

Approved Board Meeting Minutes

Nine Mile Ranch Homeowners Association Board of Directors Meeting July 11, 2020

Due to Coronavirus this Board meeting was held telephonically. Board members present; Brian Rabe, Richard Lewis, Brett Coffman, Susan Stewart, Stacey Johnson, Don Charnholm, Pam Lewis and Kirk Johnson.

Meeting called to order at 11:14 am.

Motion made by Kirk Johnson to add to the agenda a discussion regarding rescinding past policies. Seconded by Brian Rabe. Motion passed unanimously.

Old Business

Regarding Barnett's placement of gate at Big Horn Ridge: Tim Mason has sent 2 bids to Lynn Barnett for repairs. HOA has not heard back from Mr. Barnett. Followup contact with to Mr. Barnett will be attempted.

Mr. Barnett is in agreement for the HOA to formally take responsibility of a private easement portion of Mallard Drive. A draft agreement will be written soon for Board approval before sending it to Mr. Barnett (this is an easement that runs from 9 Mile Road to Division 5). Directors Kirk & Stacey Johnson and Pam Lewis should recuse themselves from final approval of letter given that they are directly affected by said easement.

New Business

Read into minutes motions passed via email since last Board meeting on May 23, 2020. Per Bylaws Article IV, Section 4:

Motion: On 6/10/20 the following motion was adopted: WHEREAS the law firm Miller & Chase is qualified to represent our HOA in general counsel legal matters. There are two attorneys at the firm who both have substantial HOA experience, including in Washington state. They also litigate locally and are extremely familiar with local court rules, experiences, and judges and local jurisprudence, and WHEREAS their rates are as follows: \$225.00 per hour for attorney, \$85.00 for paralegal, they bill in .1 hour increments, and any email is a minimum of .1 hour billing. We would not be required to maintain a retainer but would be billed on their regular billing cycle, IT IS UNANIMOUSLY RESOLVED THAT, pursuant to Bylaws Article VI, Section 4, the Board of Directors approves the law firm Miller & Chase in Omak, WA to become the inside general counsel law firm for the 9MR HOA. Motion brought by Kirk Johnson, seconded by Brian Rabe.

Motion: On 6/10/20 the following motion was adopted: Motion brought by Kirk Johnson, seconded by Brian Rabe. IT IS UNANIMOUSLY RESOLVED THAT, pursuant to Bylaws

Article VI, Section 4, that we seek immediate counsel from our HOA attorney regarding the following legal questions:

- 1) Clarify whether our annual meeting ballot contents meet with legal requirements. This includes verifying whether we can legally count the ballots on June 20, 2020, out of meeting, as we have planned or if we are advised to wait to count the ballots in some form of live annual membership meeting. This therefore also includes clarifying whether the ballot subjects of waiving the audit, electing (2) directors and rejecting the annual budget can be validated on June 20, 2020 which determines whether HOA business proceeds from that point forward with new additional directors and a new budget.
- 2) Clarify legal requirements for noticing the membership for regular and special Board meetings, as well as requirements for noticing and adhering to agenda items for those meetings. Attorney Andy Chase indicated yesterday that we may have obligations about this that we have not yet followed, but he is also not yet directly familiar with our Bylaws stipulations and how they overlay with RCWs and how that causes us to therefore be required to act. Stacey will contact Miller & Chase with questions and information and request an email response from them.

On 6/17/20 the following motion was adopted:

Motion brought by Kirk Johnson, seconded by Brian Rabe. IT IS UNANIMOUSLY RESOLVED THAT, pursuant to Bylaws Article VI, Section 4 and to legal counsel advice that arose from 6/8/20 counsel with law firm Miller & Chase:

- 1) that we may immediately submit information relative to recent member emails - that have raised legal questions - to HOA general counsel Miller & Chase, asking for legal guidance and counsel regarding the issues and/or any potential response. Counsel's legal advice/response may be given in writing or in a conference telephonic or video call live at the next Board meeting. Stacey will prepare legal questions and accompanying information to be submitted to counsel and send that to the Board for review prior to sending it to counsel.
- 2) that counsel may, according to majority Board consent via email, attend the Board meeting telephonically or by video conference and will represent the HOA and provide counsel in any matters that arise.
- 3) that HOA general counsel may attend any Board or membership meeting henceforward, upon majority consent of the Board via email prior to the meeting, and counsel will be asked to advise us in the next meeting whether this clause in this Motion is legally valid.
- 4) that the charges from counsel which arise from this Motion will come out of the general 2020/2021 or otherwise current legal budget, and if necessary additional funds be used from savings/reserve fund.
- 5) that Brian and/or Felicity Rabe be in charge of arranging and administering any tele/video conference.

Motion: Brought in email on June 16, 2020 and resolved on June 22, 2020, Pursuant to Bylaws Article VI, Section 4, "IT IS RESOLVED to spend \$50.00 for a Hometown Pizza gift certificate for Clyde Andrews as a thank you for taking the time to count the HOA ballots. Expense will be inputted under "meeting expense" in the HOA accounting records. Note that this is Clyde Andrews' third time counting for us. We have not presented him with a gift of thank you before." Motion was brought by Stacey Johnson and seconded by Brian Rabe. Motion passed unanimously.

Elections Results:

- Director Don Charnholm received 86 votes, Director Pam Lewis received 76

- Waiving of the audit: Yes (to waive the audit) = 87 No (to not waive the audit) = 37
- Budget: Approve = 101 Not approve = 20
- 128 ballots were received
- 1 ballot was not counted due to suspension of member's voting rights
- An additional 5 ballots were received in the mail after date due and were therefore not counted.

Election of Officers for One Year Term

Motion made by Susan Stewart to elected Kirk Johnson as President for this next year. Seconded by Richard Lewis. Motion passed; 7 yes, Kirk Johnson abstained.

Motion made by Susan Stewart to elect Stacey Johnson as Secretary/Treasurer for this year. Seconded by Brett Coffman. Motion passed unanimously.

Motion made by Stacey Johnson to elected Brian Rabe as Vice President for this year. Seconded by Kirk Johnson. Motion passed unanimously.

Terms of new directors: Based on number of votes each director received; Don Charnholm's term is 3 years, Pam Lewis term is 2 years. A spreadsheet will be emailed to all Directors, from the Secretary, showing the term layout for all Directors since the first election in 2018.

Upcoming year's meeting dates: Stacey Johnson will email Directors suggested Board meeting dates for the upcoming year. The dates will be approved via email by the majority of the Board members.

Rental Compliance:

Motion made by Kirk Johnson: Regarding compliance with CCRs Article IX, Section 12, I move to:
a) establish either a policy or a form that contains the content the Board requires landlords to provide to the ACC which reasonably enables the ACC to enforce Article IX, Section 12, and
b) direct the ACC to contact known landlords and engage compliance.

Seconded by Richard Lewis. Letter and Renter Form to Lot Owners that are renting on their Lot, written by the ACC and Legal Committee, were presented to the BOD to use in discussion. Discussion included that the CCRs allow renting no longer than 6 months per calendar year as well as requires renter to sign the CCRs showing that the renter has read them.

Motion made by Kirk Johnson for acceptance of draft Rental Form excluding names of all occupants, vehicle make, model & licenses. Seconded by Richard Lewis.

Motion made by Susan Stewart to amend motion for Rental Form to also include numbers of occupants and number of licensed vehicles. Seconded by Brian Rabe. Motion passed; 5 yes, Don Charnholm, Pam Lewis and Kirk Johnson voted no.

Motion made by Susan Stewart to amend motion to include note to Lot Owner/landlord, either in Letter or Rental Form, mentioning speeding and abuse of roads by renter. This note will be crafted by the ACC and Legal Committee to be presented to the Board for approval via email by the majority. Seconded by Don Charnholm.

Final summary of all motions: To accept Rental Form with changes of removing names of all occupants and vehicle information and adding number of occupants and vehicles. Changes will be given to the ACC and Legal Committee to rewrite and present to the Board. Statement to Lot Owner regarding renters honoring speed limit will be added to Letter or Rental Form, written by the ACC and Legal Committee to be presented to the Board for approval via email by the majority. Motion passed unanimously.

Rescinding Subject

WHEREAS it appears, according to historical minutes, that there has been little or no rescinding of motions in the record that may conflict with each other, which is not in the best interests of the HOA if that condition exists, and

WHEREAS the board of the HOA has resolved to adhere to Roberts Rules of order, such rules which impart that any new policy or resolution passed by the board which conflicts with a prior resolution causes the new policy to be invalid, and

WHEREAS a member of the HOA has recently insinuated in writing to the board that if such conflicts exist in the record that he may regard that as a breach of the board's fiduciary duty and consider using that as a reason to pursue legal pressure against the HOA in some way or another or to establish that some beneficial governing work of the HOA is rendered void,

Motion: THEREFORE Kirk Johnson moves that any policy, standard, or motion in the minutes since May 30, 2018 that relates to the same subject in any minutes prior to May 30, 2018 hereby supersedes the prior language, causing the prior language to be rescinded and the new language to be valid since the date of the new language's adoption. Seconded by Brett Coffman. Motion passed unanimously.

Motion made by Kirk Johnson to amend the 6/18/17 BOD general policy regarding official communications and orders from the HOA to work contractors. The policy read, "All HOA road maintenance scheduling and authorization for work be communicated to the contractors by the Road Manager only, or in his absence, the President of the BOD." Amend the policy to now read, "All HOA road maintenance scheduling and authorization for work be communicated to the contractors by the Road Manager, or by an agent appointed by the Road Manager, or in the Road Manager's or appointed agent's absence, the President of the BOD." Seconded by Stacey Johnson. Amendment by Brett Coffman to add "Road Committee Agent" in place of agent. Seconded by Kirk Johnson. Motion passed unanimously.

Ballot Voting & Recount Procedures

Motion by Kirk Johnson to discuss proposed Election, Ballots & Recount Policy. Seconded by Susan Stewart. Pass unanimously.

WHEREAS we interpret that, in law, some information within membership voting ballots is of an executive nature, that owners have a right to expect ballot privacy, and

WHEREAS applicable state statutes and governing documents provisions allow the records of the HOA to be inspected by all owners, and that records in the form of membership voting ballots are not expressly excluded from being regarded as records to be inspected, and

WHEREAS we regard it our duty to provide a solution that at once satisfies both acknowledgments above, and

WHEREAS there are legitimate circumstances under which the membership can require the Board to conduct a recount of an HOA election, and

WHEREAS original election vote tallying and any potential verification is probably the single most potentially consequential act on the confidence and proper function of a voting fiduciary-based organization, such that we consider it detrimental to the HOA to have any number of individual members creating their own unofficial 'recounts' and thereafter potentially promulgating varieties of individual conclusions that cause an undue undermining of the 'public confidence' in election processes, and that allowing copies of ballots to be made and/or distributed would have the same detrimental effect,

Motion made by Kirk Johnson to accept the following criteria be met and followed regarding inspection of prior HOA election ballots, conduction of future membership election ballots, and cause for official election recounting. Motion passed unanimously. (Policy will be available on HOA website.)

Commercial Enterprises Rule

Motion made by Kirk Johnson to adopt the Commercial Enterprises Rule. Seconded by Brett Coffman. Motion passed unanimously. (Rule will be available on the HOA website)

Newsletter

Motion made by Stacey Johnson for a newsletter to be sent out by the end of July with a spending cap of \$250, content to be approved via email by the majority of the Board. Seconded by Don Charnholm. Newsletter will written by Newsletter Committee to present to the Board. Motion passed unanimously.

Treasurer Report

Checking: \$48,453
Savings: \$17,359
CD: \$34,199

Acct Rev.

Total:	\$ 66,869.41
Less fines	- 13,150.00
Less Lien/Int/late fees/misc	- 4,960.79
All assessments owed	\$48,758.62
8 Lots many years past due (total due)	<u>9,762.93</u>
	\$38,995.69
Special assessments owed (1 st billing)	3,392.04
Special assessments owed (2 nd billing)	<u>11,039.08</u>
Total Annual Assessments owed	\$24,564.57
Annual assessments owed (current billing)	22,169.17
Annual assessment owed (last years)	<u>2,395.40</u>
	0

78% of total special assessments has been collected.

Paypal is not working. Bottom line is Paypal will not accept the PO Box as the HOA address. Account can be set up using an individual's address, but account would also be under their name. Treasurer is unwilling to do this. (No BOD members offered as well). Paypal will be canceled.

One Paypal payment made it through to us. The member did not add the requested 3% charge. Board instructed Treasurer to carry the balance forward; member will be charged.

Treasurer received a bounced check notice.

CD will be reaching its maturity on July 21, 2020. Contact is made with HOA banker to discuss rolling it over into new account. Update will be sent to the BOD.

Treasurer is instructed to make the budgeted \$3,000 deposit into the HOA Savings Account.

Motion made by Stacey Johnson to, due to covid-19, extend the suspension of late fees and interest on past due accounts through October 1, 2020, to be readdressed at the next Board meeting on October 10, 2020. Seconded by Susan Stewart. Mail to and from Canada – US is taking a month+. Motion passed unanimously.

Statement Regarding Historical Reserve Fund

The current Board of Directors is aware of a prior Reserve Fund Policy adopted in 2012, and that the HOA, at this time, does not meet the policy requirement of “a reserve fund equal to or greater than that years annual budget”. The Board is seeking to resolve this shortfall through upcoming final reserve study reporting which will inform a potential assessment increase and budget change to be considered for next year. Board is in agreement to statement. (2012 Reserve Fund Policy can be found on HOA Website)

Motion made by Kirk Johnson to extend the meeting by ½ hour. Seconded by Stacey Johnson. Motion passed unanimously.

Road Report

Road Work Performed to date from April 2020 to July 10, 2020

1. 4/24/20 Raking \$845.52

W.O. #01-2020: approximately 2.5 miles of mostly DEEP raking and reshaping on (14) different spots throughout the Ranch.

2. 5/28/20 Erosion, Prevention, and Safety Repairs on West Corralapprox. \$1085.00

W.O. #02-2020: Division 7, at the switchback corner 1.1 miles up West Corral where it meets with Gold Rush Ridge Road: install 9MR-provided '8"-4" clean' rip rap on the embankment erosion spots at the corner, on both road embankments before and after the actual turn of the switchback. This will likely include attending to the culvert outlet area also. Please do work as per direction from Brett Coffman. Clear the culvert inlet basin area of siltation. Per direction of Brett Coffman, repair the ditch at the top of Gold Rush Ridge and install 9MR-provided '12"-minus dirty' rip rap, armoring the ditch and road, per Brett's requests.

3. Volunteer Raking in May and June

Volunteer has not submitted a mileage reimbursement request (yet???). Approximately 2.5 miles of spots including:

- Upper West Corral in Division 7.
- (2) spots on Gold Rush Ridge Road in Division 8.
- short spot at .8 Mallard Drive (assisting with raking out a gravel placement and road reshaping for better drainage.
- Approximately .2 miles of Old Tressle incline below Thompson's place.
- .5 miles of Wagon Wheel road.

4. 6/17/20 Erosion Repairs, Ditching, and Raking various areas approx. \$3300.00

W.O. #03-2020, plus additions and omissions:

- Rake Allen Drive in Division 2.

- On Pine Bluff Road in Division 4, 800' down from the Old Tressle intersection, restore the filled ditch and reshape the road plane to fill erosion and have the road shed water better again. Also clear out the plugged driveway culvert associated with this area (this part has not been performed yet).
- Repair road plane erosion and re-crown: rake approximately 300' of Pine Bluff, just north of the Canyon Spur intersection.
- On Pine Bluff between .2 and .35 miles from Chesaw road: rake for crowning, erosion and potholes.
- On Longhorn in lower Division 8: using a backhoe uncover an extremely buried culvert outlet.
- On Sunset Ridge at .9 miles north of the Old Tressle intersection: grade 200' for significant drainage reshaping and crowning, pull 100' of associated ditch, install (1) load of PCI 5/8"-minus gravel and walk it down with a dump truck for compaction.
- At the end of Wagon Wheel in Division 2: Call for power and phone locate. Using a grader, reshape the culdesac to allow proper drainage away from the road and into the ditches (this has been a problem since the road was built), grade the road for erosion repair, pull approx, 300' of ditch, and install 1-2 loads of gravel as appropriate. This task is being done right now.

5. June 2020 Major Weed Spray \$9276.75

6. July 2020 Touch up Spray, with Road Committee assessment

Two Road Committee members split up the Ranch and toured all roads for touch-up spraying, marked maps for an order, created a list with maps and order for the sprayer and mailed the sprayer the order. Spraying to commence week of July 13. In the last two years this second spray comes in at around \$1800.00, but we'll see when we get the bill. Specific assessment and notes were taken to document planned pre-emergent sterilant spray for early next spring, as these areas of growth are encroaching the road planes and need to be sprayed before they are visually identifiable.

7. Special Assessment and Annual Replenishment Gravel placed \$23,071.25

Between April 1, 2020 and late June we have placed (57) 11-yard truckloads of gravel throughout the Ranch; \$9518.63 for annual replenishment gravel, and \$13,552.62 of special assessment gravel.

Other Current Road Work Considerations by the Road Committee

- 1. A third touch-up spray.** The last two years required a final small touch up spray, coming in the low to mid \$100's in cost. We'll see if this is necessary this year.
- 2. Signage.** A bid has been procured to purchase (17) commercial 'road warning' signs at entrances throughout the Ranch, cost of \$963.70 with tax. (12) signs to read, "USE ROADS AT YOUR OWN RISK", and (5) signs to replace missing signs that would say the same as the others: "PRIVATE ROAD – NO WARNING SIGNS – 20 MPH – ALL WHEEL DRIVE REQUIRED". These signs fulfill the best possible liability exclusion waiver for the HOA to protect the HOA against liability suit from drivers on roads, as well as best advise drivers of safest driving circumstances and warnings. The price for this bid was done through a known professional competitive road sign company, and the bid is similar to the cost for a similar amount and type of signs purchase by the prior board a number of years ago.
- 3. Reclaim Two Spurs on Old Tressle.** There are two small road sections at the west end of Old Tressle – one is 400' long and the other is 800' long – which have apparently not been maintained since they were originally constructed by the developer. Last winter a Lot Owner who owns property adjacent to these spurs asked the Board to attend to this issue. The Board found that the spurs are indeed '60-wide easements and roads' the HOA is required to maintain like all other roads per CCRs. A bid for approximately \$2600.00 was procured to mow down the overgrowth, rake the growth to the culdesac, rake the existing gravel into decent shape, and sterilant-spray the road planes. The work is planned to be accomplished sometime during the 2020/2021 fiscal year (ie. before June 1, 2021).

4. **Continue placing special assessment and annual replenishment gravel.** These placements were suspended in late June because natural road and gravel moisture was becoming inadequate for decent gravel compaction upon placement and regular road traffic. All of 2019/2020 annual replenishment gravel was placed, and the amount of special assessment gravel that was placed stayed on-pace with the actual funds collection amounts as funds came in. Placements will resume in fall when moisture conditions are supportive, and we will also be in a new fiscal year to possibly start placing 2020/2021 annual replenishment gravel as well.
5. **Fall culvert clearing and ditching.** Spring road assessments determined that, with few exceptions which have already been repaired, ditching and culverts were in proper useful condition to head through this summer, barring unforeseeable weather events. So a final check and performance of ditches and culverts clearing will be made this fall in preparation for the next winter/spring duty.
6. **Possible fall raking.** Budget permitting, rake spots for elimination of washboard, maintaining crown and reclaiming roadside gravel will be done in the fall, emphasizing highest priority items within budget.
7. **Possible higher winter maintenance expenses.** Regarding plowing and sanding... This subject is yet undetermined but we're aware of it's potential:
 - It has been increasingly problematic for plowers in recent years (as well as they have been voicing it more) that the rough Ranch road sections with boulder heads sticking up cause them heavy wear and expense on their equipment that they may be asking higher plowing rates to compensate for.
 - There are more wintertime residents and traffic on the Ranch these days, so there is greater call for more wintertime sanding.
8. **Some roadside tree felling.** There are at least (4) trees on upper Division 5 that are really encroaching Blue Grouse to the point that winter plowing and traffic are negatively affected. There may be some other additional maintenance spots like this to attend to as well.
9. **Action regarding various capital improvement projects.** There are a multitude of known and determined road spots that could use improvement, prioritized by consideration of increased traffic in the future. These kinds of spots include:
 - widening sections that are currently too narrow for oncoming traffic passage or proper winter maintenance.
 - establishing better water shedding before such current water shedding doesn't become a problem when traffic increases
 - improving blind corners: increasing road width so oncoming cars are able to pass each other safely without needing to see each other coming.
 - raising road sections that currently become submerged during spring melt; with one exception these sections are relatively OK for now but some are getting close to being a problem when heavier traffic comes in the future and causes the roads to become too muddy to pass through.
10. **Reserve fund study.** The Road Committee, especially two members for now, have been assessing and accumulating 'component items' of road repairs to be considered for completing the final study and report. We have also done some preliminary analysis/studying of the professional report supplied to us from ARS earlier this year. Many deliberations and discussions have happened also. All these things will be part of a comprehensive reserve fund study and recommendation for assessment rate that the Board will analyze and consider later this fiscal year and then bring to the membership for their consideration.

Discussion regarding some road spots. One discussion was in regard to weeds growing and excessive bolderheads on portion of Blue Gross Road. A spray regiment is already planned to deal with this trouble spot. Richard Lewis volunteers to cut down tall grass in middle of road if necessary.

Motion made by Kirk Johnson that the Board authorize \$4,000 for the Road Committee to spend on further road maintenance that coheres with the Road Report, prioritized by emergent needs. Seconded by Brett Coffman. Motion passed unanimously.

Motion made by Susan Stewart that volunteers who want reimbursement for their expenses need to bill the HOA for expenses within a 6 months. Seconded by Kirk Johnson. Motion passed unanimously.

Consent requested made by Kirk Johnson to have the Road Committee spend \$950 for new warning signs for roads. This is an important liability issue for the Ranch. Unanimous consent given.

Motion made by Kirk Johnson for new mileage rate for V-8 vehicle used in road assessment touring. Seconded by Brian Rabe. Concern that some members have issues with mileage reimbursement.

Motion made by Brian Rabe to amend motion to table subject and mention this subject in upcoming newsletter. . Seconded by Don Charnholm. Board agreed to let membership know about this in upcoming newsletter and get feedback from members. Motion passed unanimously. Newsletter Committee will write up wording for Board to approve.

ACC Report

The ACC is still working with two Lot Owners on applications for plan approval; one in Division 8 for a residence, the other in Division 4 for a shed. If any ACC or Board members are aware of any new activity please inform so it can be confirmed.

Moved into executive session at 1:43 pm.

Motion made to spend funds on further legal counsel for the Board to pin down final steps in moving forward with enforcement on violating Lot Owner, with a spending cap of \$500. Motion passed unanimously.

Meeting adjourned at 2:18 pm.

Corrections made to these minutes on August 10, 2020 per unanimous approval by the BOD