

Board Meeting Minutes
Nine Mile Ranch Homeowners Association
Board of Directors Meeting
July 10, 2021

Due to Coronavirus this Board Meeting was held by Zoom

Board Members present: Drew Sawchuk, Brian Rabe, Don Charnholm, Pam Lewis, Brett Coffman, Ryan Man, Susan Stewart, Rick Lewis

HOA members present: Stacey Johnson, Kirk Johnson, Allen Jones, Todd Besaw

Meeting Called to Order at 3:05 PM. Drew Sawchuk presiding.

First Agenda Item. Old Business. A motion from the previous meeting to establish an Administrative Committee was never voted on. **Motion** reentered by Drew Sawchuk to form an Administrative Committee as discussed at the previous meeting. Seconded by Rick Lewis. No additional discussion. Motion passed unanimously.

Motion made by Drew Sawchuk to ratify all actions associated with the Admin Committee up to this point. Seconded by Rick Lewis. No discussion. Motion passed unanimously

Treasurer's Report. Interim Treasurer Jeff Click was not present for the meeting. Report was presented by previous treasurer and current treasurer agent, Stacey Johnson. The accounts receivable and cash flow report are included as attachments to the minutes. Stacey states that letters will go out after August 1st to all owners who may be subject to late fees. Stacey and Jeff Click have met and are conducting turnover. Jeff is in possession of the ballot box with all ballots from the June 19th ballot count. Signatures for the bank account turnover have not yet occurred. Cannot happen until the very recently approved minutes from the previous BOD meeting are available to show proof of new positions. (This may have to wait until the first BOD meeting after the AGM when the Board positions are no longer in interim status.) Stacey asked about dissemination of the audio recording CD from the Court hearing of the Summary Judgment. The information is a public record and the BOD made the decision to post the recording on the 9MR website. This was a **motion** to post the recording made by Stacey and seconded by Susan Stewart. Passed unanimously. Drew Sawchuk asked about fines and overdue payments in light of current Covid restrictions. They may still be prohibited or on hold due to the Governor's proclamation. Stacey will check to see what is allowed.

Road Report from Brett Coffman. Brett outlined some of the ideologies and methods that the Road Committee will employ. The plan is generally to remove steep slopes on roads where possible, to rebuild road crowns, and to remove larger rocks from the driving surface immediately after raking. Brett recommends owners spend some time after the raking to remove the rocks larger than 3-4 inches. Brett is investigating the availability and cost of a water truck for use prior to raking to allow raking independent of rainfall. Drew recommends we notify owners of benefit of post raking rock removal in an upcoming newsletter or other communication. Don Charnholm noted that washboarding of the

roads occurs after our current contracted operator (Mason) operates the rake. Brett states that this is due to our inability to properly compact the surface after raking. Brett says he will closely supervise the raking to get a better result. Susan Stewart suggested some signage on the roads reminding drivers that speed causes increased wear on the roads and results in more money needed for maintenance. Don asked Brett if he has any analysis on the cost of rolling/compacting vs the cost of more gravel. Brett does have this analysis and will make available to Don. Brett mentions another method that may benefit our roads – the use of a cement treatment to bind together the smaller rocks and fines to help keep them on the driving surface. Brett states that the road committee will be meeting on Monday and that he will be driving all the roads in the near future.

Motion made by Drew Sawchuk to re-form the Zoom Committee in preparation for the upcoming Annual Meeting. Drew outlined the function of the committee along with duties and responsibilities. Leland Jay and Corrine Mossman agree to remain on the committee. Ryan Man agrees to join the committee as a second BOD member. Drew is also on this committee. Seconded by Ryan Man. Motion passes unanimously.

Vote Recount (second counting). Our vote counting policy requires a second counting of the votes from our recent election. The counters are willing, but only during weekdays. Brian stated that he may be available to monitor the vote count, but only on Fridays. Louis has been hard to contact. Becky from Hometown Pizza is a possible substitute if Louis is unavailable. Drew will contact Chris and Louis (Becky, if necessary) to finalize a time and place for the next counting. This info needs to be sent out with the notice for the Annual Meeting to give all members the opportunity to observe the counting if anyone desires.

Motion made by Drew Sawchuk for the next BOD meeting. Since the Annual Meeting is on 14 August, Drew suggested that we have a BOD meeting in late August or early September. The next scheduled meeting is not until Oct 9, which is too far removed from the AMM. Seconded by Rick Lewis. After discussion, 11 Sept, starting at 9AM seemed like the best date for the next meeting. Motion passed unanimously.

Drew Sawchuk stated that the **motion** made via e-mail to send a notice of violation letter to member, Michael Ryan, passed unanimously. The violation involves a gate placed by Michael Ryan across the road that interferes with other owners' access to their property. The gate is a clear violation of the easement as described in the CC&Rs. Todd Besaw asked what date the letter should be mailed, and if the required response date from Michael Ryan should be modified to reflect seven days after mailing. Todd suggested mailing on 13 July with required response by 20 July. Todd stated the ACC will follow up with Michael Ryan after July 20th to see if he agrees to reconciliation. If Michael Ryan still refuses to move the gate, the ACC will notify the BOD and seek guidance. Drew **amended the motion** to reflect a new mailing date and response date. Seconded by Brian Rabe. Motion passed unanimously.

ACC Report. ACC Chairman, Todd Besaw, reports that for the year the ACC has received and approved plans for one residence, four outbuildings, four site prep plans, two driveways, and no fences. He knows of no current rental property issues. He mentioned a new issue concerning land companies (HOA owners) that own property and enter in to rent to own contracts with renters who occupy the property. The land companies may not be advising the renters of the CC&Rs, nor is there a method or requirement for them to notify the HOA of these arrangements. Todd asked if the ACC should attempt to follow

these situations. The BOD agreed that the ACC should make this attempt. Todd agreed and also agreed to notify Land Companies of the Board's concern and ask for their cooperation.

Commercial Enterprise determination. One of our newly elected BOD members, Ryan Man, has an activity that needed to be evaluated for compliance with our commercial enterprise policy. The following is a quote from an e-mail sent by Ryan on July 4th.

"As a brief summary, my wife and I purchased this land to eventually build a home on which we will be making large steps towards this and next year. However, I also provide data center services and mine cryptocurrencies as a hobby, and have moved those operations to this land.

For full transparency, while this is a personal hobby that I started with my best friend years ago and have been doing in my personal home for many years, for tax purposes I do have an LLC for the money generated from this hobby (in 2020 I had a new LLC created in Washington state to run it under). I did not mention it until now only because it seemed to me so clearly within the guidelines of what would be acceptable that it did not occur to me to ask permission. This is my fault, and I accept responsibility here if I am wrong in this judgement.

The above being said, I don't consider my business a "commercial enterprise" encumbered under the CCRs for the following reasons:

1) I do not conduct "business," period. This is a personal hobby. I do not work with clients, vendors, business partners, investors, etc.

2) Only myself and my best friend ever visit my land for the purpose of fixing / maintaining / fiddling with the machines on the lot, and we will be doing so out of personal interest. Any other visitors I may or will have will be purely for the purpose of enjoying the land and town independent of my hobby.

3) I do not receive commercial materials on my land, or anywhere. Nothing I have on my land is different than anything you would find in a personal computer in your home. Additionally, I am not storing equipment of any kind. I bring up some materials on an infrequent basis to repair a machine, etc. Further, I do not receive any parts on the land. I currently receive parts at my other address where I spend most of my time.

4) I do not conduct business meetings on my land, or ever. I do not have business meetings because I do this for fun, and do not work with anyone besides my friend of 20 years.

Additionally, as specified in the "Commercial Enterprise Rule" of the 9MR HOA:

More specific 'filtering' of this judgment for acceptable commercial activity would be as follows:

a) A business proposed that manufactures a product inside a residential-sized structure.

*I do not manufacture a product, but my "business" certainly is entirely contained within a *very* small structure (a 20'x10' shed), as my neighbors (see Rick Lewis) can attest.*

b) The noise level generated is the same as or less than any typical residential or recreational activity commensurate with the provisions of the uses in the CCRs.

I currently generate almost no audible noise apart from the low hum of the electrical transformer, which can only be heard when close to my driveway on Horse Trail Road. I also plan to move the "operations" further from the road, which will reduce this further.

c) The business activity does not impact the wildlife any more than typical residential/recreational activity allowed under the CCRs.

There is no impact on wildlife whatsoever. I have video footage to prove this, as I have cameras on all four sides of the shed, and regularly enjoy the videos of the coyotes, deer, hummingbirds, and various other animals I have caught wandering around my property night and day.

d) The auto traffic level generated by the business activity is the same or less than typical residential/recreational activity allowed or expected under the CCRs.

Again, there have never been more than 3 cars on my property (not including when I was having work done on the land) at once, and there are usually 1 or less cars at a time there. The only people who will ever tinker with this "operation" is myself and my best friend, so at most the "business" will only draw 2 cars to the land.

I hope this lays out the situation adequately, and I submit this to you for guidance and approval, in hopes to reduce any problems having this "unapproved" situation on my land may create."

Motion made by Rick Lewis for the BOD to provide Ryan Man a letter of determination that this activity is not a commercial enterprise as defined under the HOA's commercial enterprise rule. Seconded by Brett Coffman. During discussion Ryan further explained these points. Rick Lewis, a close neighbor of Ryan's commented that there is only a very slight audible hum from the transformer outside of Ryan's shed. Pam Lewis asked about heat production from the activity, specifically can it be a fire hazard to the surrounding environment. Ryan stated that his computers do put off heat, but the shed temp has not been over about 120F. Ryan has remote temperature monitoring and the computers will either shut down automatically or they can be shut down remotely in an overheating situation. The shed has a perimeter of up to 100ft of non combustible gravel that would mitigate fire spread. Pam asked if Ryan had liability insurance to cover the cost of damage to neighboring property should his shed cause a fire. Ryan surmised that his insurance policy likely did not cover that liability. Motion passed with 6 yes and one no. (Ryan recused himself from voting.)

New business. Drew questioned whether the website should be updated to show the new BOD positions as "interim" until after the first post Annual Meeting BOD meeting. After discussion the BOD agreed the positions should be labeled as "interim" on the website.

Meeting adjourned at 4:58PM.