step forward to take this on. Leo Culloo has shown interest and Stacey will speak with the manager of Wells Fargo to see what they offer.

Meeting adjourned at 11:29 a.m.