

## **Board Meeting Minutes**

### **Nine Mile Ranch Homeowners Association Board of Directors Meeting October 10, 2020**

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

Meeting is being recorded by secretary only.

All Board members stated they had no audience members present for the teleconference.

Meeting was called to order at 9:02 am.

A proxy was submitted to Brian Rabe for Susan Stewart. Pam Lewis submitted emailed information 6 minutes before the meeting stating that Board members cannot use proxies. Decision to not discuss this topic at this time unless it became an issue during the meeting.

#### **Old Business**

Regarding the prior perceived controversy as to whether portions of the Ranch roads Mallard Drive and Blue Grouse are actually encumbered under the Covenants for the HOA to be required to maintain: The Board has been working on this subject. Kirk Johnson read a statement to be in the record of the HOA, with request that consent be given on the following statement from the Directors:

*“Pursuant to the official recorded Nine Mile Ranch map, specifically Okanogan county auditor's number 834872, dated November 9, 1995, and connectively alluded to in the map shown as auditor's number 836884, dated January 12, 1996; the roads and easements known as Mallard Drive and Blue Grouse Road, portions of which traverse through non-Nine Mile Ranch lots and intersecting with the county Nine Mile Road, such easement/road portions which have been maintained by the Nine Mile Ranch Homeowners Association for approximately 20 years, are indeed subject to the legal description as called out in the Nine Mile Ranch CCRs, Article V, Section 1, “A sixty (60) foot wide right-of-way shall be reserved on the final plat of the Property or shown by any instrument of record.”*

Unanimous consent given by the Board.

Regarding the subject of recent attorney communication. Stacey Johnson brought the forward the following thoughts:

- Miller & Chase is an excellent law firm, but it appears they may be overloaded with work. It took over a month for them to respond to prior communication, and it seems regarding this current communication Mr. Chase rushed through it as he answered questions that we did not ask, and did not fully answer some questions we did ask. Of course, email communications can be confusing and difficult at times.
- Miller & Chase is excellent to use for moving forward on potential litigation issues in Okanogan.
- Upon retirement, Mr. Bergh (prior HOA attorney) recommended Mr. Paukert. Suggested that the Board consider using Mr. Paukert for answering basic questions for the HOA.

- Suggested that the Board give consent to the Legal Committee and President to have a verbal conversation with Mr. Chase to clear up confusion for questions & answers regarding petition issues. We would ask Mr. Chase to revise his letter to answer just the questions we asked to create clarity. Unanimous consent by the Board to have verbal counsel with Mr. Chase.

Discussion regarding petition issue:

- Need to clear up time line on when we need to have the Special Meeting and/or ballots to be sent out.
- Mr. Chase stated they cannot count our ballots due to conflict of interest; they suggested an alternative fiduciary. The HOA Policy states that the HOA have fully private ballots for all elections here forward. Do we need to pay a fiduciary to count the ballots if the ballots are fully private? Stacey will contact recommended fiduciary for estimated costs for counting. Stacey will also pin down costs for printing of blank private ballots and time line for printing.

**Motion** made by Kirk Johnson to name Mr. Paukert, Attorney at Law, for potential counsel from here forward upon Board consent or motion. Seconded by Rick Lewis. Mr. Paukert was contacted when the Board was soliciting HOA attorneys. Mr. Paukert worked with Mr. Bergh, is representing several other HOAs and members, and is presently on 2 HOA Boards. His quote back in June, 2020 was \$250 per hour. Miller & Chase would not be replaced, just have the option for using Mr. Paukert as well; an additional attorney that would be used for basic HOA questions. Stacey will contact Mr. Paukert to verify his hourly rate is the same as stated last June. Motion passed unanimously.

### **New Business**

Discussion regarding recent Owner's request to have all Directors' names placed on the recall election ballot, as opposed to having just the 6 of 8 Directors as the current petition proposes. Ballot would include vote to remove each Director individually, each taking 156 to vote off the Board. What if all Directors were voted off? Would Barnett get involved again? Barnett is no longer a part of the HOA other than being a member. Members may be able to have a meeting, with quorum, that can elect new Directors. This could potentially be a serious problem. The HOA has legal obligation to honor request in placing all Directors on ballot. Unanimous consent given by the Board that all 8 Directors will be placed on ballot.

Read into minutes motion made between meeting on 8/10/20:

**Motion** made by Pam Lewis: "*I therefore make a motion that the minutes be corrected.*" Seconded by Brett Coffman. Stacey Johnson amends motion to state: "*I amend Pam's motion to state that the July 2020 Board meeting minutes be corrected to reflect the first count on the Certification of Ballots, which is the same as what is stated in the July 2020 Newsletter.*" Seconded by Pam Lewis. Motion passed unanimously.

**Motion** made by Brian Rabe to reimburse Kirk Johnson's reimbursement request. Seconded by Rick Lewis. Pam Lewis found \$5.80 error. She asked that we postpone reimbursement until she can go through the entire request in more detail. Unanimous agreement to table the motion.

Discussion regarding email received from Lot Owner Gary Lewis regarding Lewis Farms Enterprises. Decision to send formal communication to Mr. Lewis to move forward on approval and parameters of business.

**Motion** by Brett Coffman that the Board require Lewis to present their business in a written form, like everybody else has, with specific description of what their business will entail. Seconded by Rick Lewis. Brett will compose Board's communication. Motion passed unanimously.

There were slight amendments to the existing Elections, Ballot and Recount Policy submitted to the Board for consideration.

**Motion** made by Rick Lewis to accept the amendments to the Policy stated. Seconded by Brian Rabe. Discussion: Pam Lewis stated she feels that there should be legal advice on the Policy. Pam stated the part of the Policy that requires redaction and third party involvement for members to review past ballots in Policy may not be legal and we should turn over the ballots to those who requested them for review. Motion postponed until completion of discussion of what Pam Lewis brought forward.

**Motion** made by Pam Lewis to have legal counsel review the Election, Ballot and Recount Policy to make clarification that the terms of the Policy are legal. Seconded by Don Charnholm. Rick Lewis amends motion to include cap of \$250.00. Seconded by Don Charnholm. Discussion; whether or not ballot identities can be viewed by just any member has been remedied here forward as the Policy moves the HOA into using fully private ballots. Should the Board spend HOA funds on legal advice for all decisions or Policies written? Not spend anymore HOA funds on attorneys unless it comes to pass that we had to. Member can contest Policies through proper legal avenues if they choose.

Communications from members state that they believe their ballots are private and should not be subject to identification. Motion for legal review failed; 6 vote no, Pam Lewis & Don Charnholm vote yes.

Vote on prior motion to accept amendments: Motion passed; 6 yes, Pam Lewis & Don Charnholm vote no.

**Motion** made by Kirk Johnson to spend \$225 for a newsletter soon to come, unless the newsletter can be incorporated with another mailing. Seconded by Don Charnholm. Pressing timeline for a newsletter is snowplowing information for members. Motion passed unanimously.

### **Treasurer Report**

Current Cash Flow Report and Accounts Receivable Update Report were sent to all Board members via email. (Reports can be found on HOA website)

Pleased with collections considering the Covid situation. We've collected 87% of this year's annual assessments. There are under 6 Lots owing for last year's assessments, not counting those that are always passed due. Still collecting, which makes more cash available.

**Motion** made by Stacey Johnson that due to Covid and the governors' proclamation 20-51 that the HOA extend suspension of interest and late fees on past due accounts through January 1, 2021, to be re-addressed at the next Board meeting on January 16, 2021. Seconded by Rick Lewis. Governor Inslee has extended suspension of interest and late fees through November 1, 2020 at this time. Motion passed unanimously.

Notice of lien letters were sent out to the 3 Lot Owners scheduled to have liens filed on November 1<sup>st</sup>. Per Board direction, these letters were sent certified, except for one Lot Owner who resides in Canada. The post office did not allow certified mail to be sent to Canada.

An error happened. There are 2 credit cards used on the Treasurers' Amazon account; one is personal, the other the HOA's that is used to order office supplies. Treasurer's personal credit card and Amazon account was compromised. During process of remedy Amazon errantly changed the HOA's card to be the primary card charged. Personal charges have been charged to the HOA card coming out of the

HOA bank account. Charges will be reimbursed by Treasurer. There is full documentation of all entries.

**Motion** by Rick Lewis that spreadsheet done by Stacey Johnson showing Terms of Board Members be accepted by the Board and posted on the website. Seconded by Brian Rabe. Motion passed unanimously.

### **Road Report**

Road Committee completed last weekend driving of all the roads in preparation for coming road work.

New road signs have been installed. (Thank you Bill Burnam)

Now that we have some moisture we can move forward with road work. Tim Mason will perform the repairs on the roads. Several haulers are lined up to lay gravel on the roads.

In-depth discussion regarding 9MR Road Report 10/10/20 (posted to website). Directors spoke about road areas of concern. Spots on Cougar and Gold Rush need serious work; some of it almost impassable and cannot snowplow. There are other places in this condition as well. These places would be considered Capital Improvements that could take up to \$25,000 to repair. Road Committee will finish analysis of roads that will incorporate those areas that require a large amount of work. This part of the analysis will be brought forward to the membership with suggested annual assessment for a vote to be put to the membership.

Working with Cash Flow Report and 9MR Road Report (both posted on website):

**Motion** made by Stacey Johnson that, using funds from annual assessments cash flow, the road committee perform #1, 2, 3, 4, 5, 6, 8, 9, 13 & 14 on Road Report, totaling \$13,119, less amounts that are considered to be special assessment gravel for \$1,890; total to spend of annual assessment funds: \$10,036. #10 & 11 would be paid for from the reserve fund: \$5,345 (capital improvements). Seconded by Brian Rabe. Discussion: Seeking to always leave \$5,000 in checking. There are up-coming costs to consider that are not in the Cash Flow Report: legal fees, petition action costs, spring road work. There is \$23,000 of special assessment funds available for gravel at this time. Brett will create an estimate for capital improvement repairs on Cougar and Gold Rush. Big Horn Gate repair will cost less than originally estimated, but will not happen this year due to weather change. Concern about spending reserve fund money; that is what it is for. There has been \$3,000 deposits into the reserve fund for the last two years. Annual replacement gravel has always been the “give” in budget considerations. This shows clearly in the amount of boulder heads on the roads. The special assessment gravel will help with this, but there is just not enough funds to pay for annual replacement gravel and perform other repairs. Motion passed unanimously.

Discussion of maintaining private driveway culverts. The HOA is responsible for keeping the culverts clear. The Lot Owner has the responsibility to install the culvert properly. Suggestion was made to ask Lot Owners to volunteer to clean their driveway culverts. This request will be considered to add to the up-coming newsletter.

President asked for volunteers for snowplow coordinator. No Board members volunteered.

**Motion** made by Kirk Johnson to extend meeting ½ hour. Seconded by Don Charnholm. Motion passed unanimously.

Topic regarding submitted bids from 2 snowplowers: 24/7 Property Maintenance and Glover & Son. Consideration to have Glover be a back up plower. Glover & Son has one V-plow, is willing to store sand and sand the Ranch, 18 year old son would perform their plowing.

**Motion** made by Kirk Johnson that the Board approve the plowing contract from 24/7 Property Maintenance to be the HOA's plower for this year (2020 – 2021), and seek to cultivate whatever possible opportunities for Glover & Son to do augmented amounts of plowing. Seconded by Rick Lewis. Discussion: This does not obligate using Glover & Son. Priority is protecting 24/7 to being a successful plower for the HOA. Motion passed unanimously.

**Board moved into executive session**

Violator of CCRs did not respond to certified letter within the 30 days offered. (Offer was to waive all penalties if violator will comply.) Again, the Board has not received any response back from violator. In preparation for this the Board had already passed a motion in the August 29, 2020 Special Board Meeting for attorney to proceed with strategy, setting up arbitration and letters to be written. There is possibility that violator is attempting to sell/move or has ceased their commercial dog breeding business. It is the violators' responsibility to communicate if there are changes in the situation, but they do not communicate. Encroachment of easement with fence issue needs to be taken care of also. Letter would be sent to violators from attorney to move process into arbitration. Legal cost would be sought to be awarded back to the HOA. Majority of the Board confirmed to continue to move forward.

**Motion** by Kirk Johnson that in order to prepare for the event that violator may list and sell his property and we get an escrow solicitation to settle his account, that by majority of Board approval be ready to send a letter to violator at any time that has these features: reduce fines amount to whatever the total atty fees/other HOA costs are, and also include the cost to remove the fence, rocks, and other items in the easement, including fill in the holes if posts were concreted in. Seconded by Rick Lewis. Motion passed unanimously.

Meeting adjourned at 11:44 a.m.