

Reserve Study Statement/Report Accompanying the 2024/2025 Budget

Per RCW 64.38.025(4)(a-g) and 64.38.070 the information in this Report is required to be given to members each year along with the proposed annual budget.

If you have any questions pertaining to this content, please contact the board of directors at BOD@9mileranchhoa.org.

RCW64.38 requires HOAs to annually estimate and publish the anticipated costs for expense items that are *not* included in the regular annual budget because such expenses are infrequent and impractical to include in the annual budget; they are referred to in the state law as “Reserve Components”. Items of this nature for our HOA are items like one-time road improvements planned/desired for the future, like improving short road sections that are currently too rough to accommodate reasonable winter snow plowing upon (referred to as “no-plow road sections” further down below). Such improvement items like that are critical because our HOA is required by our governing documents to provide all Lot Owners with year-round access. Without performing the improvements the HOA is failing to meet CCR requirements denying some Lot Owners the access they are entitled to. This liability opens the HOA up to the threat of costly legal action and remediation.

Twice in the last 4 years the Board of Directors has offered a vote to the membership to raise funds for these Reserve Components, and both times the membership voted them down. Even though the membership voted not to fund such items the HOA still has a legal liability to implement at least some of the improvements, so the Board of Directors is necessarily left with using its ‘tool’ of raising the annual assessment rate of up to 10% in order to start working on the required improvements. So in the January 27, 2024 Board of Directors meeting the Board moved to raise the annual assessment rate 10%, applicable as of fiscal year 2024/2025, in order to primarily deal with the improvement obligations.

The last comprehensive analysis and pricing of **all** proposed long-term road improvements was conducted in 2021 and can be seen on the 9mileranchhoa.org website under “Reports” > “Other Reports” > “2021 Reserve Components” (see Section II in the report). That report, at Section II, includes a handful of items involving the “no-plow road sections” mentioned above; those sections are what the Board intends to prioritize working on with the coming 10% assessment rate increase. In the coming months the Road Committee will be updating pricing/analysis of those road sections and bringing that info to the Board for their consideration and consent to move forward with in due course.

Also, here are some additional points of information and summaries that state law requires the BOD make available to the membership:

- On March 2, 2024 the Board resolved to dedicate \$5196.00 to go toward Reserve Components; \$3150.00 came from a CCR violation fine that was recently collected, and the remaining \$2046.00 came from unused plowing funds from years 2019 – 2023 as a result of not plowing the “no-plow road sections”.
- At this point there are no other special assessments planned to be brought for a membership vote.