

## Special Board Meeting Minutes

### Nine Mile Ranch Homeowners Association Special Board Meeting September 24, 2020

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

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 7:34 pm.

**Big Horn Ridge gate/ditch issue update:** Mr. Barnett was contacted yesterday regarding this situation. (Mr. Barnett was to enlist Tollefson Construction to review situation and develop a fix, then get back to 9MR road committee. Mr. Barnett is responsible to fix the ditch blockage, as gate was installed by Mr. Barnett; installed in a ditch which will/can create damage to road due to water flow of rain and snow melt.) In said phone call Mr. Barnett shared that he is very ill with cancer and that the issue at hand is not priority at this time.

**Motion** made by Brian Rabe that the HOA move forward with fix of the Big Horn gate/ditch situation with a financial cap of \$5,000 with funds coming from the HOA savings/reserve fund. Seconded by Susan Stewart. Don Charnholm amends to add that the HOA will seek to get payment of costs from Mr. Barnett. Motion passed unanimously.

**Snowplowing:** Update on snowplowing. Last year snowplower, 24/7 Property Maintenance, responded to road committee regarding this coming season plowing. 24/7 is going to bring forth changes to contract from last year. Last year's plowing rate was \$120 per hour. After analyzing last year with wear & tear on their trucks they will increase rate to \$135 per hour. Also, sanding will be increased from \$150 a load for sand to \$275 a load. Given that the sand is dry stored and then hauled from Omak, 24/7 lost money last year to sand for the HOA. 24/7 suggested that the HOA place a pile of sand at the end of West Coral road, and then to have someone locally load it into 24/7 trucks. This would lower their costs of sanding for the HOA. 24/7 is offering to restructure their crews to having plowing crews more readily available during the day for plowing for the HOA.

*Note that during this meeting there was considerable difficulty in Board members dropping off of teleconference. Re-contact was made before moving forward with business.*

Another snowplower contacted the road committee, responding to flyer posted in town to solicit other snowplowers in the area. After sending them copy of the HOA snowplowing contract he responded that he will not be plowing for us.

Unanimous consent among the Board that the Road Committee will tell 24/7 to bring forward written terms for the 2020/2021 snowplowing contract, and that the Board has intent to sign contract but this will not happen until after the October 10, 2020 Board meeting.

**Purchase of secret ballots and envelopes:** Discussion of costs to the HOA for printing of 'secret ballots', and other administrative costs, for the potential upcoming ballot vote. A little research has been done on the costs of secret ballots.

**Motion** made by Kirk Johnson to have a \$500 cap for printing of secret ballots and to send out the ballot mailing. Seconded by Susan Stewart. This motion allows to the Board to move forward with ballot mailing, but will need to be fully researched and studied before hard costs can be presented to the Board. Motion passed unanimously.

**Read into minutes:**

Motion made on 9/18/2020 via email:

"Pursuant to Bylaws Article VI, Section 4 I am seeking unanimous approval outside of a meeting for the following motion:

**Motion** made by Kirk Johnson to spend approximately \$200.00 to immediately have HOA attorney Miller & Chase advise regarding legal controversy over the conflict between the recent '10% membership request for an annual audit' and the recent '28% membership vote to waive the annual audit'. Points/facts given to the attorney for their consideration will include:

- In June 2020, pursuant to RCW64.38.045(3), 28% of the membership voted to waive an annual audit, which was a passing vote.
- Two months later, in August 2020, the board received signed petitions from 10% of the voting membership to cause an annual audit, which complies with the minimum required at Bylaws Article VIII, Section 8(d).
- Regarding Bylaws, Article VIII, Section 8(d): It is phrased as relative to an *annual* audit, not an instantaneous audit and regarding any membership-chosen period of time. It is phrased within the context of the Treasurer preparing other annual financial disclosures and as relative to an annual membership meeting. So if this 'right of demand of audit' is relative to an annual regular audit then the membership has already recently voted to waive the annual audit, per RCW 64.38.045(3).
- There is a lot of gravity that 28% of the membership recently voted to waive the audit, which is far more than the recent 10% request.
- As we have been told by more than one attorney, in general RCW64.38 takes precedence over bylaws, so does the 'vote to waive' override the recent request to have the audit no matter what?
- Now consider the actual vote tally of the vote to waive the audit: (87) to waive it, (37) to have it. 37 votes in favor of having the audit *is more than 10% of the membership*, which would therefore meet the minimum required in the Bylaws to force an annual audit."

Motion failed: 7 yes, Pam Lewis voted no. (Per Bylaws motion requires unanimous approval to pass via email/outside of a meeting.)

**Subject regarding membership petitions received:**

**Motion** made by Kirk Johnson to spend \$200 for attorney regarding the audit (repeat of above motion). No discussion was offered forward by any Board member. Motion passed 7 yes, Pam Lewis voting no.

*Note at this point in the meeting Susan Stewart's connection was lost and we were not able to retrieve.*

**Motion** made by Brian Rabe to spend HOA funds for mailing of letter to membership written and edited by the Board via email. Seconded by Kirk Johnson. Motion amended to state \$200 for mailing. Seconded by Rick Lewis. Motion passed unanimously.

**Motion** made by Stacey Johnson to spend \$225 for attorney review of:

- whether there are provisions that the HOA will need to have the requested “compliance audit”
- advise/comments on the Board suggested handling of the CCR & Bylaws changes
- attorney bid for handling of ballot counting

Seconded by Brian Rabe. Brian Rabe amended motion to state *approximately* \$225. Seconded by Kirk Johnson. Board will request all attorney answers/advise is in writing to be able to share appropriately. Also, have attorney address how management of the HOA is conducted by the BOD, given that the cover letters with petitions have demanded a different path of handling the situation. Kirk Johnson amends motion to state cap of \$500. Seconded by Brian Rabe. Cost of attorney *written* responses will be looked at to create path of least cost to the HOA. Motion passed 6 yes, Pam Lewis voting no.

**On going violation issue:** On September 15, 2020 violator signed for receipt of certified letter sent by the Board on September 1, 2020. (The letter was regarding multiple significant CCRs violations & subsequent fines, such violations which the Board started addressing in December 2018. This is the same subject that has been addressed in two HOA newsletters.)

Meeting adjourned at 8:31 pm.