



PO Box 332
Oroville, WA 98844
9mileranchhoa.org

Welcome to Nine Mile Ranch Board of Directors

June 1, 2024

Welcome to the Board of Directors for our HOA. You are now a fiduciary of Nine Mile Ranch; *fiduciaries are legally bound to put their members best interests ahead of their own*. This letter is to assist you in understanding how the management of our HOA and the BOD is set up, at this time, to conduct business.

Our HOA is guided by our Bylaws, CCRs, state law RCW 64.38 and sometimes RCW 24.03.

The three main considerations for the BOD:

1. Financial/Budget
2. Road Maintenance/Management
3. Architectural Control Committee (ACC) – Compliance/Enforcement

1. Financial/Budget

There is a Fiscal Management Policy that all new directors are required to read. You can find that on the website under “policies”.

In a nut shell, our HOA has accumulated over 20 years of financial data. In 2021 this data was analyzed to create an initial understanding of what it truly costs for our HOA to stay solvent, which in turn tells us how much the annual assessment “should” be to cover yearly expenditures.

This study also assists in creating the annual budgets. Other than exact costs, like insurance, the expenditures in the budget are based on historical averaging overlaid with some common sense and knowledge. Using a monthly financial report which shows budget vs actual, the Board is able to monitor expenditures throughout the year knowing that as long as we spend funds similar to historical standard/habit then costs will average out year-to-year. The averages are updated and reevaluated every 3 years recalculating the averages and incorporating increases in costs and inflation.

The HOA’s biggest expenditure is road maintenance. The cost of road maintenance is weather driven which in turn creates some unpredictability in having exact figures for a budget. Example winter maintenance (snowplowing and sanding) costs will depend on the amount of snow and temperature variation during a winter. Using historical averages and common sense helps us to arrive at the most accurate budgeted costs. It all averages out as we have some winters with less winter maintenance required and some winters that require more.

Budgeted Road Gravel expense is a set amount, meaning the budgeted figure is not based on averages. This figure is based on information obtained from the past as well as based on major institutional studies for dirt roads incorporating wear/traffic. The goal is to install the amount of budgeted gravel every year, not to ever use those funds for other expenditures.

Three monthly financial reports are provided to the Board to assist in management. One report is a spreadsheet showing a comparison of current budget to actual cost-to-date for the fiscal year. The second report is the Accounts Receivable current status. The third report is monthly reconciliation of all bank accounts, plus copies of all cleared checks and supporting invoices.

Annual budgets are approved by the Board by April 1st and ratified by the membership at the annual meeting.

Note that our HOA's fiscal year is from June 1st through May 31st.

2. Road Maintenance Management

Our HOA has a road committee. Starting in the spring, the committee drives the roads to assess road conditions after winter. The road committee then presents a report of their findings, which includes all suggested work to be done and estimated costs of said work. This report is sent out to the BOD prior to a spring BOD meeting for questions, dialog or any changes. The BOD then makes a motion to approve expenditure and start spring road work. The report is also posted on our website for the members.

Weather can affect the roads throughout the year. It is not unheard of for occasional additional motions for road maintenance expenditures at meetings or in between meetings for unexpected road repairs that need approval from the Board.

Vendor and product availability often affects the amount of scheduled work and when/whether the work gets completed during the current road work season.

3. ACC – CCR Enforcement

Our HOA has an ACC committee that is very active with submissions for approval and working with members who are violating the CCRs. The committee uses the CCRs, as well as county and state laws, as parameters for decisions made.

Our ACC Chair reports at every BOD meeting regarding current activity. Board approval may be needed for some actions.

There are additional rules/policies adopted by the Board for enforcement which incorporates fines. You can read this on the website under “ACC”, “Enforcement Rules and Fine Schedule” and “Enforcement Guidelines and Procedures”.

Additional Information

At times the Board will vote to use the HOA's corporate attorney. HOA's are legal entities with a legal contract = our CCRs and Bylaws. Having legal counsel is important and a must at times. You are not expected to be an attorney but the Board needs to make decisions that are legally correct.

Reading Washington state law for HOA's would serve you in understanding HOA's and assist you in making decisions; RCW 64.38 which can be found on the internet or our website under “CCR's & Legal”. Reading and re-reading our governing documents will assist in you being an informed Board member.

Per state RCW's no motions by the Board for actions taken can be made outside of a meeting. The concept is transparency to the membership. This allows for motions, discussion and voting to be conducted in a meeting where members can witness Board actions. There are times where a motion needs to be taken within a time frame between meetings or when a meeting cannot be held. The Bylaws allow email motions to be made, although the motion cannot pass unless the BOD's vote is unanimous. Email motions are then read into the following Board meeting minutes. Note that this law also does not allow BOD email dialog other than for a formal proposed unanimous-consent motion. This is not a perfect science, but the BOD seeks to follow this procedure. Think transparency.

As a result of the above-mentioned restriction the law allows that Board committees can communicate and do work outside of meetings and in email; this is how some HOA work is accomplished. Our HOA currently has several standing committees: Financial, Road, ACC, Legal, Voting Ballot, Admin and Reserve Study. There are times a new temporary (ad hoc) committee is formed to address a particular issue. Committees can dialog in email. They will research an issue and present a report to the BOD at the next meeting giving the BOD suggested actions to be taken. For the most part, the BOD is included in committee email dialog for viewing only, for knowledge of what is going on. Board members, unless on the committee, are not allowed to engage in committee dialog except for asking for or providing pertinent facts or information.

You can find other reports, financial information and other policies/rules that have been adopted on the website. More reading...but will help educate you as a Board member.

Some Board members will set up a designated email address strictly for HOA Board business.

Roberts Rules are policy for running all HOA meetings.

Below is a rough BOD meeting schedule. It will help you see some of the flow of yearly work.

Standard Board of Directors Yearly Meeting Schedule

End of January:

- Discussion on first draft of budget for upcoming fiscal year.
- Approval of 'solicitation of candidates' letter to be sent to membership on March 1st.
- Discussion and approval of any other items, beyond the yearly votes for BOD members and a vote to waive the audit, for membership ballot vote.
- Start discussion/process for annual meeting and annual mailing to membership.

Mid March/beginning of April:

- General road and spray expenditures motion for spring work/repairs.
- Approval of budget for upcoming year.
- Either final approval of upcoming mailings content or approval to approve through email.
- Confirm annual meeting details: Time, place, who counts ballots, etc.

3rd Saturday in June:

- Annual Membership Meeting and counting of ballots.

July:

- Elect officers.
- Reaffirm committees and committee members.
- Motion to start process of audit if vote to waive failed.
- Discussion for completion of process of any other vote issue passed.
- Road expenditure motion for summer road work, especially new gravel placement.
- Set new dates for upcoming BOD meetings.

October:

- Approve snow plow contract.
- Secure snowplow coordinator.
- Create committee to start process of fall newsletter mailing to membership,