

**MINUTES OF BOARD MEETING  
NINE MILE RANCH HOME OWNER'S ASSOCIATION  
MAY 7, 2011**

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**DIRECTORS PRESENT:** Jess Wright, President; Don Coffman, V.P; Linda Ritter, Secretary; Dan Vanover, Treasurer  
Carol Sanderson

**DIRECTORS ABSENT:** Gary McNaulty, ACC

**ALSO PRESENT:** Don Dickson, ACC Member

**AUDIENCE PRESENT;** (7) members of the Nine Mile Ranch Home Owner's Association were present including Edwin Bewsaw, E. Hunt, J. Chapman, J. Thompson, J. Jeter, D. Karaffa

**RECORDED BY:** Linda Ritter, Secretary

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President, Jess Wright, called the meeting to order at 2:00 PM and welcomed all members and audience participants. The meeting was held at YoYo's restaurant in Oroville, WA.

A quorum of Board members was present.

Jess Wright gave the introductory comments.

Jess presented the Consent Agenda for all board actions taken since the last formal meeting on April 24, 2010 with a **motion to approve**. Motion was seconded by Carol Sanderson and motion passed by unanimous vote.

**Treasurer Report:**

Dan Vanover gave the Treasurer's report which indicated:

.....Total Bank Balance:	\$ 78,505.01
.....Checks outstanding: #1062 Tim's Enterprises 5/5/11	\$ <u>9,181.40</u>
Bank Balance:.....	\$ 69,323.61

**Treasurer Report: (continued)**

Dan stated that we had additional roadwork this year and spent more than normal. We spent \$9,500 in snow plowing this year.

We need to develop a new budget for 2012. A proposed handout was given to members for changes/additions, etc. We did good in spending but we need to determine what level we want to be enforcing for 2012 as our income hasn't changed. The completed budget for 2012-13 needs to go out before the end of the month in the mailing for the annual meeting.

The Road Maintenance was in question only in the proposed budget lowering the Repair and Maintenance budget figures and increasing the snow plowing budget as well as the weed spray.

In group discussion it was suggested the weed spray would be increased to \$12,000 and the snow plowing budget would be around \$9,500 and the Repair and maintenance will drop down to \$18,000. Interest income will be about \$500-900 per Dan. Dan has the guidance he needs and will make the necessary adjustments to a budget balance.

**Road Report:**

Eldon was congratulated by Jess and the Board for a job well done on the road system.

Don states the sander we now have only could have the very fine sand..we will be doing a 5/8's crush rock (fractured rock) and this will absorb more heat. We will stock pile it and have about 40 yards on hand. This will simplify Tim's work. He can't keep the sander full..if sand is left in there, it will freeze up and then he has to find a place to thaw it out...so it's important to keep the moisture out of it..

Tim got a 12ft rake and is doing a marvelous job. It has helped in cleaning the shoulders of the road ways. This gives us a better surface filling back onto the road system. Don feels we have most of the weeds taken care of. The ditches will be taken care of for the broadleaf.

**Road Report: (continued)**

There were only four calls of 'request for sanding' and this was a very good record.

Requests next year may have to wait a couple of days. We need to send Tim out for a days work instead of just an hour or two several times a week in keeping expenses down.

Don believes our roads are about 14 years old and for this age, they look pretty good.

Pruning trees and culverts have been an expense in the past. We have 107 culverts in total. If we or anyone notices wash-ins or debris, give Don a call.

There are several ditches still to go in cleaning and will be done as soon as they can be

Mallard Road was widened and in need of ditches as money allows in upgrading this situation.

In years past, the work has been done in an emergency manner and this time, Don is hoping to look ahead in fixing the repairs in good timing.

Tim's invoice needs a few things added on Don's list per Jess. Jess states that there are a number of areas needing work and prioritizing these needs will take place.

**ACC Report:**

It's been very quiet per Bob Dickson. We need to get the word out on the rules of HOA in whatever add-ons or building of any sort need to be run thru ACC for approval. The real estate has been good in the delivery of the HOA but individuals selling don't always tell the buyer what to expect. Everyone in the HOA needs to become more proactive.

**Old Business:**

None

**New Business:**

Linda's remarks...

- a. Please CC HOA correspondence done to the Secretary. [lindaritter46@msn.com](mailto:lindaritter46@msn.com) making sure you list HOA in the subject line.
- b. As we communicate via e-mail, each motion made, please mark 'MOTION' on your subject line if you are the one making the motion. This will enhance the finding of motions when needed swiftly or creating the Consent Agenda for next year.
- c. New collection ideas will be implemented and hopefully we can start collecting on our past due balances of over \$17,000. Linda will begin the process after the new invoices go out and they become past due on top of what is owed by the property owner. (This way it will save time when filing liens)

Jess comments on collections...We have to do something about this. It's getting increasingly terrible due to our economy.

Jess also states that we haven't had a raise in assessments since 2005. He would like to request our assessment charge be increased to \$175 a year from now in June, 2012. A plan will be done to show where the money will go.

Carol states that we shouldn't increase our fee a month but rather, we should work on the late assessments that would increase that month's increase of next year. This will be discussed later and put into full motion, etc. per Jess.

Dan states we may have to go to \$200 for the Lien charge to the lot owner and send correspondence/invoices by registered envelope to these serious accounts. A Title Summary Report will be needed as well to find these people in contacting them. **MOTION:** Move to increase the lien fee of \$200 to the lot owner seriously past due by Dan. Second by Jess...Carried.

**Announcements:**

The annual meeting will be at Yo-Yo's this year as the Museum didn't want to tear down the exhibits. July 2<sup>nd</sup> at 10:00 AM.

**Adjournment**

The meeting was adjourned at 3:05 p.m.  
Respectfully submitted,  
Linda Ritter, Secretary

**Linda Ritter**

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**From:** "Linda Ritter" <lindaritter46@msn.com>  
**To:** "Jess Wright" <bluegrous@yahoo.com>; "Don Coffman" <dm.coffman@yahoo.com>; "Gary McNulty" <gmc3170@earthlink.net>; "Carol Sanderson" <carolsanderson@hotmail.com>; "Dan Vanover" <DVanoverwa@msn.com>  
**Sent:** Monday, March 14, 2011 4:45 PM  
**Subject:** Amendment to the Budget

Hi everyone...

The amendment to the budget from Dan has passed. (Funding for the website was not included in previous budget submitted and this amendment would allocate a maximum of \$350 for hosting and domain registration)

I did not see a second to Dan's motion and therefore I will make that second to his motion. All carried by an 'all' yes vote.

Thanks,  
Linda

**Linda Ritter**

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**From:** "DAN VANOVER" <dvanoverwa@msn.com>  
**To:** "Carol Sanderson" <carolsanderson@hotmail.com>; "Don Coffman" <dm.coffman@yahoo.com>;  
"Gary McNulty" <gmc3170@earthlink.net>; "Jess Wright" <bluegrous@yahoo.com>; "Linda Ritter"  
<lindaritter46@msn.com>  
**Sent:** Friday, March 11, 2011 4:18 PM  
**Subject:** Budget Amendment

Hi All,

I was going through the books and preparing to update the web site when I realized that I had an oversight in this years budget. I did not include the web site in the budget. To correct my mistake, I move that the budget be amended to allocate a maximum of \$350.00 for web site hosting and domain registration. I would appreciate a second and everyones vote so that we can make this proper.

Thanks, Dan

## **Consent Agenda**

**The consent agenda constitutes formal approval** of all Board actions taken since the last formal meeting on April 24, 2010. The actions and motions are listed below:

1. Approval of April 24, 2010 Board Minutes
2. Motion for election of officers. August 30, 2010
3. Motion to purchase a new Lexmark printer for BOD. Sept 17, 2010
4. Approval of snow plow contract for the season of 2010/2011.
5. Motion to advance Tim \$2,000.00 against his contract for his sanding box/spreader and used as a credit towards our snowplowing and sanding. 12-13-10
6. Motion to amend the budget of \$350 for website hosting & domain. 3-14-11
7. Motion to amend the budget of \$10,000.00 for roadwork as required and determined by the Road Manager. 3.23.11

All motions were seconded and passed by unanimous vote.

**Consent Agenda**  
**Regular Meeting NMRHOA BOD**  
**May 5, 2012**

The consent agenda constitutes formal approval of all Board actions taken since the last formal meeting on May 7, 2011. The actions and motions are listed below:

1. Move to **increase the lien fee of \$200** to the lot owner seriously past due by Dan. Second by Jess...**Carried.**
2. Move to accept the Minutes **of the BOD 5/7/11** as written by Linda Ritter Second by Jess. **Carried.**
3. Don Coffman made a motion to place a **locked device across the road by John Chapman's property (Division 7; Lot 5) for a short period of time from September 15<sup>th</sup> through November 10<sup>th</sup> during hunting season.** If there is snow, the locked device comes down. The motion was second by President Jess Wright. (This motion took place during the Annual Meeting in the Senior Center 7-2-11) **Carried.**
4. Motion to **elect NMRHOA board officers.** I Jess Wright move the board retains the officer and committee positions as presently constituted for 2011 - 2012. Second by Gary McNulty. **Carried.**
5. I move we **accept the minutes** as written herein. Jess Wright (Annual Meeting 7-2-11) **Carried.**
6. I, Jess Wright move the **board authorize signing of this year's snow plow contract with Tim's Enterprise.** The contract is identical with last years contract except for the date. (October 10, 2011) Second by Linda Ritter. **Carried**

7. I, Jess Wright move that the board authorize the addition of **Don Coffman to our Wells Fargo checking account signature list.** Second by Linda Ritter. **Carried.**

8. I Jess Wright, move the **board of directors direct the treasurer to implement an increase in annual assessment of \$15 to a total assessment of \$175 effective with the 2012 annual billing.** Second by Linda Ritter. **Carried.**

9. Dan moves in light of the continued weak economy, and the additional costs that would be incurred as a result of exceeding the \$50,000 annual assessment amount, he moves that **we rescind the previously approved increase in the annual assessment and continue at the previous amount of \$160.00 per lot.** Motion second and **carried.**

10. I move that the Nine Mile Ranch Association Board **approve the Nine Mile Ranch HOA Policy 2012-1 Maintenance of Reserve Funds" as noted/presented** hereto by Carol. Second by Dan. **Carried.**

**All motions were seconded and passed by unanimous vote.**  
**Text of meeting minutes and financial statements are available on the web site at <http://www.ninemileranchhoa.com>.**

**Respectfully submitted,**  
**Linda Ritter**

Nine Mile Ranch Home Owners Association

Special Board Meeting Minutes

9-29-13 1pm

PRESENT: Dan Vanover, Don Coffman, Jess Wright, Linda Ritter, Bob Dickson

Guests: Eldon Hunt, Ken Burch

A special Board meeting was called to order at President Jess Wright's residence at 1pm for the purpose of discussing a plan for the long term future of our road system on Nine Mile Ranch. The members discussed a multi-year project that would require membership approval of a special assessment.

Additional discussion generated ideas and/or policies to protect our roads and control costs. The costs of such a major undertaking were presented and attached here in.

Discussion followed and the question was asked whether or not this project is cost effective and the consensus was, 'no.' Our roads are twenty-years-old and our road system never got sub-base and a 6-8" base of gravel in the beginning. Suggestions of starting a project in assigned areas first, starting with the heaviest and most needy traveled roads were given. More discussion to take place on this at a later date. Comments were made that the total price for the project was unaffordable for many of the property owners. This project was tabled until further investigation has taken place. It was agreed that the present road program is doing an excellent job.

**WEED CONTROL:**

Every other year Sahara is sprayed from edge to ditch edge. This summer some encroachment took place because of the dampness. The last written documentation on how to treat our ditches was in 2005 referring back to the Policy set in 2001: "Ditches." Leave grass in them for erosion reduction. The Broadleaf spray is used each summer as required.

Sahara will not kill growing weeds, it kills seeds in the soil. Perhaps mix Round Up in the Sahara? Fall is the best time to do this. The generic for Round Up can be found at Big R in Omak.

It was the consensus that there be short grass not tall grass at the sides of the roadway. Suggestions were made in finding a mechanical device to keep the grass mowed down. Liability came up as to who uses the mechanical device, such as a volunteer? We have to be careful not to have the metal blades with our fire hazard areas. Who will maintain this device? What would be the mowing cost and price per hour to run it? This portion was tabled. Jess was tasked to writing a draft weed policy for Board of Directors discussion and approval.

Special Board of Directors Meeting Minutes (continued)

9/29/13

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**Weed Control (Continued)**

Trespassing on other people's property without permission in pulling noxious weeds may not be permitted by other land owners. If the property owner sees noxious weeds, they are to contact the Okanogan County and they in turn will notify the property owner to make arrangements to take care of the noxious weeds. Protocol must be followed here for liability purposes.

**OWNER CAUSED ROAD DAMAGE:**

Discussion on whether or not to charge the property owner that has had contractor or personal damage done to NMR road system. Suggestions were made such as having the property owner pay an application fee while doing work and refundable on completion of an unharmed road system. The matter is tabled until further investigation can be done.

**OLD TRESSLE ROAD:**

Severe damage to the road system and C. Thompson's land area from the heavy rains and no grass cover to stop erosion. Required repairs are in process.

**SHOWALTER LETTER RECEIVED:**

Discussion regarding our road systems as being a fire break by Lloyd. NMR roads are NOT fire breaks as stated in the 2001 Minutes. Dan Vanover to write a letter to Showalter.

Meeting adjourned 3:35pm

Respectfully submitted,

Linda Ritter, Secretary

## Agenda

Special meeting Nine Mile Ranch HOA  
Board of Directors  
September 29, 2013 13:00 hrs  
139 Blue Grouse Rd.

Note: The purpose of this meeting is to discuss the various issues effecting our roads. This may result in project assignments and/ or motions on specific matters. The main purpose is to generate ideas and/or policies to protect our roads and control costs.

1. Road future plan and related costs.
2. Weed control and policy
3. Owner caused road damage.  
Charge for repair?
4. Old Trestle Rd. Status and plan
5. Showalter letter Comments and action plan.

# Nine Mile Ranch Home Owners Association

## Consent Agenda

2012-2013

5.5.12 **A motion** was made by Jess to accept the Consent Agenda for 2011/2012. Second by Dan Vanover. Carried.

May 21, 2012.... **Motion** by Gary McNulty to accept the Minutes of May 5, 2012 Business Meeting at the Sr. Center. Second by Carol. Carried.

March 31, 2012.....

The relevant portion of RCW 64.38.045 reads as follows:  
(3) At least annually, the association shall prepare, or cause to be prepared, a financial statement of the association. The financial statements of associations with annual assessments of fifty thousand dollars or more shall be audited at least annually by an independent certified public accountant, but the audit may be waived if sixty-seven percent of the votes cast by owners, in person or by proxy, at a meeting of the association at which a quorum is present, vote each year to waive the audit.

Our annual assessment for FY2011 at \$160.00 per lot were \$47,200. The new assessment of \$175.00 per lot would bring our total to \$51,625 which would trigger the annual audit requirement by a certified public accountant. If this provision is triggered, we will need to transfer all accounting functions to an accountant as I am not qualified nor will I accept the responsibility or liability for insuring that all funds are reported in a method acceptable to the state. I can state with complete confidence that NO money has been misappropriated and all money has been spent in accordance with our published budget. experience tells me that this is probably not adequate for a full audit. I would guess that this service would cost us \$5000 - \$8000 per year which would make the proposed increase counter productive. It would take 2-3 years with 10% increases before we would see any positive effect on our budget. In this economy I don't believe that the membership would sit still for increases every year for the next several years.

Dan Vanover's **Motion to the Board** is as follows of 3-31-12 from above:

Therefore, in light of the continued weak economy, and the additional costs that would be incurred as a result of exceeding the \$50,000 annual assessment amount, I move that we rescind the previously approved increase in the annual assessment and continue at the previous amount of \$160.00 per lot. Carried.

April 12, 2012 **Motion to the Board** by Carol Sanderson that the Nine Mile Ranch Association Board approve the Nine Mile Ranch HOA Policy 2012-1 Maintenance of Reserve Funds" as noted/presented hereto. Carried

## Nine Mile Ranch HOA Policy 2012-1 Maintenance of Reserve Funds

### Background

The covenants require that the Board of Directors (BOD) maintain an emergency reserve fund. See ARTICLE IV Section 4. This requirement does not set any guide lines for the fund so historically the BOD has used their best judgement. During the formative years the BOD elected to defer road maintenance and a small fund was accrued. By the winter of 2004-05 the fund had grown to about \$20,000 . During the summer of 2005 the membership voted to increase the annual assessment to \$160 per lot. This provided an additional \$17,000 per year to be used for roads and reserve funding. At that time the BOD agreed to set an unofficial goal of \$50,000 for the reserve fund. By 2008 that goal was achieved, and the reserve fund has not dropped below \$50,000 since that time. The extra funding has also allowed several small road improvement projects in addition to the regular road maintenance. A relatively large reserve fund is required due to the nature of our steep and narrow roads. A large 100 year type storm could cause extensive damage that would require immediate repair. Our covenants provide for emergency assessments, but this requires a member vote followed by the collection process (ARTICLE IV Section 6). Clearly immediate funds are required, and the assessment process could be used to restore the fund, if necessary. The present funding and road maintenance process has resulted in continued overall road improvement each year, and a stable reserve fund.

### POLICY 2012-1 Nine Mile Ranch HOA Reserve Fund

It shall be the policy of the Nine Mile Ranch BOD to maintain a reserve fund equal to or greater than that years annual budget. The reserve fund shall be held in a FDIC insured or equally safe account. The BOD may access the reserve fund at their discretion, by a simple majority, to meet emergency needs of the HOA. It is the duty of the BOD to maintain the integrity of the reserve fund and to maintain the desired funding level to the best of their ability.

**Nine Mile Ranch Home Owners Association  
Regular Meeting/Board of Directors  
Saturday, April 27, 2013  
2:00 PM**

**AGENDA**

- 1. Call to order and Introduction**
- 2. Treasurer's Report**
  - a. Balance Sheet**
  - b. Collections**
- 3. ACC Report**
- 4. Road Report**
- 5. Old Business**
- 6. New Business**
- 7. Announcements**
  - a. Annual meeting will be June 29, 2013 2pm/Senior Center**
- 8. Adjournment**

Subject: 2013 Business Meeting Minutes  
From: Linda Ritter (lindaritter46@msn.com)  
To: bluegrouse@yahoo.com;  
Date: Tuesday, October 1, 2013 6:19 PM

**MINUTES OF BOARD MEETING  
NINE MILE RANCH HOME OWNER'S ASSOCIATION  
April 27, 2013**

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**DIRECTORS PRESENT: Jess Wright, President; Don Coffman, V.P; Linda Ritter, Secretary**

**DIRECTORS ABSENT: Gary McNaulty, ACC; Dan Vanover, Treasurer**

**ALSO ABSENT: Don Dickson, ACC Member, Gary McNulty, ACC**

**AUDIENCE PRESENT; (8) members of the Nine Mile Ranch Home Owner's Association were present.**

**RECORDED BY: Linda Ritter, Secretary**

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President, Jess Wright, called the meeting to order at 2:00 PM and welcomed all members and audience participants. The meeting was held at the Senior Center in Oroville, WA.

A quorum of Board members was present.

Jess Wright gave the introductory comments.

Jess presented the Consent Agenda for all board actions taken since the last formal meeting on April 24, 2012 with a **motion to approve**. Motion was seconded by Don Coffman and motion passed by unanimous vote.

**Treasurer Report:**

Jess Wright gave the Treasurer's report. Accounts Receivable was looking the best it has in years.

Jess stated that we had additional roadwork this year and spent more than normal due to our severe winter months but the finalized amount was within budget.

**Road Report:**

Eldon was congratulated by Jess and the Board for a job well done on the road system.

**ACC Report:**

Linda shared that we have a new owner coming that will occupy Division 7; Lot 45. They are in process of obtaining acceptance in an 800 square foot tee-pee to live in while building their home. This tee-pee will be completely insulated. The owner is an Elder in the Sioux tribe.

**Old Business:**

Tish & Jim suggested that we revisit a potluck each year for the annual meeting. Jess suggested that Tish and Jim take the project on.

Mallard Drive Signs were reminded of Don.

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**New Business:**

No new business.

**Announcements:**

The annual meeting will be at the Senior Center this year on Saturday, June 29<sup>th</sup> at 2pm.

**Adjournment**

The meeting was adjourned at 3:00 p.m.

Respectfully submitted,  
Linda Ritter, Secretary

# Nine Mile Ranch Home Owners Association

## Consent Agenda

2012-2013

5.5.12 **A motion** was made by Jess to accept the Consent Agenda for 2011/2012. Second by Dan Vanover. Carried.

May 21, 2012.... **Motion** by Gary McNulty to accept the Minutes of May 5, 2012 Business Meeting at the Sr. Center. Second by Carol. Carried.

March 31, 2012.....

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Dan Vanover's **Motion to the Board** is as follows of 3-31-12 from above:

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April 12, 2012 **Motion to the Board** by Carol Sanderson that the Nine Mile Ranch Association Board approve the Nine Mile Ranch HOA Policy 2012-1 Maintenance of Reserve Funds" as noted/presented hereto. Carried

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### Background

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**Nine Mile Ranch Home Owner's Association  
Business Meeting  
May 5, 2012  
Senior Citizens Bldg.**

Meeting called to order by President Jess Wright.

**Board Members Present:**

Jess Wright  
Don Coffman  
Linda Ritter  
Dan Vanover  
Gary McNulty

Bob Dickson, ACC Member present

**Quorum in place**

**Property owners present** were John Chapman, Pat & Helen Farley, Rod Ritter, Mr. & Mrs. Opel. Out of 298 property owners, six owners were present.

**Announcements:**

The June 30, 2012 Annual meeting of NMRHOA will take place at 3:30pm (Saturday) at the Senior Center.

The summer letter and 2013 Budget will be mailed out before the end of this month.

The Annual Meeting announcement will be enclosed with the summer letter and 2013 budget.

**Consent Agenda:**

A motion was made by Jess to accept the Consent Agenda for 2011/2012. Second by Dan Vanover. Carried.

**Treasurer Report:**

Dan stated the HOA is \$7,000 below budget with outstanding bills, we should break even.

We have \$76,870 in cash (\$50,000 of this cash is in a reserved fund)

We will have an increase of \$30 per year for our quick book charges on the web.

HOA has done very well this year with the budget achieved and would like to suggest that we readopt the same budget for next year, 2013.

Dan would like to create a Capital Expense fund for major projects. The ending balance of each year would go into this fund. Hopefully, around \$20,000 could go into this fund this year.

Our saving account monies are in a CD of \$50,000 as our reserve fund.

**Policy:**

We will insert a new policy into the website and thereafter any new policies will be administered into The website.

**NMRHOA Business Meeting  
May 5, 2012 Senior Center  
Page 2**

**ACC:**

Many applications have come through the mail for decks, fences, driveways, pads, all is well.

**ROAD REPORT:**

Don explained how the funds for Roads should be separated into another category. This would be for the Capital Improvements. Capital Improvements would be the long-term/permanent projects needed such as culverts and cleaning the ditches. This year we will concentrate on new culverts to allow road widening and reduce washouts.

A trail camera was temporarily installed to get an idea of the vehicles traveled on the major roads in 9-mile daily. This will allow for planning budget on gravel fill, etc. It was counted in a days' time, 15-22 vehicles daily came through the major gate on West Corral Drive. With nine permanent residents on Division 7 and Division 8, it was suggested 5/8" rock be used in the center of the road to provide for greater traffic.

**OLD BUSINESS:**

Jess mentioned the 'No Trespassing' signs that were approved last year have not been done as of yet. We need to get those completed and up on the gates prior to hunting seasons upcoming.

Jess and Don have expressed that if you do not lock the main entrance gates, **DON'T COMPLAIN!** Keep all gates closed during the hunting seasons. Close those gates! We have ten entrances and three gates. They are easements.

**NEW BUSINESS:**

None.

No other business. Meeting adjourned by President, Jess Wright.

Respectfully submitted,  
Linda Ritter, Secretary  
NMRHOA/ Board of Directors

**MINUTES OF BOARD MEETING**  
**NINE MILE RANCH OME OWNER'S ASSOCIATION**

**April 26, 2014**

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DIRECTOR'S PRESENT: Jess Wright, Don Coffman, Linda Ritter, Gary McNulty, Bob Dickson, Ken Burch

DIRECTOR'S ABSENT: Dan Vanover

AUDIENCE PRESENT: Kathleen & John Chapman, Peggy McNulty, Rod Ritter

RECORDED BY: Linda Ritter

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President Jess Wright, called the meeting to order at 2:15pm and welcomed all members and audience participants. The meeting was held at the Adventist Church as an emergency because of the storm and a no show/nor contact achieved by phone to Senior Center rep.

A quorum of Board members was present.

Jess Wright gave the introductory comments.

Jess presented the Consent Agenda for all Board action taken since the last formal meeting on April 27, 2013 with a motion to approve by Don and second by Gary. Carried.

**Treasurer Report:**

Jess gave the Treasurer's report. Accounts Receivable was in great shape.

Money was taken out of reserve for future road work and will be repaid when our Accounts Receivable start flowing in. We will be maintaining a minimum of road work.

**Road Work:**

Our roads look good beyond raking.

Minutes of Board Meeting

April 26, 2014

Page 2 Continued

**ACC Report:**

Only a couple of applications have come through with several questions and answered.

**Old Business:**

A few controversies took place last year. Pictures were taken of interest and has been resolved.

**New Business:**

Canadian monies received in Accounts Receivable has always carried a service charge of \$5 to deposit their checks into our bank and if the property owner has not marked USD on the check, the Canadian exchange is deducted from what HOA has billed out. New invoices going out this year will have the \$5 service charge added onto the billing. For those Canadians wishing to pay in Canadian monies, a 0.88 Canadian exchange will be prorated on the invoice as well as the service charge of \$5 for their convenience. The total will be \$187.50 . Usually they have to stand in very long lines at their banks to have US monies converted to pay their bills.

**Announcements:**

Our next meeting will be on Saturday, June 28<sup>th</sup>. The location will be announced.

**Adjournment:**

The meeting was adjourned at 3pm.

Respectfully submitted,

Linda Ritter, Secretary

NINE MILE RANCH CONSENT AGENDA

2013 - 2014

April 27, 2013..... A motion was made by Jess to accept the Consent Agenda for 2012-2013. Second by Don. Carried.

May 16, 2013..... I (Jess) move the BOD accept the budget FY 2014 as presented by Dan. Second by Linda.

June 16, 2013..... I, Jess Wright, move the board accept the text as written and direct Dan to forward this message to Crandall by return email. Second by Linda. Carried. (Easement Grouse Rd.)

July 15, 2013.... I Jess Wright move that the Nine Mile Ranch BOD elect the same slate of officers and committee members that served in 2012-2013 for the 2013-14year. Second by Linda Ritter

October 11, 2013....I would move that the BOD approve the proposed weed policy by Dan Vanover. Second by Gary McNulty.

October 30, 2013... Regarding the minutes of the special called BOD meeting....I (Jess) move we approve the minutes as written. Second by Linda Ritter

November 14, 2013... Regarding the Letter of Engagement/Attorney  
I read the copy of the "engagement letter" and it appears to be pretty much standard.  
I (Gary McNulty) would make a motion to accept. Second by Bob Dickson.

December 23, 2013...Brother scanner/printer/fax for \$68 plus a \$5 cable that would allow Linda to scan and distribute communications from members in a timely manner without having to re-type them herself. I (Dan) would move that the board authorize this expenditure from our office supply budget.  
Second by Jess. Carried.

2.5.14 I (Jess) move that the BOD authorize Dan to proceed as outlined regarding Showalter case through Foster Pepper. Second by Bob Dickson. Carried.

Nine Mile Ranch HOA  
Board of Directors Meeting

July 15, 2016

Held at the home of Bob & Helen Dickson

In attendance:

Bob Dickson, Helen Dickson, Jim Jeter, Karen Durell, Pam Lewis, Gary Lewis, Gary McNulty, Ken Burch.

The meeting was called to order by acting President Bob Dickson.

Bob made a **motion** to nominate the new slate of officers as Jim Jeter – President; Karen Durell – Secretary; Pam Lewis – Treasurer; Gary Lewis, Road Manager. Motion was seconded.

- Individual votes were taken for each nominee and each nominee was **approved**.
  - New President Jim Jeter will meet with our bank to sign documents to authorize him as a signer on our accounts.
- Gary McNulty and Bob Dickson have agreed to continue to serve on the ACC committee.
- President Jeter stated we still need a Vice President and General Board members.
  - Ken Burch agreed to run for Vice President.

President Jeter made a **motion** to nominate Ken Burch as Vice President. Motion was seconded and **approved**.

Gary Lewis announced there would be a Road Committee meeting at his house on July 21 and that anyone could attend.

There being no further business, the meeting was adjourned.

Respectfully Submitted,

Karen Durell

Secretary

NINE MILE RANCH HOA BOARD OF DIRECTORS MEETING

November 1, 2017

Held at the home of Jim Jeter

**In attendance:**

Board members - Dan Vanover, Ken Burch, Pam Lewis, Gary Lewis, Karen Durell, Jim Jeter, Bob Dickson, Kirk Johnson, Gary McNulty.

Guest – Jess Wright

The meeting was called to order by President Dan Vanover.

**Financial Report:**

Treasurer Pam Lewis read and distributed the financial report. See attached.

Dues Collection report: Linda Ritter has begun working on contacting members whose dues are in arrears. She has successfully collected approximately \$1500 to date.

**Old Business:**

Road Maintenance Summary:

Gary Lewis reports that Pine Bluff Rd has been raked and a couple of loads of gravel brought in. Old Tressle work has already been approved and work will begin soon. Upper 8 has not been completed but is scheduled. All Ditching and culvert cleaning has been completed. A printed copy of remaining work to be prioritized and completed will be given to Tim Roberts.

A motion to provide raking and gravel for Crest Dr will be forthcoming.

Weed Spraying:

There is concern that weed spraying has not been adequate. A discussion on future weed spraying included a recommendation to solicit bids from at least 3 companies.

**New Business:**

2017-18 Snow Plowing:

Kirk Johnson will continue as Div 2 & 5 Coordinator. Dan Vanover will continue as 7 & 8 Coordinator. Gary McNulty will coordinate for Div 6. It is unsure if Bob Ashmore will continue for Div 1, 4 & 3. Kirk Johnson will contact him and report on his status.

There was discussion on increasing the plowing on highly traveled roads to minimize the damage from spring runoff and to ensure safer travel.

A **motion** was made by Dan Vanover to plow Pine Bluff, Mallard, Sunset Ridge, Crest , Wagon Wheel and Point Dr at 3". Roads with little traffic use will be decreased to 5". All others will remain at the current 4". **Motion seconded and approved.**

**Snow Plow Contract:**

Tim Roberts will be raising rates. He will meet with Pam Lewis to amend the contract and it will be presented to the Board.

**Sign on Pine Bluff:**

The Nine Mile Ranch sign at the entrance to Pine Bluff is rotting and may be in danger of falling. There was discussion regarding the best way to remove the sign and the need to coordinate with Tom Rice, whose cattle guard would have to be taken into consideration. Dan Vanover will contact Mr. Rice.

**Thompson Tree Removal Request:**

There was discussion on Easement vs. Right of Way responsibility. The tree looks to be on the line of our easement. The HOA does not own the tree and our responsibility is only to remove it if it falls on the roadway. A letter will be drafted to inform Mr. Thompson.

**Audit:**

A RFP for CPA's bid on State required audit should dues be raised is being drafted by Dan Vanover. This information will be crucial to draft any future raise in HOA dues and to budget correctly for costs associated with the required audit.

**Raise in HOA Dues:**

Any raise in dues that requires a membership vote is problematic. Efforts in the past have shown that it is difficult to get the required number of votes to pass such an initiative due to indifference by members, particularly absentee owners. Possible solutions included sending the proposal to raise dues with the yearly invoice and include a pre-paid postage envelope to return the vote. Another solution was to explore contracting with a company to do the proxy vote via internet voting.

**Other Business:**

Ken Burch and Jim Jeter will be unavailable for future meetings. Ken goes south for the winter and will not return until spring. Jim will be out of the country and will not return home until January.

There being no other business the meeting was adjourned.

Respectfully submitted,

Karen Durell, Secretary

**MINUTES BOD MEETING  
NINE MILE RANCH HOA**

July 18 2017

**ATTENDEES:** Ken Burch, VP. and Acting Pres.; Jim Jeter, Kirk Johnson, Bob Dickson, Pam Lewis, Gary Lewis, Dan Vanover.

Ken Burch called the meeting to order at approximately 5:15 pm.

A quorum of Board Members were present.

Ken Burch nominated Dan Vanover as President

By a show of hands Dan Vanover was elected unanimously

Kirk Johnson made a motion to request proposals from local accounting firms, to find scope and costs for a future assessment increase, audit.

Dan Vanover will prepare a draft of a request letter for Board comment.

**TREASURER'S REPORT:** Balance of accounts File was released to the BOD by email 07/17/2017

**ROAD REPORT:** Gary Lewis reported a recent road survey to ascertain additional volumes' of fill and gravel. An estimate of volumes' was released.

**ACC REPORT:** Bob Dickson reported no ACC activity since the recent Annual Meeting.

**NEW BUSINESS:** A discussion of weed spraying strategy took place.  
Before any additional gravel is ordered it was decided that volumes' would be confirmed.

It was decided to update the Lien List.

The Late Payment of Dues Letter will go out Aug. 15, 2017.

**ADJOURNMENT :** The BOD Meeting was adjourned at 6:15 pm.

STATEMENT OF ACTS AND CORPORATE AFFAIRS

DATE	ACTION
7/15/16	BOD Mtg – Officers elected: Jim Jeter – President, Ken Burch – Vice President, Gary Lewis – Road Manager, Karen Durell – Secretary, Pam Lewis – Treasurer.
9/17/16	Ron Hesse letter notified Bob of situation of Div. 7, Lot 5. Property is owned by Mr. Zilfi of American Dream Lands – assessment billed accordingly.
10/4/16	Bob Dickson suggested any Board Member who emails outside recipients (on Board business or questions) should copy to the whole BOD to reduce confusion. Agreed to adopt as policy.
1/10/17	Kirk Johnson application to volunteer to join the BOD. Supported by all responding BOD members and forwarded to Lynn Barnett for consideration.
3/22/17	Kirk Johnson initiates info on his motion to raise the HOA assessment @10% yearly for 4 years. Seconded by Ken Burch.
4/9/17	Kirk Johnson letter to BOD on his thoughts and questions on spring road repair budget.
4/13/17	Kirk Johnson arranged for use of the Oroville Senior Center for the membership meeting on June 24, 2017 @ 1:00pm.
4/17/17	Notice of Road Mtg on 4/22/2017 and request for BOD members to attend if possible.
4/21/17	Jim Jeter's notification of resignation as President of HOA BOD effective 5/31/2017.
4/24/17	Kirk Johnson motion to approve road repairs on Point Dr., Mallard Dr., and other ditching within the Ranch up to \$23,619.20. Seconded and Approved 4/27/17.
4/28/17	Jim Jeter called for addressing Kirk's earlier motion to raise assessments by 10% per year for 4 years. He expressed his desire to bring the issue to the membership for comment and discussion prior to taking action. The vote was 4 aye and 4 nay.
5/5/17	President's Spring Letter along with the proposed budget submitted to the BOD for comment.

DATE	ACTION
5/6/17	Kirk Johnson proposed a one page link to the HOA website to be referenced in the Spring Letter giving his reasoning on his proposed assessment increase and asking for comments.
5/8/17	Kirk Johnson submitted draft letter of approval for Mallard Dr. plow outs as approved by the owner of the property. Signed by the President for the HOA and delivered 5/11/17.
5/11/17	Kirk Johnson proposed filing the Loe documents with the county at the cost of \$75.00. Motion seconded and approved.
5/20/17	BOD meeting was held at the Jeter residence. Primary focus was on road repairs and the proposed budget. Kirk Johnson expressed dissatisfaction with the proposed budget stating it did not accurately represent the HOA's financial standing. His motion to prepare an alternative for the Board's consideration was approved.
5/21/17	Pam Lewis, Treasurer, expressed concerns with getting the budget out with the annual letter and assessment invoices. To meet the required time frame, the mailing needed to be out by 5/24/17.
5/22/17	In response to Pam's concerns, Jim Jeter moved that the budget originally proposed in the format used since 2008 be sent out with the mailing. Motion passed 6 aye, 1 nay.
5/22/17	Kirk Johnson submitted his proposed alternative budget for questions and dialog.
5/24/17	Kirk Johnson received the signed Lisa Carson (Loe) permission documents for Mallard Drive improvements to be filed with the county.
5/24/17	Mailing went out on time.
6/8/17	Gary Lewis, Road Manager, noted additional spring repair work on Meadowlark Rd. which could include a culvert with the cost of up to \$1,000.
6/12/17	Kirk Johnson noted the water problem on Meadowlark Rd seems to be dissipating after ditching and that a culvert may not be required.
6/13/17	Motion made by Jim Jeter to publish or provide access for other opinions on the proposed assessment increase on the HOA website. Motion passed.

DATE	ACTION
6/14/17	Kirk Johnson made a motion to gift the Oroville Senior Center \$100. For use of the General Membership meeting. No second.
6/15/17	Pam Lewis notified the BOD of the need for office supplies totaling approximately \$100. This was an early notification to allow her to shop for specials.
6/15/17	Gary McNulty made a motion that we pay the Senior Center \$40 which is their standard rate for use of the center. Motion passed.
6/15/17	Pam Lewis reported payments for repairs on Point and Mallard Drives totaling \$12,517.80.
6/17/17	Kirk Johnson made a motion for approval of \$6,000 to proceed with repairs throughout the Ranch, starting with Div. 7 and 8 and managed by himself. Not seconded.
6/18/17	To clarify the BOD's policy and eliminate confusion with BOD hired contractors, Jim Jeter moved that all HOA road maintenance scheduling and authorization for work be communicated to the contractors by the Road Manager only, or in his absence, the President of the BOD. Motion passed.

Nine Mile Ranch HOA

Board of Directors Meeting

May 20, 2017

Held at the home of Jim Jeter

In attendance: Jim Jeter, Bob Dickson, Kirk Johnson, Karen Durell, Gary Lewis (late)

Minutes from July 2, 2016 Annual Meeting approved as written.

Minutes from July 14, 2016 Board of Directors Meeting approved as written.

Meeting called to order by President Jim Jeter.

**General:**

Jim informed us that DNR had contacted him requesting access in Div 7 to manage state land within 5 years. They have offered to improve access in return for granting permission to use our roads. More information will be forthcoming as it becomes available.

**Budget:**

Pam Lewis, Treasurer, was unable to attend the meeting but gave Jim Jeter the latest financial statement and proposed budget. There was much discussion on our budget and the current Accrual Method/format we use. Kirk requested that he and Danny look at our formatting and update the reports and methods of entry of expenditures and revenue to reflect a Cash Flow method.

Jim Jeter made a **motion** to allow Kirk to pursue his assumption that a different form of budget reporting was desirable and to prepare and submit an alternative for consideration to the Board. **Motion seconded and approved.**

**Road:**

Gary Lewis, Road Manager, gave an update on road repairs and weed spraying.

**Meeting Adjourned.**

Respectfully submitted,

Karen Durell

Secretary

## **Minutes Approved April 28, 2018**

### **Nine Mile Ranch HOA** **Board of Directors Meeting** **April 6, 2018**

Meeting held at 36 Sunset Ridge Road.

Board members present: Don Charnholm, Susan Charnholm, Cheryl Minarcin, and Rick Barthol. David Bissonnette was present electronically. Full quorum of Board members present. Association members present was 13.

Meeting was called to order at 6:15 pm.

The Board received following letter from Lynn Barnett, Developer/Declarant, dated April 6, 2018:

“I have been advised by my attorney to turn over control of the appointing of members to the Nine Mile Ranch board of directors immediately after the Association’s conducts a successful election of the board of directors, which I will do.”

This letter allows the Board to legally proceed with our first member-elected Board of Directors.

Motion made to approve funds to be spent for upcoming elections. Seconded. Motion passed. Time line will be worked out in next few days. Seeking to send out solicitation for candidates letter by April 14. Seeking to send out ballots by April 28. Counting of ballots at Special Meeting on May 19.

Motion made to approve \$9,000 for spring road work. Seconded. Motion passed. Don Charnholm, Brett Coffman, Tim Roberts and Kirk Johnson will be driving roads to assess, prioritize and report what work will be done on the roads; ditching, cleaning culverts, raking, and repairs.

Financial report: Approximately \$20,000 in checking, and \$47,000 in savings and CD’s.

DNR has approached Board of Directors seeking agreement to proceed with the following proposal:

- DNR wants permission to use West Corral Road for logging and clean up, for fire prevention, on State land.
- This would take place in 2020.
- Proposal/agreement would incorporate repair of any damage to West Corral Road.
- DNR owns easement on Crest Drive. In exchange for using West Corral Road DNR will sign over their easement on Crest Drive to Nine Mile Ranch.
- DNR will be contacting all Nine Mile Ranch lot owners effected.

Don Charnholm will communicate to DNR that they can proceed with proposal. Newly elected Board will work with DNR in negotiations of proposal. No action here is approved other than consideration of forthcoming DNR proposal.

Motion made to appoint Kim Culloo as agent of the Board to research and bring proposal forward to the Board in regards to our insurance policy. Seconded. Motion Passed

Current insurance policy originally obtained to cover accidents on our roads was found to be inaccurate. We are classified as a 'club', not an HOA. It also appears coverage was not what the Association needs. New application will be filled out, new bid for insurance cost and policy will be presented to the Board for approval.

Motion to raise the annual assessment rate (dues) 10%, to \$176.00 per lot, effective in the upcoming invoices due July 1<sup>st</sup>, 2018. Seconded. Motion passed.

Special meeting for counting election ballots was set for May 19, 2018. Annual Membership Meeting date was set for June 23, 2018. Both meetings will be held at Oroville Senior Center. Marie Jordan will confirm availability of Senior Center.

Motion made to appoint Craig Jordon as agent of the Board to perform Treasury duties and manage website until election of new board. Seconded. Motion passed.

Motion made to send out vote to amend Nine Mile Ranch by-laws Article IV, Section 4 regarding election of new board. Change would be to set required Board members to minimum 5 no more than 7. Change will also drop requirements for licensed forester and representatives of Oroville and wildlife. Vote will be sent out with Board member election ballots. Seconded. Motion passed.

Changes will bring by-laws in compliance with Washington State law, and lesson the complicated selection to a more attainable selection of the Board of Directors.

Next Board meeting will be held on April 28, 2018, 6:00 pm, at 36 Sunset Ridge Road.

Meeting adjourned at 7:15 pm.

## APPROVED MINUTES

### Nine Mile Ranch Homeowners Association Board of Directors Meeting May 30, 2018

Meeting was held at Oroville Senior Center

Board members present: Kirk Johnson, Wayne Naysnerski, Kate Naysnerski, and Carol Sanderson. Members present by teleconference: Rick Lewis, Susan Stewart, Leo Culloo, and Brett Coffman. Ron Hesse was absent. A quorum of board members were present. Eight association members were present.

Meeting was called to order by Kirk Johnson at 3:03 pm.

Board members agreed unanimously to have Kirk Johnson chair this meeting and Stacey Johnson to start the minutes until secretary is elected by the board.

Acknowledgement that Lynn Barnett, 9MR developer, has officially and legally executed documents to relinquish his right to appoint Board members (document attached).

Per 9MR bylaws: The top five candidates for the Board of Directors that were elected by the membership are; Brett Coffman, Leo Culloo, Kirk Johnson, Carol Sanderson and Susan Stewart (official election results attached).

Reading of emergency Motion made by the newly elected Board prior to this meeting:

**Motion:** “I [Carol Sanderson] make a motion that the top five elected Board members acknowledge that a valid election was conducted for a NMR HOA Board consisting of a total of 9 members including; Carol Sanderson, Kirk Johnson, Leo Culloo, Brett Coffman, Susan Stewart, Ron Hesse, Rick Lewis and Kate & Wayne Naysnerski.” Motion seconded and passed unanimously (per Bylaws Article VI, Section 4 written approval of all directors attached).

Election of officers:

- **Motion** by Carol Sanderson nominating Kirk Johnson for President. Motion seconded. Motion passed unanimously.
- **Motion** by Carol Sanderson nominating Kate Naysnerski for Secretary. Motion seconded. Motion passed unanimously.
- **Motion** by Kirk Johnson nominating Carol Sanderson for Treasurer. Motion seconded. Motion passed unanimously.
- **Motion** by Carol Sanderson nominating Leo Culloo for Vice President. Motion seconded. Motion passed unanimously.

**Motion** by Kirk Johnson to have this election of officers carry terms through to first Board meeting after the 2019 Annual Membership Meeting. Motion seconded. Discussion included that such a proposal does not comply with Bylaws. Motion failed unanimously. Another election of officers will take place after Annual Membership Meeting 2018.

Newly elected Secretary Kate Naysnerski requested that Stacey Johnson continue recording minutes of this meeting. No objections.

Per 9MR Bylaws, Carol Sanderson will be a signer on the bank account. She will contact Don Charnholm to update signature card at bank.

**Motion** by Carol Sanderson to appoint Stacey Johnson as acting agent and assistant to the Treasurer. Stacey will continue to be a signer on the bank account as well. Motion seconded and passed unanimously.

**Motion** by Leo Culloo to appoint ACC committee members, terms of appointment valid until changed by the Board of Directors or members resign. Appointees are Kim Culloo, Jerry Sanderson, Wayne Naysnerski, Rick Lewis and Brett Coffman. Motion seconded and passed unanimously.

**Motion** made by Kirk Johnson to convene in executive session to discuss Lot Owner complaint of neighboring Lot Owner non-compliance of CC&R's. Motion second and passed unanimously. Following executive session action identified and motions made:

- Motion to send letter to 9MR complainant Lot Owner to inform him he can send his grievance to Okanogan County Planning Department,
- Motion to send letter to 9MR defendant Lot Owner, sent Certified and Registered Mail, asking for quick response
- Motion that executive sessions be held at the end of Board meetings.

All three motions seconded. All three motions passed unanimously.

**Motion** by Carol Sanderson for herself to be Master Administrator of Quickbooks accounting on-line. Stacey Johnson will continue administrator position of access. Board members can direct Carol to be placed on Quickbooks as "view only" status access. Motion seconded. Discussion included that it is understood that our Quickbook on-line account currently allows, at no extra charge, for 5 administrators (people who can manipulate data) and an unlimited number of "view only" persons of access. Motion passed unanimously.

Discussion regarding collections. Carol Sanderson will be writing up a collection policy to present to the Board.

Discussion regarding whether Lynn Barnett, Declarant, now owes dues on his unsold lots. Lynn was billed for fiscal year 2018-2019 assessments for the 7 Lots still owned. The HOA received letter back from him stating that these lots are up for sale, quoting the CC&R's that he is not required to pay assessments on his lots as long as lots are up for sale. There is potential that he has legally passed a valid claim that these long-held lots are for sale. **Motion** by Kirk Johnson for committee of Carol Sanderson and Brett Coffman, with assistance from Kirk Johnson and Stacey Johnson to research legalities regarding Lynn Barnett status of holding vs selling property that he still owns, and for the

committee to formulate a list of questions to submit to legal counsel. Motion second and passed unanimously.

**Motion** by Carol Sanderson to engage CPA for a low-level review of accounting books with a \$500 limit. Motion seconded. Motion vote tied 4 – 4. President, Kirk Johnson voiced uncertainty as to how to deem the outcome of the vote so therefore chose to withdraw his participation in the vote, declaring the motion passing 4 – 3.

Acknowledgement that \$952.00 invoice from Foster Pepper, HOA attorney firm, will be paid. Costs were incurred from prior Boards regarding Declarant release of HOA control and questions regarding member-held election. Acknowledgement that \$80.00 be paid to the Oroville Senior Center for Board use of their facility for this Board meeting and the May 19<sup>th</sup> Special Membership Meeting.

**Motion** by Kirk Johnson for Carol Sanderson, Kirk Johnson and Stacey Johnson to review and make recommendations of changes to accounting expense categories, and take action after Board approval. Current expense categorization is an inadequate tool for managing, particularly road maintenance, expenditure choices. Motion seconded, motion passed unanimously.

**Motion** by Kirk Johnson for formation of Road Committee. Kirk Johnson will be Road Manager. Additional committee members will be Brett Coffman, Wayne Naysnerski and Leo Culloo. Manager will be sole point of contact with work contractors. Motion seconded. Motion passed unanimously.

**Motion** by Kirk Johnson to have one (1) road rep from each division. Road reps will report to road committee. Road committee will solicit and appoint road reps. Motion seconded, motion passed unanimously.

Road report: Current work order already received by all Board members. Raking and other water shed aspects are the priority. Prior Board approved expenditure of \$13,700 for road work. Road work is in process, expected to come under budget at \$11,700. Upon completion of work order we will revisit possible additional road work.

Weed Control spray bid from Loomis Ag was already received by Board members prior to meeting.

**Motion** by Kirk Johnson to approve Loomis Ag proposal for \$8,200 plus tax. This includes \$4600.00 for sterilant to be used on road shoulders in worse regions and identifiable spots, and also \$3600.00 for broadleaf spot spray of emergents in ditches and road sides. Motion seconded, motion passed unanimously.

Contractor bid for website services already received by Board members prior to meeting. Background of issue: Current historical website partially disabled and controlled by unapproved non-board member, and logistics and feasibility of website transfer to HOA have been hampered and difficult to pursue. **Motion** by Carol Sanderson to abandon historical 9MR website, appoint Kate Naysnerski to solicit 3 bids from contractors for website set up and design for Board review and decisions. Motion seconded, motion passed unanimously.

Meeting adjourned at 5:43 pm.

**Nine Mile Ranch Homeowners Association**  
**Annual Membership Meeting**  
**June 23, 2018**

Meeting was held at Oroville Senior Center at 11:00 a.m.

29 Association members were present.

Introductions of first member elected Board:

Kirk Johnson – President  
Leo Culloo – Vice President  
Carol Sanderson – Treasurer  
Kate Naysnerski – Secretary  
Rick Lewis  
Susan Stewart  
Brett Coffman  
Wayne Naysnerski

Required quorum of Association members to conduct a meeting was not met.

No business was conducted.

A Road Report and Treasurer Report was given.

Adjourned at 12:45.

FYI: For an official meeting, and minutes, to happen there needs to be a quorum of 20% of the membership present at the meeting. That equates to approximately 61 voting members (1 member per Lot). Next year the Annual Membership Meeting will be on June 22, 2019. We will be counting ballots for elections of Board of Directors. The Board will be there to dialog, answer questions, and give in depth reports regarding our roads and financial position. Please come. Get involved.

## APPROVED MINUTES

### Nine Mile Ranch Homeowners Association Board of Directors Meeting June 23, 2018

Meeting was held at Oroville Senior Center

Board members present: Kirk Johnson, Carol Sanderson, Wayne Naysnerski, Kate Naysnerski, Rick Lewis, Susan Stewart, Leo Culloo and Brett Coffman. A quorum of board members present.

Meeting was called to order at 1:30PM.

Unanimous consent to amend agenda:

- include consent of Board members to receive meeting preparatory information by email,
- postpone discussion re: spraying alternatives for weed control (Susan Stewart initiative)

**Motion made** by Kirk Johnson to approve May 30<sup>th</sup>, 2018 Board of Directors meeting minutes and executive meeting minutes. 2<sup>nd</sup> by Leo Culloo. Motion passed unanimously.

**Motion made** by Kirk Johnson that the ruling for the 4-4 vote for the \$500 CPA motion in the May 30, 2018 meeting be declared a lost vote instead of the chair's incorrect ruling of a 4-3-1 passing vote.

- WHEREAS a tied vote cannot possibly be a majority and therefore cannot be a passing vote, and,
- WHEREAS the Chair is not compelled by law or convention to break a tie, which is what happened in the vote, as the Chair initially voted nay in the vote and then changed to abstention when the initial vote count tallied 4-4.

2<sup>nd</sup> Brett Coffman. Motion passed: 7 in favor, 1 opposed.

Official document executed by Lynn Barnett, Developer, to relinquish his right to appoint Board of Directors and ACC members has been recorded in Okanogan County.

Discussion regarding Lynn Barnett owing dues on Lots held for sale. There is the 'legal' possibility that given the 20+ years Lynn has had these Lots that they are now legally owned by him and cannot be claimed as "for sale"; he would then owe dues on them. This would need to be looked at by an attorney and would cost the Association more attorney fees to pursue. Discussion as to whether this is cost effective. Discussion tabled.

**Motion made** by Kirk Johnson that changes to chart of accounts names and categorization in the accounting financials be made by the Treasurer at their discretion, provided also that the changes be noticed to the BOD during the Treasurers report at the next BOD meeting. 2<sup>nd</sup> by Carol Sanderson, motion passed unanimously.

**Motion made** by Kirk Johnson to continue with same officers of the Board elected at the May 30, 2018 Board meeting till next years election. Motion seconded by Leo. Motion passed unanimously.

Officers are: President – Kirk Johnson  
Vice President – Leo Culloo  
Treasurer – Carol Sanderson  
Secretary – Kate Naysnerski

**Motion made** by Kirk Johnson that non-BOD members who are duly appointed to the ACC are regarded as agents of the BOD and, pursuant to the bylaws, Article XII, Section 4, are provided the same indemnification and are required to adhere to the same standard of care as BOD members, effective immediately upon appointment. These provisions and standards also apply to all other duly appointed agents of the BOD, also effective immediately upon appointment. Further, such agents shall adhere to the standard of care and possession of Association records as stipulated in RCW 64.38.045.

- WHEREAS, an agent/committee member of the board may be empowered to act on behalf of the BOD and therefore engender similar liability and deserve similar protection, and
- WHEREAS, an agent/committee member of the BOD is a fiduciary of the HOA and should therefore be held to the same standard of care as a Director of the HOA, and also with respect to care and possession of HOA records.

2<sup>nd</sup> by Susan Stewart, passed unanimously.

**Motion made** by Kirk Johnson that the BOD does hereby ratify all prior actions of non-BOD ACC members and other agents acting on behalf of or at the direction of the BOD, whether or not those persons were called agent but rather by demonstration of the fact that they acted on behalf of or at the direction of the BOD, and in that regard the BOD hereby specifically provide the indemnification provided in Bylaw Article XII, Section 4 to apply retroactively. Motion seconded and passed unanimously.

Kim Culloo, agent, reported about the current HOA insurance policy changes:

- New policy costs \$1,230 a year; \$300 less than prior policy.
- New policy increased coverage from \$1,000,000 to \$2,000,000 per incident.
- New policy includes “directors and officers” indemnification (old policy did not).
- New policy properly classifies the HOA as an HOA; the old policy classified us erroneously as a club, whereby jeopardizing coverage.

**Motion made** by Kirk Johnson to officially adopt Roberts Rules of Order for meeting procedure. Motion 2<sup>nd</sup> by Rick Lewis. Motion passed unanimously.

The Board unanimously consented that preparatory information for BOD meetings be distributed and received by email to and from all members, including that Wayne Naysnerski uses Kate Naysnerski’s email address as his official information point regarding this consent.

#### **Treasurer report:**

Carol Sanderson, Treasurer, gave a financial report at Annual Membership meeting just prior to this Board Meeting:

- Current Profit & Loss and Balance Sheet (see attached).
- Carol’s cash flow projection report, depicting various expenditure scenarios (see attached).

Carol Sanderson presented a rough draft proposal of her collection policy. (see attached) She proposed to have an attorney review and approve before any action would be taken. Proposal incorporated additional late fees, hiring a collection agency, and foreclosure. These items would need further research and legal opinion. Discussion tabled.

Carol Sanderson stated she would be meeting with her financial advisor in August and would ask for recommendations regarding shifting the HOA's cash accounts more toward strategic liquid deposits yielding higher interest rates.

Form to change the registered HOA agents with Washington Secretary of State will be mailed Monday.

Signers on the 9MR bank account will be Carol Sanderson, with Kirk Johnson as back up.

Scott Griffin and Brett Coffman will be added to Quickbooks – view only. They commit to reviewing Quickbooks once a month. This satisfies HOA CPA recommendations regarding internal controls. Scott Griffin is a Canadian CPA and is Board member Susan Stewart's husband.

### **Road Report**

- Out of concern for internal controls regarding Kirk Johnson and contractor Tim Roberts being commercial associates, **a motion was made** by Leo to have Brett Coffman review and verify work done for invoices from Tim Roberts over \$5000.00 before being paid. Susan Stewart seconded. Motion passed unanimously.
- Road Committee resolution adopted the week prior: research and engage with a qualified licensed/bonded/insured local contractor who can do quick-response, small sized labor items (such as tree removal) we need done that are not within the regular scope of scope of earthworker contractors.
- Road Committee gave permission to Lot Owner on West Corral in Division 7 to install (2) road caution signs alerting to the potential presence of special needs children. Owner will pay for signs and installation, and the Road Committee will prior-approve the placement of the signs so as not to inhibit road maintenance processes.
- Tim Roberts has completed approximately \$4300 of our current Work Order with him, including all raking (where deemed possible due to lack of gravel surface to rake), ditching/repair items in Division 5, and now he will move on to other division repairs in the Work Order.
- Weed Control: contractor Loomis AG has completed first of two phases of spraying – this phase dealing primarily with sterlant. Second phase, dealing with emergent and broad leaf spraying, will come in mid July.

Discussion regarding attorney used by 9MR for last several years. Since the CCR's official court venue is in Okanogan County it may be wiser to find a more local attorney (current law firm is in Seattle). A local attorney may be less expensive as well. Attorney must specialize in HOA's. **Motion made** by Kirk Johnson for Leo Culloo to head committee with Stacey Johnson and Kate Naysnerski to research and solicit new attorneys. Motion 2<sup>nd</sup> by Carol Sanderson, Motion passed unanimously.

**Motion made** by Leo Culloo for Kate Naysnerski to purchase recorder to be able to record meetings. Cap on cost \$100. The recording will assist secretary in typing up meeting minutes. Recordings will

be destroyed after minutes are approved. Motion 2<sup>nd</sup> by Carol Sanderson, motion passed unanimously.

**Motion made** to accept Anne Alden's bid for Website design, set up, and training. Stacey Johnson will be contact for Anne and person managing the Website after training. Motion 2<sup>nd</sup> by Kirk Johnson. Motion passed unanimously. 9mileranchhoa.org will be new website domain name. Design will be similar to last website. Discussion about whether or not to have a forum on website; was decided that a forum could be added at a later time if wanted. Various methods of electronic payment of dues through website was discussed.

Discussion to obtain prior Secretary's official HOA records: current Secretary Kate Naysnerski affirmed she will handle this.

Discussion and consents regarding ACC structure:

- Kim Culloo agreed to be Chair until she resigns or BOD chooses otherwise.
- Kim requested adding another member to the ACC who resides at Nine Mile Ranch; Kate Naysnerski was added.
- ACC will carry forth their duties autonomously of BOD except that sensitive legal issues and letters will be ran through the Board for approval.
- ACC will meet every 30 days.

Consent to convene in executive session regarding Lot owner's potential non-compliance with CC&Rs. **Motion made** in session to send new letter to Lot Owner requesting ACC/BOD site inspection, requesting response by July 14<sup>th</sup>. 2<sup>nd</sup> by Carol Sanderson. Motion passed unanimously.

Meeting adjourned at 5:30PM.

# Nine Mile Ranch Homeowners Association

## PROFIT AND LOSS

June 2017 - May 2018

	TOTAL
Income	
Annual Assessments	48,326.88
<b>Total Income</b>	<b>\$48,326.88</b>
<b>GROSS PROFIT</b>	<b>\$48,326.88</b>
Expenses	
6120 Bank Service Charges	210.78
6180 Insurance	
6185 Liability Insurance	1,235.00
<b>Total 6180 Insurance</b>	<b>1,235.00</b>
6230 Licenses and Permits	10.00
6240 Miscellaneous	108.10
6250 Postage and Delivery	728.94
6260 Printing and Reproduction	150.00
6270 Professional Fees	
6280 Legal Fees	4,028.00
<b>Total 6270 Professional Fees</b>	<b>4,028.00</b>
6550 Office Supplies	233.87
Lien Expense	74.00
Meeting Expense	120.00
Quick Books	350.57
Road Maintenance	
6770 Supplies	1,190.20
Repair & Maintenance	17,501.21
Snow Plowing	20,401.16
Weed Spray	10,595.96
<b>Total Road Maintenance</b>	<b>49,688.53</b>
<b>Total Expenses</b>	<b>\$56,937.79</b>
<b>NET OPERATING INCOME</b>	<b>\$ -8,610.91</b>
Other Income	
7010 Interest Income	44.33
<b>Total Other Income</b>	<b>\$44.33</b>
<b>NET OTHER INCOME</b>	<b>\$44.33</b>
<b>NET INCOME</b>	<b>\$ -8,566.58</b>

Accrual Basis

# Nine Mile Ranch Homeowners Association

## BALANCE SHEET

As of May 31, 2018

	TOTAL
<b>ASSETS</b>	
Current Assets	
Bank Accounts	
1000 Wells Fargo Checking	17,490.59
1001 Wells Fargo Savings	14,571.45
1002 Wells Fargo CD	32,744.54
1010 PayPal	0.00
<b>Total Bank Accounts</b>	<b>\$64,806.58</b>
Accounts Receivable	
1500 Accounts Receivable	16,219.14
<b>Total Accounts Receivable</b>	<b>\$16,219.14</b>
Other Current Assets	
Undeposited Funds	0.00
<b>Total Other Current Assets</b>	<b>\$0.00</b>
<b>Total Current Assets</b>	<b>\$81,025.72</b>
<b>TOTAL ASSETS</b>	<b>\$81,025.72</b>
<b>LIABILITIES AND EQUITY</b>	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable (A/P)	0.00
<b>Total Accounts Payable</b>	<b>\$0.00</b>
<b>Total Current Liabilities</b>	<b>\$0.00</b>
<b>Total Liabilities</b>	<b>\$0.00</b>
Equity	
1110 Retained Earnings	11,087.29
3000 Opening Bal Equity	78,505.01
Net Income	-8,566.58
<b>Total Equity</b>	<b>\$81,025.72</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$81,025.72</b>

# Nine Mile Ranch Homeowners Association

## BALANCE SHEET

As of May 31, 2018

	TOTAL
<b>ASSETS</b>	
Current Assets	
Bank Accounts	
1000 Wells Fargo Checking	17,490.59
1001 Wells Fargo Savings	14,571.45
1002 Wells Fargo CD	32,744.54
1010 PayPal	0.00
<b>Total Bank Accounts</b>	<b>\$64,806.58</b>
Accounts Receivable	
1500 Accounts Receivable	17,240.69
<b>Total Accounts Receivable</b>	<b>17,240.69</b>
Other Current Assets	
Undeposited Funds	0.00
<b>Total Other Current Assets</b>	<b>0.00</b>
<b>Total Current Assets</b>	<b>82,047.27</b>
<b>TOTAL ASSETS</b>	<b>82,047.27</b>
<b>LIABILITIES AND EQUITY</b>	
Liabilities	
Current Liabilities	
Accounts Payable — <i>prepaid A/R's</i>	1,021.55
Accounts Payable (A/P)	0.00
<b>Total Accounts Payable</b>	<b>\$0.00</b>
<b>Total Current Liabilities</b>	<b>\$0.00</b>
<b>Total Liabilities</b>	<b>\$0.00</b>
Equity	
1110 Retained Earnings	11,087.29
3000 Opening Bal Equity	78,505.01
Net Income	-8,566.58
<b>Total Equity</b>	<b>82,047.27</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>82,047.27</b>

Modified  
Accrual Basis  
To reflect actual Past due A/R's excluding  
pre-paids.

# Nine Mile Ranch Homeowners Association

## PROFIT AND LOSS

June 2017 - May 2018

	TOTAL
Income	
4190 Reimbursed Expenses	17.00
Annual Assessments	48,271.25
Lien Expense Income	138.53
Unapplied Cash Payment Income	-1,761.18
<b>Total Income</b>	<b>\$46,665.60</b>
<b>GROSS PROFIT</b>	<b>\$46,665.60</b>
Expenses	
6120 Bank Service Charges	183.69
6180 Insurance	
6185 Liability Insurance	1,235.00
<b>Total 6180 Insurance</b>	<b>1,235.00</b>
6230 Licenses and Permits	10.00
6240 Miscellaneous	108.10
6250 Postage and Delivery	728.94
6260 Printing and Reproduction	150.00
6270 Professional Fees	
6280 Legal Fees	4,028.00
<b>Total 6270 Professional Fees</b>	<b>4,028.00</b>
6550 Office Supplies	233.87
Lien Expense	74.00
Meeting Expense	120.00
Quick Books	350.57
Road Maintenance	
6770 Supplies	1,190.20
Repair & Maintenance	17,501.21
Snow Plowing	20,401.16
Weed Spray	10,595.96
<b>Total Road Maintenance</b>	<b>49,688.53</b>
<b>Total Expenses</b>	<b>\$56,910.70</b>
<b>NET OPERATING INCOME</b>	<b>\$ -10,245.10</b>
Other Income	
7010 Interest Income	44.33
<b>Total Other Income</b>	<b>\$44.33</b>
<b>NET OTHER INCOME</b>	<b>\$44.33</b>
<b>NET INCOME</b>	<b>\$ -10,200.77</b>

Cash Basis

# Nine Mile Ranch Homeowners Association

## BALANCE SHEET

As of May 31, 2018

	TOTAL
<b>ASSETS</b>	
Current Assets	
Bank Accounts	
1000 Wells Fargo Checking	17,490.59
1001 Wells Fargo Savings	14,571.45
1002 Wells Fargo CD	32,744.54
1010 PayPal	0.00
<b>Total Bank Accounts</b>	<b>\$64,806.58</b>
Accounts Receivable	
1500 Accounts Receivable	0.00
<b>Total Accounts Receivable</b>	<b>\$0.00</b>
Other Current Assets	
Undeposited Funds	0.00
<b>Total Other Current Assets</b>	<b>\$0.00</b>
<b>Total Current Assets</b>	<b>\$64,806.58</b>
<b>TOTAL ASSETS</b>	<b>\$64,806.58</b>
<b>LIABILITIES AND EQUITY</b>	
Liabilities	
<b>Total Liabilities</b>	
Equity	
1110 Retained Earnings	-3,497.66
3000 Opening Bal Equity	78,505.01
Net Income	-10,200.77
<b>Total Equity</b>	<b>\$64,806.58</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$64,806.58</b>

Cash Basis

CASH FLOWS - Current and Projected

Cash Flow Projections with multiple variables

	Approved		Inc. Audit, Road Study &		Mallard DR Capital Improvements		Normalized Cash Flow costs averaged over 5 years for future audit/studies, CPA reviewed stmts
	YE 2018	Projected YE Budget	Reserve Study Projected YE	Add Gravel to maintain Roads Projected YE	Add Gravel to Improve roads Projected YE		
	ACTUAL	2019	2019	2019	2019		
1 ***Annual Assessments *Average Uncollected	\$ 48,326.88	\$ 52,976.00	\$ 52,976.00	\$ 52,976.00	\$ 52,976.00	\$ 52,976.00	\$ 52,976.00
2 Assessments		\$ (2,649.00)	\$ (2,649.00)	\$ (2,649.00)	\$ (2,649.00)	\$ (2,649.00)	\$ (2,649.00)
3 Other Income	\$ 44.33	\$ 334.00	\$ 334.00	\$ 334.00	\$ 334.00	\$ 334.00	\$ 334.00
<b>4 GROSS INCOME</b>	<b>\$ 48,371.21</b>	<b>\$ 50,661.00</b>	<b>\$ 50,661.00</b>	<b>\$ 50,661.00</b>	<b>\$ 50,661.00</b>	<b>\$ 50,661.00</b>	<b>\$ 50,661.00</b>
<b>EXPENSES</b>							
5 Bank Fees	\$ (210.78)	\$ (96.00)	\$ (96.00)	\$ (96.00)	\$ (96.00)	\$ (96.00)	\$ (96.00)
6 **Quick Book Fees	\$ (350.57)	\$ (335.00)	\$ (335.00)	\$ (335.00)	\$ (335.00)	\$ (335.00)	\$ (335.00)
7 *Website Fee (est)	\$ -	\$ (187.00)	\$ (400.00)	\$ (400.00)	\$ (400.00)	\$ (400.00)	\$ (400.00)
8 **Liability Insurance	\$ (1,235.00)	\$ (1,235.00)	\$ (1,235.00)	\$ (1,235.00)	\$ (1,235.00)	\$ (1,235.00)	\$ (1,235.00)
9 *Corporate License	\$ (10.00)	\$ (10.00)	\$ (10.00)	\$ (10.00)	\$ (10.00)	\$ (10.00)	\$ (10.00)
10 *Legal Fees	\$ (4,028.00)	\$ (1,377.00)	\$ (5,000.00)	\$ (5,000.00)	\$ (5,000.00)	\$ (5,000.00)	\$ (5,000.00)
11 *Office Expense/Misc.	\$ (491.97)	\$ (268.00)	\$ (265.00)	\$ (265.00)	\$ (265.00)	\$ (265.00)	\$ (265.00)
12 *Postage	\$ (728.94)	\$ (433.00)	\$ (900.00)	\$ (900.00)	\$ (900.00)	\$ (900.00)	\$ (900.00)
13 *Lien Fees	\$ (74.00)	\$ (29.00)	\$ (2,250.00)	\$ (2,250.00)	\$ (2,250.00)	\$ (2,250.00)	\$ (2,250.00)
14 *Snow Plowing	\$ (20,401.16)	\$ (13,870.00)	\$ (13,870.00)	\$ (13,870.00)	\$ (13,870.00)	\$ (13,870.00)	\$ (13,870.00)
15 *Weed Spray	\$ (10,595.96)	\$ (11,000.00)	\$ (11,000.00)	\$ (11,000.00)	\$ (11,000.00)	\$ (11,000.00)	\$ (11,000.00)
16 *Deposit to HOA Reserve		\$ -	\$ (3,300.00)	\$ (3,300.00)	\$ (3,300.00)	\$ (3,300.00)	\$ (3,300.00)
<i>*Road Maintenance &amp; repair - raking, crowning,</i>							
17 <i>culverts &amp; ditching.</i>	\$ (17,501.21)	\$ (20,500.00)	\$ (20,500.00)	\$ (20,500.00)	\$ (20,500.00)	\$ (20,500.00)	\$ (20,500.00)
<i>*CPA Audit - RCW</i>							
18 <i>64.38/Review</i>		\$ (3,600.00)	\$ (3,000.00)	\$ (3,000.00)	\$ (3,000.00)	\$ (3,000.00)	\$ (1,500.00)
<i>*Road Study - required for</i>							
19 <i>Reserve Study</i>		\$ -	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (2,000.00)
<i>*Reserve Study - RCW</i>							
20 <i>64.38</i>		\$ -	\$ (5,000.00)	\$ (5,000.00)	\$ (5,000.00)	\$ (5,000.00)	\$ (1,000.00)
21 *Mileage		\$ -	\$ (500.00)	\$ (500.00)	\$ (500.00)	\$ (500.00)	\$ (500.00)
22 *Go to Meeting		\$ -	\$ (500.00)	\$ (500.00)	\$ (500.00)	\$ (500.00)	\$ (500.00)
23 *Meeting expense	\$ (120.00)	\$ -	\$ (160.00)	\$ (160.00)	\$ (160.00)	\$ (160.00)	\$ (160.00)
24 *Maintenance Gravel	\$ (1,190.20)	\$ -	\$ -	\$ (8,000.00)	\$ (8,000.00)	\$ (8,000.00)	\$ (8,000.00)
<i>*Road Improvement</i>							
23 <i>Gravel</i>		\$ -	\$ -	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)
<i>*Capital Improvement at</i>							
26 <i>end of Mallard Dr.</i>		\$ -			\$ (13,000.00)	\$ (13,000.00)	
<b>27 SUB TOTAL EXPENSES</b>	<b>\$ (56,937.79)</b>	<b>\$ (52,940.00)</b>	<b>\$ (78,321.00)</b>	<b>\$ (96,321.00)</b>	<b>\$ (109,321.00)</b>	<b>\$ (109,321.00)</b>	<b>\$ (82,821.00)</b>
<b>28 NET INCOME (LOSS)</b>	<b>\$ (8,566.58)</b>	<b>\$ (2,279.00)</b>	<b>\$ (27,660.00)</b>	<b>\$ (45,660.00)</b>	<b>\$ (58,660.00)</b>	<b>\$ (58,660.00)</b>	<b>\$ (32,160.00)</b>
Less Dues from Lynn							
29 Barnett		\$ (1,232.00)	\$ (1,232.00)	\$ (1,232.00)	\$ (1,232.00)	\$ (1,232.00)	\$ (1,232.00)
<b>30 Adjusted Net Income (Loss)</b>		<b>\$ (3,511.00)</b>	<b>\$ (28,892.00)</b>	<b>\$ (46,892.00)</b>	<b>\$ (59,892.00)</b>	<b>\$ (59,892.00)</b>	<b>\$ (33,392.00)</b>
<b>Required Annual Dues per lot to break even excludes</b>							
31 Barnett dues.		\$ 179.38	\$ 263.42	\$ 323.02	\$ 366.07	\$ 366.07	\$ 278.32

32 \*Estimates  
 33 Snowplowing based on 5 year averages with adjustment for recent rate increase  
 34 Road Study and Reserve Study Costs are best guess estimates and require extensive additional research.  
 35 Road Maintenance Gravel Cost is a Calculated analysis of costs.  
 36 Audit bid of \$2,600 has been received.  
 37 \*\* Exact costs  
 38 \*\*\* Includes dues assessed Lynn Barnett  
 39 Cost to improve Mallard Dr is a calculated analysis of costs.  
 40 Break Even Dues calculated using 302 lots. Note - Projected 2018-2019 budget actual Dues are \$175. Indicated loss is planned

# Nine Mile Ranch Homeowners Association

## PROFIT AND LOSS

June 2017 - May 2018

	TOTAL
Income	
Annual Assessments	48,326.88
<b>Total Income</b>	<b>\$48,326.88</b>
<b>GROSS PROFIT</b>	<b>\$48,326.88</b>
Expenses	
6120 Bank Service Charges	210.78
6180 Insurance	
6185 Liability Insurance	1,235.00
<b>Total 6180 Insurance</b>	<b>1,235.00</b>
6230 Licenses and Permits	10.00
6240 Miscellaneous	108.10
6250 Postage and Delivery	728.94
6260 Printing and Reproduction	150.00
6270 Professional Fees	
6280 Legal Fees	4,028.00
<b>Total 6270 Professional Fees</b>	<b>4,028.00</b>
6550 Office Supplies	233.87
Lien Expense	74.00
Meeting Expense	120.00
Quick Books	350.57
Road Maintenance	
6770 Supplies	1,190.20
Repair & Maintenance	17,501.21
Snow Plowing	20,401.16
Weed Spray	10,595.96
<b>Total Road Maintenance</b>	<b>49,688.53</b>
<b>Total Expenses</b>	<b>\$56,937.79</b>
<b>NET OPERATING INCOME</b>	<b>\$ -8,610.91</b>
Other Income	
7010 Interest Income	44.33
<b>Total Other Income</b>	<b>\$44.33</b>
<b>NET OTHER INCOME</b>	<b>\$44.33</b>
<b>NET INCOME</b>	<b>\$ -8,566.58</b>

Accrual Basis

# Nine Mile Ranch Homeowners Association

## Past Due and Collection Policy

*(draft only)*

A resolution of the Board of Directors of Nine Mile Ranch Homeowners Association setting forth a uniform collection policy for delinquent accounts

WHEREAS the board of directors of the Nine Mile Ranch Homeowners Association (NMR HOA) is charged with responsibility of collecting assessments for common expenses from property owners which were legally agreed to upon purchase of property pursuant to Declaration of Covenant, Conditions and Restrictions (CCR's) for NMR HOA Article IV, Section 1 and

WHEREAS from time to time property owners become delinquent in their payments of these assessments and fail to respond to the demands from the board to bring their accounts current; and

WHEREAS the board deems it to be in the best interest of the NMR HOA to adopt a uniform and systematic procedure for dealing with delinquent accounts in a timely manner, and further believes it to be in the best interests of the NMR HOA Treasurer or NMR HOA Manager (Manager) to initiate the collection process for any account that is over 30 days past due.

### General Information:

Billing cycle: Annual Billings are sent out May 1 which is 30 days prior to June 1 billing cycle. Annual Assessments (Dues) are due and owing on July 1 (CCR's Article IV, Section 9). **Assessments are currently \$176 annually and may be raised from time to time either by NMR HOA member vote or as allowed by the Board (CCR's Article IV, Section 3).**

### Past Dues:

Unpaid Assessments within the annual billing cycle become delinquent and owing as of August 1. Past due assessments will be charged interest from the due date (July 1) at a rate of 12 percent (12%) per annum.

BE IT FURTHER RESOLVED that the NMR Treasurer or Manager is directed to send to any property owner who is Thirty (30) days

delinquent (August 1) in payment of regular or special assessments or other charges authorized by the NMR HOA governing documents a written notice (hereinafter referred to as the "reminder notice") of the late fee and a request for immediate payment not later than September of the annual billing cycle year.

BE IT FURTHER RESOLVED that the reminder notice sent by the Treasurer or Manager to the delinquent owner shall also state that unless the owner disputes the validity of the debt, or any portion thereof, within fifteen (15) days after receipt of the notice, the debt will be assumed to be valid, and if the owner notifies the Treasurer or Manager in writing within the fifteen (15) day period that the debt, or any portion thereof, is disputed, the treasurer or Manager will obtain verification of the debt and copy of such verification shall be mailed to the owner by the Treasurer or Manager; and

BE IF FURTHER RESOLVED that the reminder notice sent by the Treasurer or Manager to the delinquent property owner shall state that any request for special consideration of hardship circumstances, including all reasons why the board should consider the request, may be submitted in writing to the board before the assessment becomes thirty (30) days delinquent, together with a request for a hearing, or in the alternative, a request that the determination be made by the board based upon the written request, and if not so submitted, then such request shall have been deemed waived; and

BE IT FURTHER RESOLVED that a Notice of Lien to be filed on property will be sent by the Treasurer or Manager in October or when dues assessment is 90 days or more past due (October).

Liens may be filed with Okanogan County in November

Liens may be placed on any member's lot that is 90 days or more past due. A fee of \$200 will be assessed to lot owner to cover the costs of processing the lien, including the NMR HOA processing time. At the NMR HOA Board Of Directors discretion, further action may be taken through legal means. Further actions may include referral to a collection agency, the garnishment of members wages (Article IV, Sections 10 and 11).

BE IT FURTHER RESOLVED that pursuant to WA State RCW \*\*\* \*\*there is hereby levied against any assessment account that is not paid in full as of the 30<sup>th</sup> day of the month from the date due a late fee in the amount of Twenty Five Dollars and zero cents (\$25.00) which the NMR HOA Treasurer or Manager is authorized and directed to charge to and collect from any delinquent property owner.

BE IT FURTHER RESOLVED that the NMR HOA Treasurer or Manager is directed to inform the delinquent property owner that if the account is not paid in full within fifteen (15) days from the notification date that it will be turned over to a Collection Company or Legal Counsel designated by the NMR HOA Board for collection and the property owner will be liable for payment of all charges imposed by the designated Collection Company or Legal Counsel to cover fees and costs charged to the NMR HOA; and

BE IT FURTHER RESOLVED that the Treasurer or Manager is directed to refer any account that remains delinquent for fifteen (15) days after the reminder notice to designated Collection Company or Legal Counsel for collection and to accelerate the total amount of assessment due by sending a notice of acceleration to the property owner via certified mail return receipt requested; and

BE IT FURTHER RESOLVED that the Treasurer or Manager is directed to consult with designated Collection Company or Legal Counsel and turn over for collection immediately any account where the property owner files or is subject of a petition for relief in bankruptcy or a lender has commenced any action for foreclosure of its lien against the property;

BE IT FURTHER RESOLVED that the following policies shall apply to all delinquent accounts turned over to designated Collection Company or Legal Counsel for collection.

1. All contacts with a delinquent property owner shall be handled through designated Collection Company or Legal Counsel. Neither the Treasurer or Manager nor any association officer or director shall discuss the collection of the account directly with the property owner after it has been turned over to designated Collection Company or Legal Counsel unless one of the principals of the Collection Company or Legal Counsel is present or has consented to the contact.
2. All sums collected on a delinquent account shall be remitted to the NMR HOA in care of designated Collection Company or Legal Counsel until the account has been brought current.
3. The minimal legal fee of the designated Collection Company or Legal Counsel shall be assessed against each delinquent property owner (including repeat offenders) when the account is turned over to the designated Collection Company or Legal Counsel for collection. That amount shall be credited against the fees and costs actually incurred in the collection of the property owners account. All legal fees and costs incurred in the collection of a delinquent account shall be assessed against the delinquent property owner and shall be collectable as an assessment as provided in WA State RCW \*\*\*\*

4. In the event that a delinquent property is rented by its owner, the designated Collection Company or Legal Counsel is authorized pursuant to WA State RCW \*\*\*\* to demand and collect the rent from the tenant of property.
5. Were at expiration of the period specified in the designated Collection Company or Legal Counsel demand letter, an account remains delinquent and without a payment plan embodied in a signed stipulation for judgment or in the event of a default under the terms of either agreement, the Collection Company or Legal Counsel is authorized to take such further action as they, in consultation with the board president, believe to be in the best interest of NMR HOA, including but not limited to:
  - A. Filing suit against the delinquent property owner for money due pursuant to WA State RCW \*\*\*\*
  - B. Instituting an action for foreclosure of the associations lien, pursuant to WA State RCW \*\*\*\* and seeking the appointment of a receiver for the property pursuant to WA State RCW \*\*\*\*\*.
  - C. Filing a proof of claim in bankruptcy; or

#### **Summary Bullet Points:**

1. Invoices for Annual Dues are to be mailed on or before May 1
2. Annual Dues Assessments are due and payable on June 1<sup>st</sup>
3. Unpaid Annual Dues Assessments are considered delinquent on July 1<sup>st</sup>.
4. Interest at 12% per annum will be charged if Annual Dues Assessment is received after June 31<sup>st</sup> and will accrue from June 1<sup>st</sup> until paid.
5. Owner disputes of past due amounts must be made in writing and mailed to NMR HOA before the assessment becomes more than 30 days past due.
6. Treasurer/Manager to respond to written Owner disputes within 15 days of receipt
7. Notice of Lien to filed on property will be sent when dues assessments is past due 90 days or more (October)
8. Liens may be filed with Okanogan County in November
9. \$25 late charge to be assessed every month that the annual or special assessment dues is over 30 days past due.
10. \$200 filing and processing fee to be assessed when a lien is filed.
11. Owner is responsible for all third party legal and collection costs.
12. File will be referred to a designated Collection Company or Legal Counsel when lien is filed.
13. Additional Collection processes can include Foreclosure.

BE IT FURTHER RESOLVED that a copy of this resolution shall be sent to all property owners at their last known address.

This resolution was adopted by the NMR HOA Board of Directors on this \_\_\_ day of \_\_\_\_\_, 20\_\_\_ and shall be effective on an even date herewith.

In WITNESS WHEREOF, the undersigned has hereunto affixed his hand and the seal of the NMR HOA this \_\_\_\_\_ day or \_\_\_\_\_, 20\_\_\_ .

Nine Mile Ranch Homeowner Association

By: \_\_\_\_\_  
\*\*\*\*\* President.

CERTIFICATE

The undersigned hereby certifies that he/she is the secretary of Nine Mile Ranch Homeowners Association, a corporation organized and existing under the laws of the State of Washington; that the foregoing is true and correct copy of the resolution adopted at a meeting of the board of directors of said corporation held on this \_\_\_ day of \_\_\_\_\_, 20\_\_\_, at which meeting a quorum was at all times present and acting; that the passage of said resolution was in all respects legal; and that said resolution is in full force and effect.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_

Nine Mile Ranch Homeowners Association, a not for profit WA Corporation.

By: \_\_\_\_\_  
XXXXXXX, Secretary

**Nine Mile Ranch Homeowners Association**  
**Board of Directors Meeting**  
**July 13, 2018**

Meeting held at Oroville Senior Center

Board members present: Kirk Johnson, Rick Lewis, Wayne Naysnerski, Kate Naysnerski and Leo Culloo. Brett Coffman present by teleconference. Also present was Stacey Johnson (Acting Treasurer), and Association members Calvin Green and Ron Zuber.

Meeting called to order at 9:02.

**Motion** made by Kirk Johnson to add items to today's agenda. Motion passed unanimously.

**Motion** made by Kirk Johnson that approval of the June 23, 2018 meeting minutes be approved via email after this meeting within two weeks. Seconded by Leo Culloo. Motion passed unanimously.

Discuss regarding Annual Membership Meeting minutes. HOA law states that *membership* meeting minutes are to be approved by the *membership* at next *membership* meeting. Quorum was not present at June 23, 2018 Annual Membership Meeting. Unanimous consent, by the Board, to draft and publish unapproved minutes unless a quorum of members attend next membership meeting. Quorum is 20% of the membership: 61 voting members.

Acknowledgement of email motion made by Kate Naysnerski: "I motion for Stacey to do what she needs to do (explained in her letter) in her role as temporary Treasurer", (and restated by Kirk Johnson);

**Motion:** WHEREAS the BOD Treasurer spontaneously resigned two days ago and Stacey Johnson is a current agent to the Treasurer and possesses the skills and experience to perform treasurer's duties, I amend the motion to state that Stacey Johnson be appointed to perform all Treasurer's duties until the BOD declares otherwise. Stacey will issue a report once per week describing actions she has taken. Seconded by Kirk Johnson. Motion passed unanimously through email.

Update from Brett Coffman regarding the legalities of Lynn Barnett having to pay assessments on the 8 Lots he still owns. Discussion tabled. Brett needs more time for research. **Motion** to table discussion, seconded by Rick Lewis. Passed unanimously.

Leo reported that he is still working on soliciting an Association attorney. Discussion included suggesting that we need an attorney in Okanogan County as that is where the legal venue is. Also, attorney needs to have HOA experience.

For the record: Carol Sanderson resigned as Board Member and Treasurer on June 28, 2018.

**Motion** made by Wayne Naysnerski to have a 2 hour time limit on Board meetings, unless extended by a vote of the majority of Board members. Seconded by Kate Naysnerski, Passed unanimously.

**Treasurer's report:**

- \$41,846 in checking
- \$14,572 in savings
- \$32,744 in CD
- \$37,622 in Accounts Receivable

Discussion regarding using Quickbooks system on-line or Pay Pal for members convenience to pay assessments owed. No decision was made.

**Motion** made by Kirk Johnson, adjusted by Leo Culloo: WHEREAS there are legal questions about certain potential liabilities to the HOA associated with further past-due and collection policies, I move that the BOD adopt and act on the following limited past-due and collections policies:

1. Per CCRs Article III Section 1a, revoke the voting privileges of Lot Owners past-due by 120 days or more. Upon revocation, notice of revocation will be sent to the registered address of the Lot Owner and such notice shall be duly made record of and kept in the official archives.
2. Interest charges shall be charged pursuant to CCR's Article IV, Section 10.
3. The Treasurer will send out past due notice/statement to delinquent accounts at 30 and 60 days past due.
4. The Treasurer, at 90 days past due on delinquent accounts, will send out notices of right of the Association to lien at 120 days past due; this notice will be sent certified mail.

Seconded by Leo Culloo. Motion passed unanimously.

Discussion regarding collections/past due policy may need legal counsel.

**Motion** made by Leo Culloo to include on annual assessment invoices that interest will be charged on accounts paid after July 1<sup>st</sup>. Seconded by Rick Lewis. Motion passed unanimously.

Additional discussion was had regarding liens and foreclosures. Suggestion/opinion that foreclosure process is expensive and would be used as last resort.

CD expires on October 18, 2018. Will automatically continue for another year unless changed prior to expiration date. Discussion regarding options for better investment return in place of the CD.

**Road Report:** Recent partial road tour made with Kirk Johnson, Brett Coffman and Tim Roberts to assess road for gravel replacement; Divisions 7 & 8 complete, remaining Divisions will be assessed soon. During tours, documentation was also made regarding the history of all gravel placements. The intent is to make an informed recommendation to the Board for fall/spring gravel placement in consideration of budget constraints.

**Motion** made by Leo Culloo: Board approve Road Committee contingency equal to 10% of annual road budget to use for unforeseen needful repairs at the Road Committee's discretion. Seconded by Kirk Johnson. Motion passed unanimously.

Discussion regarding mowing of shoulders on Division 8 Canyon View Lane which is a paved road. Mowing for fire hazard. Rick Lewis advised, after inspection, that using a weed eater may be the best option because of rock hazard to mowers and threat of starting a fire.

**Motion** by Kirk Johnson to approved \$900 for trimming of trees and shrubs alongside Ranch roads that are currently impeding some level of safety, maintenance performance, snowplowing, and/or auto travel on the full road width. Work to be performed by a qualified, licensed, bonded, and insured contractor chosen and engaged at the Road Committees discretion. It is understood that this expenditure amount will likely not address all needful trimming but will focus on prioritizing the worst of it. Seconded by Leo Culloo. Motion passed unanimously. Also, Brett Coffman will perform voluntary trimming for Gold Rush Ridge.

Brett Coffman will bring forward draft waiver for Release of Liability for volunteers performing road work.

Website is up and running. Unanimous consent was given that any changes or additions to the Website must be approved by Board of Directors. Will add emergency numbers link and post current road report.

**Motion** by Kirk Johnson: In order to meet quorum to conduct BOD meetings with our majority absentee Directorship, I move that Susan Steward immediately sign the Association up for Vast Conference Teleconference Service, based on the following basic initial parameters:

- Pay-per-use at the rate of \$ .02 per minute per caller.
- Susan will coordinate with Stacey Johnson to arrange payment.

Seconded by Rick Lewis. Discussion included estimating that a typical Board meeting of 1 ½ hours would cost approximately \$14.00. Motion passed unanimously.

**Motion** made by Kirk Johnson: I move that the draft newsletter and form presented by Kirk Johnson be sent out to all HOA members ASAP and that whatever expense that takes be approved. While it may be preferred that the letter be sent as a single sheet, double-sided, pre-sorted bulk mailing in order to save costs, it is not known at this time what potential investment it may required in order to achieve that, so Stacey Johnson will research the subject and report back to the BOD for their email majority consent about this subject. The consent will included a budget amount, and the consent will be recorded into the next BOD meeting. Given the need to get the mailing out ASAP in order to inform the membership of new HOA contact information, this motion may included the BOD choosing to send out the mailing via normal envelope and postage. Seconded by Leo Culloo. Discussion included normal envelope and postage for sending the newsletter would cost approximately \$225.00 Seconded by Leo Culloo. Motion passed unanimously.

**Motion** made by Leo Culloo to appoint Brian Rabe to the Board of Directors. Seconded by Rick Lewis. Passed unanimously. Brian Rabe will replace Ron Hesse's position on the Board.

**Motion** by Kirk Johnson to adjourn to Executive Session. Motion passed unanimously.

Meeting adjourned at 10:59

**Nine Mile Ranch Homeowners Association**  
**August 3, 2018**  
**Board of Directors Meeting**

Meeting held at Oroville Senior Center.

Board members physically present: Kirk Johnson, Leo Culloo, Rick Lewis, Susan Stewart, Kate Naysnerski and Wanye Naysnerski. Present through teleconference: Brian Rabe and Brett Coffman. Acting Treasurer Stacey Johnson and ACC Chair Kim Culloo was present. There were no audience members present.

Meeting called to order at 3:06 pm.

Discussion about producing minutes. Directions given to Kate, Secretary, on producing minutes:

- Include into record naming Directors opposing votes.
- Show who seconded.
- Add “action” of who, what and when will be done.
- Summarize discussions and use preambles to motions.

Unanimous consent to approve July 13<sup>th</sup> meeting minutes via email.

Board meeting minutes of June 23, 2018 were approved via email and posted to website.

Unanimous consent to add five items to today’s agenda.

Road Report: Report read by Kirk Johnson. (Report posted on Website)

**Motion made** by Kirk Johnson to secure local contractor, Davidson Construction, to perform up to \$900 worth of tree trimming needed before winter sets in. Second by Susan Stewart. Motion passed unanimously. Work will be done after chainsaw/fire bans has been lifted.

**Treasurer report:**

- Leo Culloo and Kirk Johnson are the present signers on the HOA Wells Fargo Checking Account.
- Board requested to have Treasurer: provide to the Board a Balance Sheet and Profit & Loss on a quarterly basis, and to report any unusual or large expenditures as they happen.
- Changes to letters for collection were discussed. Further discussion and input on collections will continue as this unfolds. Discussion on back charging interest (CC&R – required interest has not been charged since 2012), discussion regarding negotiating with a member to pay, and also regarding charging a late fee that is not specifically stated in the CC&Rs.
- **Motion made** by Kirk Johnson: BE IT RESOLVED that the Nine Mile Ranch Board of Directors approve a budget up to \$1000.00 to have HOA law firm Foster Pepper answer

legal questions regarding interest charges and collection on past-due accounts. Questions will be created and assembled by Stacey Johnson, with BOD approval, and Stacey Johnson will be the sole person interacting with Foster Pepper in answering these question.

- WHEREAS the act of encumbering Lot owners for financial charges because of past-due assessment and fees potentially involves legal risk and liability for the Association, and
- WHEREAS CCR-required interest charges on past-due accounts has not been followed through with for a number of years by the BOD and now therefore involves the potential risk of back-charging past-due owners for such interest.
- Estimate will be asked for before hiring Foster Pepper to answer questions.

Seconded by Rick Lewis. Motion passed unanimously. Letter to attorney will be approved by Board members, prior to sending, via email.

### **Old Business:**

- Bulk mailing follow up. We do not qualify for a Non-Profit Bulk mailing permit. There is a “standard bulk mailing” permit; costs would be a \$225.00 one time application fee, plus \$225.00 yearly permit. When calculated out we would have to send many mailings a year and have more members to mail to for this to be cost effective.
- Brett Coffman is still in the process of creating a report regarding Lynn Barnett having to pay dues on Lots owned. Will discuss issue at next meeting.
- Current secretary, Kate, will be picking up prior secretary records from Karen Durell this coming Sunday.

### **New Business**

A first draft cash flow report was sent out via email last week: This report is to start creating awareness and dialog of cash flow issues. We have some tough decisions coming up. Reserve study consultant dollar figure came from a recommendation through Foster Pepper to Dan Vanover. Will continue to update report and discuss further at next meeting.

**Motion made** by Leo Culloo for Stacey Johnson to fill vacancy of Board member and Treasurer, Carol Sanderson. Seconded by Susan Stewart. Seven vote yes, Kirk Johnson abstained. Motion passed.

Internal controls are being developed. Stacey Johnson will be supplying Brett Coffman and Scott Griffin (Canadian CPA who is Susan Stewart’s husband) monthly bank reconciliation report on Wells Fargo bank accounts and will also provide copies of all checks written and invoices for said month.

Members are giving us required permission to use their email address for notifications/mailings instead of using US mail. This list needs to be set up in a group email system for use, as well as a file kept with permission statements. Stacey is keeping file on all permission slips. Someone will need to set this system up soon. Discussion tabled.

## ACC Report

- Kim Culloo reported desire to create a master map of all existing structures on Ranch. Ways to create this map might include sending out letters to members to voluntarily report their structures, use county records, driving the Ranch or google mapping. Also, develop system by which we “grandfather” structures; basically creating a way to bring approval of all structures that meet requirements up to date. Lack of historical records has put ACC in the position of communicating with members for approval; Kim will be creating a draft letter to members requesting information and location on structures. The completed map would be shared with local fire departments to assist them with structural fire protection.
- Kate reported being contacted by members that are scared of Board and ACC enforcement. ACC wants to help members comply with CC&Rs. Great importance discussed regarding compliance when safety issues and upholding property values are involved.

Due to time limitation it was agreed to table rest of agenda and go into executive session. Executive session is regarding on-going issue with non compliant member.

Motions made during executive session:

**Motion made** by Kirk Johnson to share HOA investigation records requested by involved Association member with regard to on-going non-compliant member issue. Discussion was that this is an ongoing investigation and we are not in the position to share that information at this time. Motion seconded by Leo Culloo. Vote: 7 against, Kirk Johnson for. Motion failed. Approved letter from the Board to non-compliant members will be shared with said Association member.

**Motion made** by Kirk Johnson to extend meeting ½ hour beyond the 2 hour agreed limit. Seconded by Susan Stewart. Motion passed 8 yes, Wayne Naysnerski no. Wayne left the meeting at that point.

**Motion made** by Leo Culloo to send written letter to said non-compliant member. Seconded by Kirk Johnson. Leo Culloo and Kirk Johnson will readdress and complete letter to be approved by the Board via email. Vote: 7 yes, Stacey Johnson and Kate Naysnerski abstained. Motion passed.

Meeting adjourned at 5:35 pm.

**Nine Mile Ranch Homeowner Association**  
**Board of Directors Meeting**  
**September 7, 2018**

Meeting as held at Alpine Brewing Company Pub, Oroville WA

Board members physically present: Kirk Johnson, Rick Lewis, Wayne Naysnerski, Stacey Johnson. Susan Steward arrived at later time. Brett Coffman, Brian Rabe, Kate Naysnerski and Leo Culloo we present electronically. Note that at some point early in the meeting, electronic connection was lost with Leo Culloo. Association members present: Mike Emel and Ken Burch. Also, meeting was attended by Charles NcNeil and Danielle Croasmun, renter of Lot 39, Division 4.

Meeting called to order at 9:14 a.m.

Read into minutes email approval of July 13, 2018 Board meeting minutes on August 19, 2018.

Read into minutes email approval of August 3, 2018 Board meeting minutes on August 27, 2018.

Read into minutes of email motion made by Stacey Johnson on August 20, 2018: **Motion** for the Board of Directors to adopt, as part of the Collection Policy, a \$25.00 late fee to be charge on all past due members account. This fee will be charged at 30 days past due (July 1) as an one time annual fee. The purpose of the fee to to cover cost incurred by the Association for the collection process. Vote 7 yes, 2 no. Kate and Wayne Naysnerski voted no. Motion failed. Note: unless arranged before hand in a meeting, all email votes must be unanimous. Motion Failed.

**Old Business**

Record into minutes that July's newsletter costs was approximately \$135.00. This included postage only as the paper and envelopes used were already on hand.

Prior meeting a motion was passed to send letter to member that was in violation of the CCRs. Final content of letter was to be approved via email. Final content was approved by majority. Leo Culloo requested to have on record: "I vote no to the newest version of the letter to [violating Lot Owner]. I would request that my no vote be entered into the official records. However, I vote yes to sending the letter that is approved by the majority of the BOD to [violating Lot Owner] as soon as possible."

Brett Coffman gave update of research on whether Lynn Barnett is now legally responsible for paying yearly assessments on Lots he still owns. Brett sited of particular significance Bylaws Article 4, Section 4. Brett is still gathering information and will write up a report soon to be addressed and discussed further at the next meeting.

Update on new attorney search for Association: Leo Culloo has resigned from legal committee. **Motion** made by Stacey Johnson for Stacey Johnson to request more information from Omak Attorney firm Callaway Detro and secure firm as potential attorney to represent the Association. There is no agreement being sought to secure this firm at this time. Seconded by Brian Rabe. Given that the venue of any Association legal court issue is in Okanogan County courts, it would serve to have a local attorney representing the Association. A March 29, 2018 written communication from this firm quoted

their hourly rate at \$275.00, as well as confirmed that there is no conflict of interest in taking the HOA on as a client. Current firm used by the Association, Foster Pepper, bills the Association hourly rate of \$300 to \$400 depending on attorney used in firm, and they are located in King County. Stacey Johnson will pursue communication to verify there is still no conflict of interest in representing us at this time, as well as get in writing that they are experienced at representing Homeowner Associations and are familiar with HOA law. Motion passed unanimously.

Kate Naysnerski reported she received records from prior secretary. She stated that she received a file only, very limited records, and no ACC records.

Restate motion made by Kirk Johnson and approved in July 13, 2018 Board meeting; "I move that BOD minutes may be approved via email before the following BOD meeting. WHEREAS it can be an extended period of time before the next BOD meeting and consequently approving the prior meeting minutes, which also delays being able to publish the approved minutes to the membership." This motion is being restated because, while it was sanctioned in the July 13<sup>th</sup> meeting, it did not get properly recorded into the approved minutes.

Clarify motion made in May 30, 2018 Board meeting; The Board acknowledges that the contract that supported the May 30, 2018 spray motion was not for a fixed price but was an estimate, with final billing based on actual time and materials performed. This agreement was published to the Board on 6/2/18 and to the membership at the 6/23/18 Annual Meeting. Therefore, the over-expenditure amount of \$2,862.86 is consented to by the Board.

### **New Business**

#### ***Road Report:***

Official road report was read aloud by Kirk Johnson (see road report on website 9mileranchhoa.org).

Still looking for licensed and bonded contractor to use for smaller jobs that randomly need to be done. Kirk asked if Wayne would look for a contractor to be used. Wayne declined. Brian Rabe suggested we seek volunteers to help with some of these small tasks. Was suggested that we include this in the next newsletter, and also continue to state the liability disclaimer in newsletter that protects the Association from being held liable by volunteers if they were to become injured while working on Association tasks.

Brett Coffman will prepare a report for the Association to potentially adopt some Okanogan County Standards for our roads.

#### ***Treasurer Report:***

As of 9/6/18:

Checking account: \$41,008  
Savings account: \$14,573  
CD account: \$32,769

Accounts receivable:

- \$14,470 owed from this years billing (\$13,208 not including Lynn Barnett)
- \$15,793 owing 2 years or more (\$14,324 of this is 3 years or more)

- \$4,376 was billing to members for current and back-charging of interest.

Per Bylaw Article VIII, Section 8: "...unless the property is managed by management firm the Treasurer shall sign all checks". Kirk Johnson was removed as signer on account. Stacey Johnson, as Treasurer, was added. Leo Culloo and Stacey Johnson are now the signers on bank accounts. Stacey now has on-line view of banks accounts. Debit card is now available if needed.

First letter for collection, with statements reflecting charged interest, was sent out on 9/1/18. Stacey has received 2 phone calls requesting availability of credit cards payments. Paypal payment availability was allowed to expire by prior Treasurer. Summary of research on this matter shows that the 2 ½ years Paypal was made available to members to pay it costs the Association 3% of what was collected through Paypal. A total of 18 members used this service. Stacey will provided report to the Board regarding this. Susan Stewart suggested another option for credit card/on-line payments. Stacey will contact Susan to get further information on this as well.

**Motion** made by Stacey Johnson to adopt policy to file liens for balance of assessments owed, plus the \$200 lien fee and interest, on members when they become 3 years past due. Seconded by Rick Lewis. Note: Lien filing fee is \$99.00. Member is charged for 2 fees; one for placing lien and one for releasing lien. Motion passed unanimously.

**Motion** made by Stacey Johnson to file liens on the 19 Lots that are 3 or more years past due. Cost will be \$1900.00. Liens will be filed on November 1<sup>st</sup>. Motion seconded by Brian Rabe. No liens have been filed since 2012. Okanogan County states that a lien stays on the property until released. They do not believe that liens "expire", but the Association would have to file additional liens every few years to account for members owing more than the original lien filed. Motion passed unanimously.

**Motion** made by Susan Stewart to charge all past due accounts a yearly one -time late fee of \$10.00. Seconded by Brett Coffman. Late fee will be charged November 1<sup>st</sup> for this year, with following years to be charged on July 1<sup>st</sup>. Motion passed unanimously.

Internal controls have been implemented: Scott Griffin (Canadian CPA and Association member) and Brett Coffman (Board member) will be supplied monthly a bank reconciliation report on all accounts, copies of all checks written that month with corresponding invoices. Scott Griffin reported that all looks okay from his first review.

**Motion** made by Kirk Johnson to spend \$135.00 for the upcoming Fall newsletter, and that content will be provided and approved by majority consent via email. Seconded by Susan Stewart. Rick Lewis volunteered to donate a case of copy paper. Motion passed unanimously.

Cash flow report was reviewed. Funds for Audit were taken off of report because of the following: RCW 64.38 states that we conduct an audit when the Association has income of \$50,000 or more. We have reached that amount now. We are now required to conduct an audit after the end of this fiscal year so costs of an audit will be in next years budget. The Association members will have the right to vote to waive said audit. Also, the Reserve Fund Study was removed from report because we are still seeking bids and other information. Reserve Fund Study will be incorporated in next years budget.

**Motion** made by Kirk Johnson to spend \$12,800 on gravel to be place this fall based on evaluations and recommendation by Brett Coffman and Kirk Johnson. Seconded by Susan Stewart. As stated in greater detail in the Road Report, Kirk has visited 2 different rock pits to evaluate type of rock

available. He has also scheduled availability, subject to board approval. This decision was made by the Board with the help of a Cash Flow Report on the rest of this fiscal year submitted by Stacey Johnson. It is understood that we may need to use some of the savings to accomplish this depending on the variable costs and income; how much we can collect of the past due assessments and how much will be spent on snowplowing and legal fees for the rest of the fiscal year. Motion passed unanimously. (see gravel placement report on website 9mileranchhoa.org.)

**Motion** made by Kirk Johnson at 11:14 to extend meeting by 20 minutes. Seconded by Stacey Johnson. Motion passed unanimously.

Quick discussion that the Association's CD will be expiring on October 16, 2018. We need someone to volunteer to research other options in placement of these funds. We are earning very little interest on it where it is now. Stacey Johnson is asking for someone who is experienced in this to step forward to take this on. Leo Culloo has shown interest and Stacey will speak with the manager of Wells Fargo to see what they offer.

Meeting adjourned at 11:29 a.m.

**Nine Mile Ranch Homeowners Association**  
**Board of Directors Meeting**  
**October 13, 2018**

Meeting held at Oroville Senior Center, Oroville, WA.

Board members present: Kirk Johnson, Rick Lewis, Leo Culloo, Wayne Naysnerski, Kate Naysnerski, Brian Rabe, Brett Coffman and Stacey Johnson.

Eighteen Association members present, representing 13 Lots.

The Board offered to Association members present that if they would like to openly speak they may sign up to speak, for 3 minutes each, after the close of the Board meeting. Three Association members signed up.

Meeting called to order at 1:02 pm.

**Old Business**

Read into minutes email approval of September 7, 2018 Board meeting minutes.

Brett Coffman reported, per 9/9/18 email, that in his review of month end reports given to him by Treasurer: "I looked at everything Stacey gave me and all looks okay. I do not see any out of ordinary items."

Update on whether Lynn Barnett owes yearly assessments now that he has relinquished control over the Association: Brett Coffman reported that after researching this extensively there are still questions and would require legal counsel. Main legal questions include:

- How does the language in Barnett's May 2018 relinquishment document affect the situation, and,
- What is the legal determination of a Lot 'held for sale'.

Discuss whether Association needs/should spend funds for attorney. Lynn Barnett owns 7 lots, a total of \$1,232.00 in dues a year. Discussion tabled, to be readdressed when other legal expenses are addressed.

Stacey Johnson reported communication with attorney firm, Callaway & Detro, located in Omak, WA. It was confirmed that their hourly rate is \$275.00, that there is no conflict of interest in representing us, and that they currently represent other HOA's and have handled real estate matters for over 30 years. Cannot find other firms in Okanogan that represent HOA's that do not have conflict of interest in representing us. There are other firms we could solicit in Wenatchee and/or Spokane. The attorney firm that has been representing 9MR for years, Foster Pepper, charges the Association \$300 to \$400 an hour and they are located in Seattle. Stacey's suggestion is that we use Callaway & Detro for the following reasons:

- As stated in the CCRs: 9MR court venue is in Okanogan. We would pay less in not having an attorney travel time in the event of a court proceeding.
- Omak firm would be intimate with Okanogan judges and the court workings.
- Omak is convenient if a face to face meeting is required with the attorney.
- Hourly rate is less than what we are paying now.

Discussion tabled until we are ready to make a motion to spend funds with an attorney.

Stacey requested that it be placed into the minutes the outcome of motion made in August 3<sup>rd</sup> Board meeting to hire Foster Pepper to answer questions regarding collections of past due accounts. Motion stated a budget of \$1000. Cost was \$224.00. *Summary of questions and answers:*

- Can Board adopt policy to charge late fees? Answer: yes.
- Interest has not been filed for years. Can the Board 'back charge' interest? Answer: yes.
- Can the Treasurer/Board negotiate fees with past due members. Answer: yes.

### **Treasurer Report**

As of 10/10/18:

Checking account balance: \$42,721.

Savings account balance: \$14,573.

CD balance: \$32,769.

Accounts Receivable: \$26,793. This includes:

- \$20,727 past due assessments
- \$4,802 interest and late fee charges
- \$200 lien fee charged
- \$1,232 Lynn Barnett
- -\$168.00 credits

Since August 1<sup>st</sup>, when we actively engaged past-due collections, we have collected 61 past due lots. This is a 20% improvement compared to last year at this time.

Of the 19 Lots scheduled to have liens filed on November 1<sup>st</sup>: 2 have paid in full, 3 are making payments and 1 filed last month. This leaves 13 liens to be filed the end of November, a savings to the Association of \$500 in lien filing fees. Two of these we are getting back in the mail with no return address. Will continue to send out statements monthly with updated interest to past due members.

In the September 7<sup>th</sup> meeting we based our cash flow projection report on collecting \$13,000 of past due assessments by the end of our fiscal year, May 31<sup>st</sup>. To date we have collected \$9,100 of the projected \$13,000.

**Motion** made by Stacey to approve the Collection Policy submitted to Board via email on September 25, 2018. Policy will be posted to web site. Seconded by Leo Culloo. Motion passed unanimously.

Discussion regarding members making payments, negotiating late fee and interest. Leo expressed concern that we need a policy about guidelines for accepting payments. Members making payments so far has been based on what they can afford. We will get their commitment either in email or writing. It was made clear to all members seeking payments that interest will continue to accrue and that lien will be filed if payments are not kept up or there is no communication regarding this.

Quickbooks on-line accounting sent notice that next years fee will be \$645. History is that fee was \$279.00 for the last 9 years, \$350 for this year. After lengthy discussion with Quickbooks representative it was discovered that we are signed up for one of the more expensive/complex systems that they offer. Given that we are a simple set of books and we don't need most of the services offered by the one we are using, we can drop down to a less expensive service. This would cost us between

\$380 and \$430 per year. This information is just for a heads up to think about. Stacey will provide the Board with report regarding this and suggested alternatives to be addressed at the January 2019 Board meeting. Our Quickbooks account service is paid through May 2019.

Board members had requested to be provided quarterly reports, the Balance Sheet and Profit & Loss from the Treasurer. Stacey suggested that the Board get these from the monthly posting of these reports to the Website. Stacey will provide any other reports or information upon request from a Board member.

Email distribution lists for sending out notifications to those members that have agreed, in writing, to receive through email. Stacey will be sending out 'test' emails soon to a few Board members before all address are inputted.

Rick Lewis donated a case of paper to the Association; paid for and delivered. Thank you Rick.

Association CD account, at Wells Fargo, is expiring on October 18, 2018. Stacey presented suggestion of moving CD funds to Association's existing saving account so funds are available to reinvest when ready. Craig Jordon has offered to meet with a committee to discuss/educate his ideas of laddering CD's at Charles Schwab. We have potential of making more on our money with greater availability to our money by using Craig's suggestions.

**Motion** made by Stacey to transfer CD funds to Wells Fargo Savings account on October 18, 2018. Seconded by Rick Lewis. Motion passed unanimously.

**Motion** made by Stacey to form committee to study best options for better return on our \$32,000 CD. Seconded by Rick Lewis. Committee will be Stacey, Kate, Leo and Kirk. Stacey will make arrangements to meet with Craig Jordon to discuss his suggestions.

## **Road Report**

- Formal Road Report was read out loud by Road Manager Kirk Johnson; see report posted on website.
- Kirk Johnson requested again that the Board find a licensed, bonded and insured local contractor to perform small and emergent maintenance duties. Kate stated she has researched local contractors and found few available, and none willing to work with the Association because of our such small and intermittent needs. Further discussion included posting tasks to the website for volunteers to sign up to do, also similar posting and solicitation in the newsletter.
- Discussion regarding what to do about burned dead trees off the edges of the roads that are close to falling, considering it's the HOA's responsibility to maintain the roads but trees are the property of Lot Owners. ACC member – and prior long-time insurance claim adjuster – Kim Culloo added into the conversation notes below. Considerations included:
  - First determining if a tree is within the 60' wide easement.
  - Trees that are known by the owner to be dead (i.e. an obviously burned dead tree) – as opposed to a live green tree - are potentially the legal liability of the owner if the tree falls and causes damage.
  - Problem trees either dead OR alive within the easement may be the responsibility of the HOA.
  - Wayne volunteered to cut and remove trees less than 16" in diameter. A specific tree on a specific Lot was discussed; Wayne voiced concern for not wanting to drop that tree if it might fall incorrectly and damage a lot owner's structure. Wayne and Rick agreed to

go out and measure the exact position of this specific tree to see if it is within the easement, voluntarily drop the tree if they felt comfortable with doing it, and if not then report back to the Board at the next meeting about it for the Board to consider paying a professional to do it. Kate commented that a neighboring Lot Owner is willing to pay for the tree dropping.

Discussion now about upcoming snow plow contract with Tim Roberts. Brett offered a draft version for the Board's consideration. Discussion included:

- Leo: is there another viable plower option available to us, if we wanted to consider that? Kirk: no known viable alternative, someone with same willingness, talent, effectiveness, courage, responsibility, gear, responsiveness, knows our roads, has adequate insurance required, etc.
- Possible changes/additions compared to last year's contract, including adding 'hold harmless' language protecting the HOA if plower causes harm. Tim also communicated he will provide no back-up plower, discussion included from Eldon Hunt – 10-year prior Plow Coordinator – that there had never been a need or use of a back-up, and Kirk concurred. Eldon also volunteered to be new Plow Coordinator 'if no other option found'.
- Addressing the plowing frequency, standard, and procedure:
  - same as last year's contract
  - single named Plow Coordinator for plower to deal with (no direct dealing between plower and Lot Owners)
  - name an alternative Plow Coordinator in the contract if the Plow Coordinator unavailable; Wayne volunteered.
  - Volunteer 'reporters' throughout the Ranch who would report in to the Coordinator about snow levels and conditions in their area.
  - Order of roads plowed will be at the discretion of Tim, according to his well-established prior experienced regimen considering efficiency, worst areas and main roads first, etc.
  - extra attention for plowing width for oncoming traffic will be given to dangerous steep slopes and blind corners.
  - Add a minimum charge for a plowing order.

**Motion:** Kirk made a motion to approve the basic rates and terms expressed in last year's plowing contract and that a final contract draft will be brought forward from Kirk and Brett for email approval from the Board. Seconded by Leo. Motion passed unanimously.

Discussion: Kirk requested that a motion be brought by someone addressing reimbursing him for expenses associated with road management and administration, such specific expenses which were submitted to the Board from Kirk prior to the last Board meeting.

**Motion made** as such by Brett and seconded by Brian. Discussion included:

- Wayne expressed that these are volunteer positions and that volunteers should pay for their own expenses.
- Kirk expressed that this is not a charity organization but rather an organization that acts to benefit private landowner land values and land access, and that owners do not share their private equity with volunteer Board members in return for benefits provided.
- Leo expressed concern that Kirk's mileage reimbursement rate request of the current IRS rate is overly generous, and he proposed the Board adopt a policy outlining specific reimbursement rates and approval conditions for all expenses. Leo also expressed concern for paying that portion of Kirk's reimbursement request that involved expenses incurred under duty request of the interim Board in April and May.
- Brett and Rick expressed awareness and appreciation for the large amount of work Kirk performs while he incurs necessary expenses, and that it is appropriate to pay those expenses.

- Stacey reads aloud Bylaws Article IV, Section 2: “No Director shall receive compensation for any service rendered to the Association. However, a Director may be reimbursed for actual expenses incurred in the performance of duties or attendance at meetings of the Board of Directors.” Stacey also noted that Kirk does not include requests for reimbursement for many other expenses incurred.

Motion passed with Brett, Leo, Brian, and Rick approving, Kate and Wayne disapproving, and Kirk and Stacey abstaining.

**Motion made** by Rick that a policy be developed and approved by the Board offering the option for individuals to petition the Board to be reimbursed for expenses above and beyond normal activity, policy to include finding rates that are reasonable and prudent, and how to approve that. Leo and Rick will be the committee to form the draft policy. Seconded by Brian. Motion passed unanimously.

Discussion regarding Stacey’s draft proposal for scheduling the remaining Board meetings for the remaining fiscal year, and accompanying general agenda items. Leo informed that the local library has internet WIFI available and allows organizations to use their space free of charge, applying at city hall for such use. Board consent to Stacey’s proposed meeting schedule, and Kirk will pursue scheduling specific dates that may best work for the most number of Board members.

**Motion made** by Kirk to form a committee to research the issue of creating effective teleconference services and electronic gear, if necessary, also including potentially using the library as a venue so we can take advantage of potential WIFI teleconference options. Kirk and Kate volunteered to be on the committee, and Kirk volunteered Susan in her absence. Committee to report findings and recommendations in preparation for the Board to consider in the November meeting. Stacey seconded. Motion passed unanimously.

### ACC Report

Chairperson Kim Culloo addressed the following:

- showed the ACC’s filing system for accepting applications from HOA members for structure and land use approval from the ACC. Kim also requested that all applications be downloaded onto a central cloud data base; Stacey will speak with HOA computer person Anne Alden about this.
- Kim showed the Welcome Packet that HOA member Felicity Rabe and Kim prepared, such packet which would potentially be given to all new HOA members from the ACC/Board. Packet to contain a copy of the Bylaws, CCRs, last newsletter, road maps of the Ranch, local area maps, a President’s Letter, ACC Chairperson Letter, copy of application for structure approval, list of services in the area and emergency numbers, and road reports. Packet costs approximately \$12.00 each, including postage, Kim and Felicity offered to cover all costs for the first year.

**Motion made** by Leo that the Board move forward with the Welcoming Package for new land owners. Seconded by Kirk. Discussion included acknowledging good potential benefit, also Felicity saying that it ‘takes away a new landowner from saying I didn’t know about the [governing documents].’ Prior Board member Eldon Hunt also commented that they used to have a similar package and it was beneficial. Motion passed unanimously.

**Motion made** by Kirk to extend the meeting 10 minutes. Leo seconded. Motion passed unanimously.

**Motion made** by Kirk to form a committee to address renaming No Name Road, preparing information for the January Board meeting. Rick, Kirk and Felicity named as committee members. Seconded by Brian. Discussion included that there would be no cost to the HOA for the re-name, as Brian and Felicity volunteered to pay for costs also including the new sign. Motion passed unanimously.

**Motion made** by Kirk to form a committee to analyze and bring forward a recommendation to the Board regarding HOA member Drew Sawchuk's request that the HOA receive and disburse funds from Lynn Barnett to reconstruct and improve the Big Horn Ridge entrance gate. Specifically to respond to Mr. Sawchuk's request that a letter be drafted and sent to him in initial response to his request. Kirk, Susan, and Brett to be on the committee. Stacey seconded the motion. Motion passed unanimously.

**Motion** made by Kirk to accept list of terms of Board members. Seconded by Brett. List is based on bylaws Article 4; Section 3: Terms and number of votes received from members in the elections of Board members. Motion passed 6-2, no votes by Wayne and Kate Nayskerski.

Meeting adjourned at 3:10 pm. Open floor for membership comments.

Board reconvened at 3:30 pm for executive session regarding on-going non-compliance of member.

**Motion** from executive session was to send letter to offending member and their renters. Leo and Kirk will write up draft to be approved by Board via email. Motion passed unanimously.

**Nine Mile Ranch Homeowners Association**  
**Board of Directors Meeting**  
**November 3, 2018**

Meeting held at Oroville Senior Center, Oroville, WA.

Board members physically present: Kirk Johnson, Brett Coffman, Wayne Naysnerski, Kate Naysnerski, Leo Culloo and Stacey Johnson. Brian Rabe, Rick Lewis and Susan Stewart were present telephonically. Kim Culloo, ACC Chairman, was present as well. 3 Association Members present.

Meeting called to order at 1:01.

**Old Business**

Read into minutes email approval of October 13, 2018 Board Meeting Minutes.

Website cloud storage: A page has been set up connected to our website for the Board and ACC to store documents. This page will be administered by Stacey, same as Website. Send Stacey what you want stored and she will place it on that page for storage.

Snow plowing contract: Snow Plower, Tim Roberts, snow plower had changes on contract:

- Eldon Hunt has agreed to be snow plow coordinator. He will be the sole contact for members regarding issues and requests.
- Tim has increased his plowing rate from \$105.00 an hour to \$120.00 an hour. \$120.00 is common hourly rate for other local plower's at our scale, licensing and insuring.
- Tim requested that all gates remain opened. If gates are closed he will not plow.
- Roads that are especially rough with boulder heads take longer to plow to avoid significant damage to Tim's truck; billing would be more costly.

Plowing standard: Board agreed that all roads need access and need to be plowed. Susan will attempt to get in writing from all members in Big Horn Ridge to not plow as no one will be coming to their property in the winter. Kirk will make changes to contract and submit to Board for email approval by majority.

Teleconferencing for meetings: Still figuring out feasible options that are not too expensive.

Big Horn Ridge gate issue: The courts have asked if 9MR would be a 'Trust Holder'; acceptor and disperser for funds from Lynn Barnett for remodeling Big Horn Ridge Gate. A letter is being drafted to Drew Sawchuck, Big Horn Ridge member who is party to this issue, which state the Boards offered role and address any liabilities. The Association is not responsible for gate or pavement, and they have a CCR's in addition to the Nine Mile Range CCR's. A committee in Big Horn Ridge will be formed to handle this from their end.

**Motion** made by Kirk Johnson that a draft letter will be written to Drew Sawchuck and be brought foreword to the Board for email approval by majority. Seconded by Brett Coffman, Passed unanimously.

Reimbursement Policy: Leo and Rick reported that they will have report ready for January meeting.

### Treasurer Report

All liens on 3 years or more past due members Lots were filed November 1<sup>st</sup>. There is good progress in collecting past dues. Also, on target for levels projected in recent cash flow reports.

### Road Report

All work orders are complete. All gravel ordered has been placed except for the pit run that we chose to have placed in spring instead.

### ACC Report

- Six welcome packets have been sent out.
- Six local real estate firms were sent letters to remind them of our CC&Rs, hoping for their support in noticing to prospective buyers.
- Question regarding interpretation of CC&Rs about 'rentals'. Will need legal interpretation.

**Motion** made by Brett Coffman (long-time professional road builder) for a one time Special Assessment of \$150.00 per lot to be spent on road gravel only. Must be voted on by membership; 25% approval. Kirk Johnson seconded. Many of our roads are to the point where we cannot rake (maintain crown and other watershed maintenance) because there is not enough rake-able gravel material; we are down to raking our base, which destroys the road construction, and also damages rake gear = higher raking costs. Also, many roads have excessive road base boulderheads sticking up which causes excessive damage to plow gear = higher plowing costs, and makes plowers not want to plow for us; additional gravel buries the boulderheads. We also need to catch up on years of lack of adequate gravel replacement from traffic wear. We need gravel. This Special Assessment would give us \$45,000 to be spent on gravel only. Kirk also mentioned concern that if BOD knows that there needs to be more income for gravel maintenance then we may have a legal obligation to ask for the extra funds. Motion tabled until January when next year's budget and assessment rate will be discussed. Brett will write a report for the Board regarding this for the January meeting.

Meeting open to public comments at 1:52 pm.

Board went into closed executive session at 2:12 pm.

**Motion** made by Kirk Johnson to send letter to Lot Owner to follow up on compliance. Kirk and Kim will collaborate in writing letter. Letter will be approved by majority of the Board in email. Motion passed with 8 approved, Wayne Naysnerski voting no.

**Motion** by Kirk for a letter to be drafted in response to Lot Owner's letter to the Board about road and easement maintenance. Letter will be drafted by Leo, Kirk and Brett to be approved by Board with majority in email. Susan seconded. Motion passed unanimously.

**Motion** by Kirk Johnson to approve legal expenditure up to \$3,000 for attorney to answer questions about any of the following subjects:

- HOA compliance with RCW 64.38 or current law.
- Specific member violations of CC&Rs.
- Over all CC&R enforcement.
- Clarification about terms regarding governing documents.
- Obtaining prior HOA attorney records.

Stacey Johnson will be the sole interactor with HOA attorney, except at face to face meetings with attorneys, where additional BOD members chosen by the BOD may attend. Legal questions will be formulated and edited by any and all BOD members and final questions will be approved by email with the majority of directors. Stacey Johnson will provide a report and answers at next BOD meeting. Seconded by Susan. Motion passed unanimously.

Meeting adjourned at 3:35 pm.

**Nine Mile Ranch Homeowners Association**  
**Board of Directors Meeting**  
**January 5, 2019**

Meeting held at Oroville Senior Center, Oroville, WA.

Board members present: Kirk Johnson, Leo Culloo, Brett Coffman, Rick Lewis, Stacey Johnson, Kate Naysnerski, Wayne Naysnerski and Brian Rabe. Absent: Susan Stewart.

12 Association members present representing 9 Lots.

Meeting called to order at 1:00 p.m.

**Motion** made by Kirk Johnson to amend the agenda to include:

- ACC report.
- Discussion regarding protocol in keeping email records.
- Executive session discussion regarding potential snowplow contractor.

Seconded by Rick Lewis. Motion passed unanimously.

**Old Business**

Read into minutes email approval of November 23, 2019 Board Meeting Minutes.

Read into minutes: Per Bylaws, Article VI, Section 4: Action Taken Without a Meeting; the Board voted unanimously to engage the Law Office of G.N. Bergh of Spokane, WA to represent the HOA upon request. On November 20, 2018 President Kirk Johnson signed engagement papers with firm.

Read into minutes email approval of 2018/2019 snowplow contract.

**Treasurer Report**

- Final outcome of transferring funds back into CD: \$33,000 has been transferred into a 19 month CD at Wells Fargo Bank earning 2.55%.
- July 1, 2018 Account Receivable Report was 3+ pages long. It is now 1 page; a perspective of success in collections.
- The HOA is owed approximately \$19,000, including interest and lien fees charged. Approximately \$14,000 of the \$19,000 are 11 members owing back several years. Five of those are making payments and the other 6 have liens filed on their Lots. Total of 33 members are past due.
- First draft of proposed 2019/2020 budget was handed out to the Board for review. Budget will need to be approved at the March meeting or via email.

**Motion** made by Leo Culloo for 2019 mileage rate reimbursement be 28 cent a mile unless otherwise approved. Seconded by Kate Naysnerski. Discussion: No agreement on mileage rate agreed upon. Will require further discussion and research. Motion tabled.

**Motion** made by Leo Culloo that the Board not address any travel or mileage reimbursement, for 2019, until reimbursement policy is established. Seconded by Wayne Naysnerski. Motion passes unanimously.

**Motion** made by Kirk Johnson to appoint Todd Beesaw to the ACC. Seconded by Rick Lewis. Motion passed unanimously.

**Motion** made by Kirk Johnson to form a committee to create policy for members input at Board Meetings. Final policy to be posted on Website. Seconded by Brian Rabe. Kate Naysnerski and Kirk Johnson volunteer to be on committee to write up first draft of policy for Board approval. Motion passes unanimously.

**Motion** made by Rick Lewis for Board to review and now approve request for expense reimbursement by Road Manager for \$422.49. Seconded by Brian Rabe. Wayne Naysnerski requested to have on record that “this is a volunteer position; volunteers should not be paid or reimbursed for expenses”. Vote taken: Kate & Wayne Naysnerski: no vote, Kirk & Stacey Johnson: abstained. Four yes votes. Motion passes.

**Motion** made by Stacey Johnson to approve Susan Stewart and Stacey Johnson as the committee to write up upcoming mailing documents, to be approved by the Board via email. Solicitation for Candidate letter will be sent out soon to the Board for approval. Seconded by Brian Rabe. Motion passed unanimously.

**Motion** made by Stacey Johnson to spend funds for upcoming mailing with a cap of \$500. Seconded by Brett Coffman. \$500 will be more than enough to cover costs of stamps, envelopes, paper and ink. Motion passed unanimously.

**Motion** made by Leo Culloo for Brett Coffman and Leo Culloo to gather current attorney questions and answers to identify any issues or further questions by March meeting. Seconded by Stacey Johnson, Motion passed unanimously.

**Motion** made by Leo Culloo to have recent attorney questions and responses posted on the website by March 16, 2019 meeting. Seconded by Stacey Johnson. Motion passes unanimously.

**Motion** by Brett Coffman to put out for vote to the membership for a one time special assessment fee of \$150 that would be used strictly for gravel. Seconded by Kirk Johnson. Would required 25% of the Membership approval to pass. Motion amended to include committee Brett Coffman and Kirk Johnson to prepare information, for Board approval, that will go with vote. Motion passed unanimously.

**Motion** made by Kirk Johnson to spend \$400 to obtain past legal records from Foster Pepper law firm. Seconded by Brett Coffman. Discussion:

- Question whether we need records.
- Little or no archives of past attorney work; \$7,000 worth of potential beneficial legal advise and answers.
- Foster Pepper is offering to charge 1 hour’s fee for multiple hours work to retrieve records. Prudent to get the records while price is low.

Wayne & Kate Naysnerski opposed. 6 yes votes. Motion passed.

## **ACC Report**

- ACC is identifying areas applicable in relation to recent attorney answers. A report to advise actions will be presented to the Board.
- ACC is creating a spreadsheet to include existing structures.
- ACC will be creating procedure for addressing Rentals also in light of recent attorney answers.
- Kim Culloo resigned as ACC Chairman, but will stay on the committee.

**Motion** by Kirk Johnson to form committee to study and recommend protocol for archiving Board email records. Seconded by Rick Lewis. Kirk Johnson and Rick Lewis volunteered for committee. Motion passed unanimously.

Open session of Board Meeting adjourned at 3:16 p.m. Floor was opened for Association member comments.

Executive session opened after Association member comments.

- Motion passed unanimously to send response letter to Lot owner regarding burned hazard tree in an easement.
- Two Board members excluded from this part of executive session because of conflict of interest. Motion made to engage HOA attorney to write a cease and desist letter to non-compliant member. Motion passed unanimously (6-0)

Executive session adjourned at 4:15 p.m.

**Nine Mile Ranch Homeowners Association**  
**Board of Directors Meeting**  
**March 16, 2019**

Meeting held at Oroville Senior Center, Oroville, WA

Board members present: Kirk Johnson, Leo Culloo, Brett Coffman, Kate Naysnerski, Wayne Naysnerski, Brian Rabe, Rick Lewis and Stacey Johnson. Susan Stewart present telephonically.

Approximately 34 Association Members present representing approximately 16 lots.

Meeting called to order at 1:02 p.m.

Meeting is recorded by multiple people.

A Policy for Meeting Protocol was read out loud. This Policy was written by the Board of Directors. Copy of Policy was made available for all Members attending. Sign up sheet for Association members to speak at meeting was made available.

**Motion** to amend agenda to include discussion on standards for taking Meeting Minutes. Brian Rabe seconded. Motion passed unanimously.

Introduction of Board members.

**Old Business**

Read into minutes email approval of January 5, 2019 Board meeting minutes. Six approved, Susan Stewart abstained as she was not present at meeting, Wayne & Kate Naysnerski did not respond one way or another for approval. Minutes are published on the website.

**Reimbursement Committee Report:**

**Motion** made by Leo Culloo to approve Reimbursement Policy submitted to the Board dated 3/1/19. Edits in some wording was discussed and agreed upon. Seconded by Brian Rabe. Motion passed: 7 yes votes, Kate & Wayne Naysnerski voted no.

**Motion** made by Brian Rabe for any amount greater than \$100 for purchase/procurement be pre-approved before reimbursement. This figure is for beyond what has been budgeted. Seconded by Leo Culloo. Motion passed; 8 yes, Wayne Naysnerski vote no.

Policy can be revised at a later date by Board approval.

**Motion** made by Leo Culloo that the Board adopt 34.5 cents per mile for the mileage reimbursement rate for 2019. Seconded by Rick Lewis. Motion passed; 8 yes, Kirk Johnson no.

**Motion** made by Leo Culloo that annual mileage reimbursement for any one Board of Director or Committee member may not exceed a total of \$200 in a calendar year. Seconded by Brett Coffman. Motion passed unanimously.

**Motion** made by Kirk Johnson to approved the ‘Mileage Reimbursement Form’. Seconded by Rick Lewis. Motion passed unanimously.

Update from Committee for review of December 1<sup>st</sup> questions and answers from Attorney: will postpone till next meeting.

Read into minutes December 2018, January 2019 and February 2019 reconciliations where sent to Brett Coffman and Scott Griffin for review; all 3 months were approved by both Brett and Scott. Note Stacey Johnson, Treasurer, sends copies of bank account reconciliations, Balance Sheet and Profit & Loss, and copies of all checks written with corresponding invoices. This is for a monthly internal control review. Scott Griffin brought forth some questions and suggestions:

- Suggestion by Scott that all ‘comment sections’ of every check should have a note in it. Stacey commented that she had not been writing that on the check itself but will now. She does make notes on all checks when inputting in the Quick Book system.
- There is a category showing up called “unapplied payments” that Scott and Stacey are sorting out. It appears that some of this figure dates back to older times. It’s a Quick Books auto function, not an accounting error.
- Scott wanted more detail on ‘release of liens’ payment. Members that are 3 years or more past-due have liens filed on their Lot at Okanogan County. When member pays in full the lien needs to be released from Lot. Both the costs of filing the lien and release of the lien is billed to member at time of filing lien.
- Scott suggested that we are transparent when we engage legal council. The Board has discloses, through motions made, legal expenditures. Questions and answers from attorney are posted on website.
- Scott suggested that the receipts are clear for any reimbursement. This also is done and posted on the website.

### Treasurer Report

- Checking account balance: \$24,816  
Savings account balance: \$14,354  
CD balance: \$33,142
- We are earning interest of approximately \$70.00 per month on our CD now.
- We still have 24 Lots (18 members) that owe us \$16,430 collectively. About \$5,000 of that is for back and current interest charges, late fees, and lien fees.
- 4 Lots owe us for this year, and additionally 7 Lots (3 members) owe us for 2 years.
- This current Board had inherited (as of June 2018) 19 Lots that were over 3 years past due; the really old big ones. Regarding progress on those past-due accounts, currently:
  - 9 have paid in full

- 5 are making payments
- 5 have liens have been filed on them; total amount due for this 5 is about \$7,600

At the September 4th, 2018 BOD meeting the BOD made a motion to spend funds on road gravel that could have required us to use some of the savings account. At the time it as stated that we had hoped to collect \$13,000 of the past due to help pay for the gravel. We collected close to \$20,000 thus we did not have to use any of the savings account.

**Motion** made by Stacey Johnson to remove Lynn Barnett's invoices from the books. Seconded by Susan Stewart. There are 7 invoices, 7 Lots still owned by Lynn, totaling \$1,232.00 due for assessments billed to Mr. Barnett last year. Mr. Barnett responded to receiving those invoices by sending back the CCR's highlighting where it states that as long as his Lots are for sale he is not required to pay assessments on them. BOD comments included it would be unduly burdensome on the Association to legally fight this. Including Barnett into Accounts Receivable overstates our Accounts Receivable as we will never get these funds unless we win at fighting him legally for this. Motion passed unanimously.

Stacey Johnson will send a note to all past due, with the April 1<sup>st</sup> statements, reminding those members that their voting rights have been suspended until their account is paid in full. We would like them to participate in the upcoming ballot votes. Board agreed to have Stacey send letter.

Stacey has solicited 2 current bids for potential upcoming state required audit. One bid is from a firm that specializes in Washington State HOA's. This bid is for \$2,700. The other is from a firm in Seattle. His bid was for \$2,200 to \$2,900. Both bids included doing the HOA federal tax return as well. The decision as to whether the HOA performs the audit will be put out to vote in upcoming mailing, as the membership has the right to decide whether to have the audit performed or not.

Upcoming mailing: Susan and Stacey will continue working on the documents that will have to be mailed by May 1<sup>st</sup>. This will include:

- Ballot
- Letter to go with Ballot
- Notice: Raise in annual dues if applicable
- Notice: Annual meeting
- Financials
- Budget
- Letter with budget
- Budget vs. Actual report
  
- Board agreed that we send out a Profit & Loss on an accrual basis and cash basis.
  
- Budget vs actual report will require explanation regarding that the last year budget was done by an interim Board based on 5 year averages, not thought-out or evaluated.

Reserve Study and Reserve Funding is the next big issue to tackle. This affects many aspects of accounting, reporting, special assessments, road evaluations and savings/reserve.

**Motion** made by Stacey Johnson to form of a committee of Kirk Johnson, Brett Coffman and Stacey Johnson to study the Reserve Study and Funding law and report back it's finding to the Board at the July Board meeting. Seconded by Brian Rabe. Motion passed unanimously.

Board agreed to include a stamped return envelope with ballot for members to use.

### Annual Meeting Details

- Time of meeting to be 1:00PM was agreed upon.
- No refreshments or foods will be provided; water will be provided.
- Felicity Rabe & maybe Kim Culloo will help with a sign in sheet.
- Agenda will included counting of ballots and ratifying proposed budget.
  
- Suggestion to use the same 3 people as last year, from Oroville community, to count our ballots. The procedure we followed last year was:
  - Counters were given list of members with highlighted past due members.
  - They then established a quorum.
  - Counters open envelopes.
  - Counters counted all ballots twice.
  - There was a 'Certification of Ballot Count' form signed by counters upon completion.
  - All ballots we place in a sealed/taped envelope by the counters.
  
- Wayne would like a period of two weeks to look for different counters than those that were used last year.
  
- Procedure for ballot counting will all be written up at close of counting ballots and published to the membership.

### Quick Books yearly subscription fee:

**Motion** made by Kirk Johnson to stay with Quick Books on-line subscription using the less expense subscription called Essentials at \$321.00 a year. Seconded by Stacey Johnson. Passed unanimously.

### Canadian Member Payment:

The Association is losing money on the exchange rate through payments by Canadian members. Suggestion to send a note to let Canadian members know that the difference in the exchange rate will be a balance forward, or credit, on their account. Also, tell them that they can write "US Funds" next to the dollar amount to remedy this, or go to bank to get US draft. We have approximately 30 Canadian members. Susan Stewart agreed to write up a letter to go with Canadian invoices. A \$5.00 fee is charged to the Association when ever a check drawn on a Canadian Bank is deposited. This \$5.00 fee will be addressed in letter as well.

### Credit Card Payments

Credit card payments were accepted for a few years by Nine Mile Ranch. This costs the Association 3.6 percent on every transaction. Suggestion to set up "on line banking". Stacey will check this out at our bank to see if bank will charge fees for this.

A member called Stacey Johnson and asked that she state his opinion at this BOD meeting about Special Assessments; that he supports the annual assessments being raised, but did not trust Board abusing the option of Special Assessments.

### Road Report

- Snow Plowing: Tim Roberts has voiced he did not want to plow next year, but may consider it again. Brett Coffman suggested that we put a formal request for a snow plower out to bid. This will be written up for Board discussion and approval at the July meeting.
- Three identified hazardous burned trees in the easements need to be taken down. We received a bid for \$700 to do this. Attorney advised that we are responsible for felling these trees.

**Motion** made by Kirk Johnson to engage Ken Davidson Construction, for \$700, to fell the 3 identified trees. Seconded by Rick Lewis. Passed unanimously.

### DNR Using Association's Roads for Logging State Land

- **Motion** made by Kirk Johnson to spend \$19.49 for cost of mailing to members on the proposed route soliciting their input about the DNR proposal. Seconded by Rick Lewis. Passes unanimously. (Prior to this meeting this same Motion through email. Email motions must be unanimously approved in order to pass. Motion failed: 7 voted yes, Kate & Wayne Naysnerski did not respond.)
- **Motion** made by Wayne Naysnerski to have those members on the haul route be able to give formal vote as to whether they support the DNR Logging Proposal. Kate Naysnerski seconded (motion was eventually withdrawn because BOD voted to reject the DNR proposal).
- Discussion about concern of safety issues and concern whether allowing use of HOA roads is commensurate with the CCRs.
- **Motion** made by Brian Rabe for the Board to reject the DNR on their request to use of our roads for their logging project. Seconded by Wayne Naysnerski. Motion passed unanimously.

### Proposed Budget and Current Cash Flow

Proposed Budget for next year:

- Reserve study may not have to take place. Research will be done, but we need to included in budget at this point.
- Reserve Fund Deposit will stay on proposed budget.
- Audit is included until/unless the membership votes to waive the audit.
- Tree felling category can be/may be supplemented by volunteers.
- **Motion** made by Stacey Johnson to raise next fiscal year's assessments by 10% to \$193.60. Seconded by Kirk Johnson. Motion passed: 7 yes, Kate & Wayne Naysnerski no.

- **Motion** made by Stacey Johnson to approve proposed budget for 2019/2020. Proposed budget will be sent to membership in upcoming mailing. Rick Lewis seconded. Motion passed unanimously.

A Current Cash Flow Report was reviewed by the Board. This report showed current cash balances and estimated costs through the end of current fiscal year; May 31, 2019.

**Motion** by Kirk Johnson to appoint Todd Besaw as ACC Chair. Seconded by Rick Lewis. Motion passed unanimously.

**Motion** made by Kirk Johnson the Board approve ACC Chair with ACC advisory. Seconded by Rick Lewis. Motion passed unanimously.

**Motion** made by Kirk Johnson that ACC submit covenant enforcement letters to the Board prior to sending letter out. The Board will have 3 days to review. Seconded by Rick Lewis. Motion tabled at later date to be able to confirm with new ACC Chair.

**Motion** to extend meeting 1 hour. Seconded by Rick Lewis. Motion passed unanimously.

Leo Culloo read his resignation, effective June 15, 2019 at the end of the Annual Meeting.

**Motion** by Brian Rabe to institute and post Meeting Protocol Policy to website. Seconded by Rick Lewis. Motion passed unanimously.

**Motion** made by Kirk Johnson for the Board to approve Email Archive Policy and Report. Seconded by Rick Lewis. Motion passed unanimously.

**Motion** made by Kirk Johnson to form committee to produce a July Newsletter, with \$200 mailing budget. Seconded by Brian Rabe. Committee will be Susan Stewart and Kirk Johnson. Motion passed unanimously.

**Motion** made by Kirk Johnson for secretary to draft Board meeting minutes within two weeks of the meeting for Board review. Seconded by Rick Lewis. Motion pass unanimously.

Discussion regarding a “Disclaimer” and Petition that has been independently sent to some of the membership, such Petition which included (among other things) asking members to dissolve the HOA and/or to vote off all directors except Kate and Wayne Naysnerski: Board asked Kate Naysnerski if she wrote the Disclaimer. Her response was “I typed it”. Board asked Wayne & Kate Naysnerski if they were going door to door, here at the Ranch, soliciting signatures for the Petition. Kate’s response was “yes”. No further discussion.

Discussion regarding Board members responding to business through email. Three days is the agreed upon time frame.

Meeting open to Association members comments at 3:32PM.

Open Meeting adjourned at 4:02. Board convened in closed executive session.

Executive session:

- Directors Kate and Wayne Naysnerski left before the executive session. They did not attend the executive session. All other Directors remained present.
- 2 Board members recused themselves (left the room) for Board discussion regarding their private business. The Board determined business has no impact and does not violate the CC&Rs. This decision will be officially documented in writing and sent to Lot Owner. The 2 board members came back into the room after the discussion and vote was completed.
- A Director reported their personal status of out-building permit compliance with county.
- Motion made to suspended voting rights of those HOA members designated to be in non-compliance; per CCRs Article III, Section 1 (a). Notice will be sent. Motion passed unanimously.
- Motion made to remove two members of the ACC committee, Wayne & Kate Naysnerski, due to conflict of interest. Notice will be sent.
- Motion made for letter to be written to HOA member to discuss potential non-compliance. Motion passed unanimously.
- Motion made to further engage attorney for letter regarding potential legal processes for a non-compliant member with cap of \$1000. Motion passed unanimously.



9mileranchhoa.org  
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**UNAPPROVED**  
**ANNUAL MEMBERSHIP MEETING MINUTES**  
**JUNE 15, 2019**

Meeting held at Oroville High School.

Meeting called to order at 1:10 pm.

Chair announcement that audio recording of the meeting, per state law, is allowed upon a person announcing it; several people present announced as such.

Modified Meeting Protocol Policy was read for all to follow.

Self-introductions of Board Members present: Kirk Johnson, Leo Culloo, Brett Coffman, Brian Rabe, Stacey Johnson, Susan Stewart, Wayne Naysnerski and Kate Naysnerski.

Introductions of Counters of the Ballots: thank you to local Oroville business people Dwayne Birmingham and Clyde Andrews for volunteering to count our ballots.

Announcement of the presence of an independent observer for today's meeting, local real estate agent Lynsey Bilbruck. Chair, Kirk Johnson, solicited that willing members can contribute donations to pay the cost for the presence of our independent observer.

Regarding meeting quorum: 63 ballots must be received to establish a quorum for vote of director and vote for audit to be valid; (112) ballots were received, therefore quorum was achieved. Sign-in sheets of Lot Owners present at the meeting showed (42) Lots physically represented at the meeting. Some signed-in Lot Owners did not arrive until later in the meeting.

Motion made by Kirk Johnson to approve current draft of the 2018 Annual Membership Meeting with suggested edits. Motion seconded by Leo Culloo. Vote to approve minutes was taken with Brian Rabe, Stacey Johnson, Leo Culloo, Brett Coffman, Kirk Johnson and Susan Stewart all voting to approve. When the vote came to Board member Wayne Naysnerski, Board member whose term expired as of this Annual Meeting, he disregarded the vote and interrupted with stating "You are no longer a board," addressing all other Board members. Board member Kate Naysnerski then continued the interruption, stating she possessed proxies to remove the Board, although the proxies were never presented to the Board of Directors.

Chair attempted to continue the meeting. Wayne Naysnerski further interrupted stating to the Board "you are out" and the Naysnerskis asked for a hand vote for those in favor of Board removal. This informal vote was not counted. Maybe half of those present raised their hands, but it was also witnessed that many hands were multiples for the same Lots.

The Board attempted to explain legal/proper procedure to remove directors. Kate Naysnerski informed the Board that she had the votes to remove the Board and that their actions to accomplish this were legal.

A Lot Owner then requested to hear what the Board and the Naysnerskis had to say about this issue. The Board explained that any subject to be voted on must include all members/Lot Owners. Kate said this was done “last night”. Many members present voiced they were not noticed about any vote to remove directors, and the directors present voiced the same.

An unaddressed, unidentified, and unsigned letter of demand was then presented to the Board from the Naysnerskis. This letter demanded the Board turn over all records, financial accounts, etc. within two days, leaving all such records in a non-Board member’s driveway. Kate Naysnerski announced, as she was leaving the meeting, that if the Board did not follow these demands the Board would then be contacted by their attorney.

The Naysnerski’s, with some other Lot Owners, then left the meeting refusing to dialog.

The Board then addressed the following State and HOA requirements\*\* regarding removal of a director(s):

- Any and all votes of the membership must be conducted by the Board.
- All subjects to be voted upon at the Annual Membership Meeting, or at any other time, must be sent out prior to the meeting to **all** Association members.
- It takes the majority of Lot Owners (at least 156 Lot Owners) to vote to remove a director(s).
- 10% or more of the membership can, by written request to the Board, cause the Board to call a duly held vote of the membership.
- The Board can choose, of its own accord, to bring a vote to the membership.

A Lot Owner suggested that the Board choose to bring a vote to remove all directors. The Board stated they will consider all these things in the coming time ahead.

Remaining Lot Owners and directors had calm discussion, sharing opinions and concerns, including the following:

- A Lot Owner expressed concern about discord between the Board and Lot Owners. She wants members to “get along”, suggesting conducting more Membership Meetings. Two other Lot Owners expressed similar but non-specified concerns.
- A Lot Owner asked the Board to address better adherence regarding state-required procedure for executive sessions.
- A Lot Owner suggested that the Board be careful to apply consistent standards of business approval to all potential businesses on the Ranch, further discussion regarding care to define appropriate limitations to the scope of approved businesses to insure that long-term impact on roads and other CCRs is compliant.
- Several Lot Owners suggested the Board should bring a vote to the membership to raise the annual dues (assessments), including suggestions of raising it up to \$250.00. It was discussed that this increase in dues would quickly allow significantly better year-to-year road maintenance and would allow more timely improvement of some long-standing road issues, lack of gravel especially. The Board also noted they are and will be evaluating the feasibility of increasing HOA income through another increase in dues and/or a one-time special assessment targeted at road maintenance. The Board noted that according to CCRs, any increase in annual assessments above 10% requires a 25% approval vote from the membership (same percentage for a one-time special assessment).
- Discussion about dust and washboard on our roads caused by speeding vehicles. Contemplation of speed bumps and some way to emphasize speed limits were suggested by Lot Owners.
- Support for the Board was expressed by many Lot Owners.
- A Lot Owner suggested that the Board should improve/revise/increase methods of communication to the membership to better refute negative rumors and solicitations from disgruntled members.

- A Lot Owner expressed dislike for inappropriate ‘hater’ attitude from some disgruntled members toward Board, pressuring her with it.

Discussion about enforcement that happened last year. The Board reported inheriting a compliance issue about a Lot Owner who committed the following violations:

- Building built by renter without required permits from County Building Department, County Planning Department, and without Washington State electrical permit or County permit for propane installations.
- Building wired for electricity and plumbed with propane, running a climate-controlled environment for a mushroom growing and packaging facility. Wiring was installed fully exposed in walls and powered from a long extension cord from nearby residence, the propane plumbing was also fully exposed, all presenting a fire hazard to regional nearby Lots and other land owners.
- Running a commercial business out of said building without required Board approval/ consideration of impact or required County permits.
- Truckloads of household garbage, including on the easement areas (road).
- Renter’s horses running loose on many occasions complained about by several different neighboring Lot Owners.
- Other miscellaneous violations.

The Board felt at the time they needed to act affirmatively to address the violations, not only for a potential fire hazard to the region but also because of the numerous complaints. This situation is now mostly remedied. Two Board members suggested to the renters that they come forward with a proposal to the Board for their business after they became owners of said Lot. To date the Board has not receive a proposal.

The Board noted that awareness and action about the above-cited compliance issue caused the Board early on to unanimously agree that all Board members themselves must be in compliance as a priority; that is what led to the other major remaining violation issue, board members Kate and Wayne Naysnerski’s commercial dog breeding business, which is a direct violation of CCRs, Article IX, Section 7.

Regarding potential business approvals, the Board noted that during their tenure no Lot Owners have come forward to the Board with any proposal to conduct a business. The Board’s perspective is that, like the CCRs impart, if a business is not in conflict with the residential/recreational wildlife refuge nor has inappropriate impact on the roads then approval of the business would be considered, however a direct violation to the CCRs cannot be approved. It is the Board’s fiduciary duty to uphold the CCRs. The CCRs are to protect all Lot values and the residential/recreational wildlife refuge.

One BOD member explained the facts the Board would consider concerning approval of commercial enterprises on 9MR:

- business must not be specifically disallowed by the CCRs.
- business does not adversely affect roads.
- business does not negatively impact wildlife,
- business does not adversely affect other Lot property values,
- business does not negatively affect the peace/environment entitled to neighbors in a residential/recreational/wildlife community as imparted by the CCR’s.
- Scope/limit of business activity would need to be addressed during approval process, including addressing potential growth in future business activity that may happen *after* initial approval to make sure the business doesn’t grow to violate CCRs. Language in approvals would be included to address this issue.

A Lot Owner raised a question: what if a business was approved by a Board at one point, can a future Board reverse or change that approval? Discussion included that a Board cannot legally do that, that the HOA and members should keep written records of approvals, and a Board member suggested there’s no reason to specifically expect that a future Board would change a previous Board’s approval.

It was determined by the Board this year that Board member Kirk Johnson's construction business was not under the jurisdiction of the Board regarding a commercial enterprise. His business is not conducted on his Lot. He leaves his Lot every day to work just like someone else living on the Ranch. Documentation of the Board's determination about this business was offered to a Lot Owner.

A short report was given by the Treasurer:

- The Board inherited approximately \$17,000 in past due assessments. In one year this has been reduced to \$8,880; a 50+% decrease.
- \$5,870 of the \$8,880 remaining past due are from 7 Lots; some of those are making payments.
- As required by CCRs, interest is being charged, including back interest.
- Lien filings are up-to-date.
- Internal controls were set up last year for review of monthly financials.
- Expense categories are now broken down regarding road maintenance for better tracking and decision-making.

Final vote tallies for official meeting business conducted today were announced:

- Charlene Dima is our new Director, for a 3-year term.
- Vote to waive the audit did not pass; the Association will be hiring a CPA firm to audit the last fiscal year.
- The 2019/2020 fiscal year budget was ratified.

Thank you to all who contributed to organizing the meeting and providing refreshments, also announcing that all snacks and refreshments and decorations/etc. were provided by donation only.

Meeting adjourned at 3:10 pm.

\*\*Bylaws; Article III, Section 3  
RCW 64.38.025 (1) & (5)  
Bylaws; Article III, Section 2  
Bylaws; Article IV, Section 5  
RCW 24.03.103, (1)

**Nine Mile Ranch Homeowners Association**  
**Board of Directors Meeting**  
**July 13, 2019**

Meeting held at Oroville High School, Oroville, WA

Board members present: Rick Lewis, Kirk Johnson, Stacey Johnson and Brian Rabe. Susan Stewart and Brett Coffman present telephonically.

Seven Association members present.

Meeting called to order at 1:06 pm.

Introduction of Shane Devon, independent observer for the meeting. Thank you to Shane.

Meeting is audio recorded by the Board.

Policy for Meeting Protocol was acknowledged but not read out loud.

Short discussion concerning trees dying of Tussock Moth in Division 6, 7 and 8. Traps are being set by DNR. Will put info on website soon, or members can contact Karen Gibson. Fir trees is the main food for moths, they will eat tamarack and pine as well. Members should contact DNR for information.

Board Statement: At the June 15th Annual Membership meeting there was an attempt by some HOA members to remove this Board through a vote. As related to our bylaws and state laws, the vote was invalid for the following reasons:

1. Only some of the membership were provided an opportunity to vote. Our bylaws require that all members must be notified of a vote between 10 and 60 days before the vote is to be counted. As shown by open comment at the meeting, many in the audience stated they were not notified of a vote, and all board members present stated the same.
2. Contrary to state law, our HOA bylaws, and our Articles of Incorporation, the vote was not conducted through and by the Board of Directors.
3. The people who interrupted the meeting to declare this vote stated that they had proxies from members regarding this vote; contrary to state law, no proxies were presented to the Board.
4. According to our bylaws and state law, it requires a minimum of a majority of Lots (156) to vote in favor to remove a director. Beyond the fact that no proxies were presented, there were a total of 42 Lot Owners officially present at the meeting, and approximately half of those did not vote in favor to remove a director; this therefore fell far short of the votes needed, even if the vote was correctly conducted.

Additionally please read the mail out that was just mailed to all members explaining the many misconceptions and untruths that have been circulating about this Board. We remain a cohesive board, continuing to work hard for the betterment of all people at 9 Mile Ranch, and we hope that everyone can come together and work collaboratively for the success of our HOA. So with that we will now conduct official HOA business.

Board Statement: At the Annual Meeting last month the ladies room (at the Oroville High school) was trashed...literally. Paper towels and other messes all over the floor. I ask who ever did this to please not repeat this behavior. If discovered who did this the Board will be asked to ban them from coming to HOA meetings. This is a free venue for us that needs to be honored.

### **Old Business**

Read into minutes email approval of March 16, 2019 Board meeting minutes. Approved by all Board members except Kate & Wayne Naysnerski who chose to not participate in the vote.

Snow plow contractor: Road committee will be proceeding to find a new snow plow contractor for this winter. They will be sending out an RFP soon. There have been several contractors who have inquired about this. Feeling good about finding a plower.

Reserve study committee: Committee is still in process. Expect to be complete in the next month or two.

### **New Business**

**Motion** by Kirk Johnson to appoint Chris Wolle to fill vacancy the for remainder of Leo Culloo's 2 year term. Brian Rabe seconded. Motion passed unanimously.

Acknowledge that on June 15<sup>th</sup> at the Annual Membership Meeting Charlene Dima was elected to be a Board member. On June 29, 2019 Charlene resigned.

### **Election of officers:**

**Motion** by Brian Rabe for Kirk Johnson as President. Second by Rick Lewis. Passed unanimously.

**Motion** by Stacey Johnson for Brian Rabe as Vice President. Second by Kirk Johnson. Passed unanimously.

**Motion** by Rick Lewis for Stacey Johnson as Secretary. Seconded by Chris Wolle. Passed unanimously. Statement made by Stacey; "there have been issues brought forward by some members that our household holds too much power with the positions we hold. These positions do **not** give us more power, just more work. Officer position gives a Board member no more power than a Board member that is not an officer. We each hold just one vote on the Board.

**Motion** by Brian Rabe for Stacey Johnson as Treasurer. Seconded by Chris Wolle. Passed unanimously.

Documents of email votes passed onto Stacey Johnson as Secretary.

### **Committees:**

**Motion** by Kirk Johnson that Brett Coffman and Leo Cullo remain on Road Committee and Wayne Naysnerski be removed. Seconded by Susan Stewart. Passed unanimously.

Todd Besaw reported that the ACC committee consists of Brett Coffman, Kim Culloo, Rick Lewis and Todd Besaw. ACC is active. Jerry Sanderson is not participating, Carol Sanderson through email

stated Jerry would be submitting resignation. This was not received. Recommendation to Board to remove Jerry.

**Motion** made by Stacey Johnson to remove Jerry Sanderson from the ACC Committee. Seconded by Rick Lewis. Passed unanimously.

**Motion** by Kirk Johnson for Todd Besaw to be the Chair of the ACC. Seconded by Chris Wolle. Passed unanimously.

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State for the record: The following actions were taken outside of a meeting since last meeting by unanimous email resolution outside of Kate and Wayne Naysnerski choosing to not participate:

**Motion** by Kirk Johnson proposing we have the annual meeting, and potentially BOD meetings thereafter, at the Oroville High School for the following reasons:

- It is free of charge.
- They require proof of adequate insurance, which we have.
- No guns allowed.
- It is currently available for June 15<sup>th</sup>.

**Motion** by Stacey Johnson on 6/27/19: I make a motion to engage Nick Bergh, the HOA attorney, to respond to letter received from Alex Thomason dated 6/26/19, with cap of \$500.” For the record it is noted that this is regarding Kate Naysnerski’s attorney demanding that the Board immediately surrender control and records of the HOA to her.

**Motion** by Kirk Johnson on 4/26/19: I, Kirk Johnson, am requesting that we now authorize the Treasurer to write a check for \$2,500 to Brett Coffman immediately for attorney expenses. The check will be written to Brett Coffman. If Brett’s expenses/costs end up totaling less that \$2,500 Brett will reimburse the 9MR HOA for the unincurred balance under \$2,500. If the court awards Brett costs and/or expenses then the amount that the court awards him, up to the amount that 9MR HOA as paid him, will be paid from Brett to the 9MR HOA upon his receipt of such payment from the Petitioner or the Petitioner’s paying agent.” For the record the HOA indemnity insurance covered Brett’s attorney costs.

**Motion** made by Stacey Johnson on 6/7/19: I make a motion to spend \$300 to have Ted Reinbold, Attorney, review all communications between HOA attorney, Nick Bergh, and Naysnerski’s attorney and to then speak with Mr. Bergh to be able to give us advise and cost of moving forward with enforcement against the Naysnerskis”. For the record it is stated that this action became unnecessary as the Board was referred to a different attorney who provided the desired consultation at no cost.

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**Motion** by Rick Lewis to approved Kirk Johnson’s request for expense reimbursement. Rick has reviewed request and found everything to be in order. Brett Coffman seconded. Requested reimbursement amount is for \$129.52. Passed unanimously.

**Motion** by Kirk Johnson for standing “Legal Committee”:

1. Purpose/function: to be able to work on and deliberate about needful HOA legal issues between BOD meetings.
2. The Committee has no power to act, incur debts, or duty to perform anything other than that given by BOD motion or in this Resolution.

3. The Committee shall have a Chair, such person recommended by the Committee to the BOD for the BOD's final approval. The Committee Chair is the only person from the HOA who interacts with attorneys, unless BOD approval otherwise.

Seconded by Stacey Johnson. Chris Wolle, Kirk Johnson and Stacey Johnson will be on the committee with Stacey Johnson as Chair. Motion passed unanimously.

**Motion** by Kirk Johnson for standing "Financial Committee":

1. Purpose/function: to be able to work on and deliberate about financial issues between BOD meetings, including but not limited to:
  - o assisting the Treasurer in budget analysis and creation when needed or helpful
  - o banking/financial accounts considerations
  - o consideration for major purchases or potential revised budgets
  - o creating/considering cash-flow issues and publishing reports
2. The Committee has no power to act, incur debts, or duty to perform anything other than that given by BOD motion or in this Resolution.
3. The Treasurer is the Chair of the Committee unless the Committee assigns otherwise.
4. This Committee does not replace or override the Treasurer's customary duties and powers.

Seconded by Rick Lewis. Committee will be Stacey Johnson (Chair), Kirk Johnson and Brett Coffman. Motion passed unanimously.

**Motion** by Kirk Johnson for standing "Newsletter/Mailing Committee":

1. Purpose/function: to be able to work on, deliberate about, and prepare HOA newsletters/informational mailings content between BOD meetings, and to mail them upon BOD consent.
2. The Committee has no power to act, incur debts, or duty to perform anything other than that given by BOD motion or in this Resolution.

Seconded by Chris Wolle. Committee will be Susan Steward (Chair), Kirk Johnson and Stacey Johnson. Motion passed unanimously.

**Motion** by Kirk Johnson for standing "Voting Ballot" Committee:

1. Purpose/function: to be able to work on, deliberate about, and prepare official HOA voting ballots and their content, as well as needful background research and reports.
2. The Committee has no power to act, incur debts, or duty to perform anything other than that given by BOD motion or in this Resolution.

Seconded by Rick Lewis. Committee will be Susan Stewart, Kirk Johnson, Rick Lewis and Stacey Johnson. Motion passed unanimously.

**Motion** by Stacey Johnson to adopt the following Meeting Minutes Policy for writing up the minutes:

- All motions be written in the color red as the first word in sentence.
- Unanimous votes be stated or state who votes "no".
- State who seconds motions.
- Secretary to have first draft of minutes to the Board within 1 ½ weeks.
- Board approves ASAP with goal of posting to website within 2 weeks of the meeting.
- Recording of meeting made available to any/all Board members upon request.

Seconded by Rick Lewis. Kirk Johnson amends motion for secretary to have first draft to Board within 2 weeks, and to have posted to website within 3 weeks. Susan Stewart seconds amendments. Motion passed unanimously with amendments.

Secretary will have all policies and on-going resolutions adopted in the meetings:

- posted to the website.
- Put hard copy in the Minutes Book.
- Post to website BOD archive.

Anne and Stacey are going to set up archive space for Board access on the website.

**Motion** by Kirk Johnson to approve up to \$450.00 for up to (2) potential mail-outs to be sent to the membership in the event that either of the following actions become necessary:

1. Special Assessment request to the membership for funds to pursue CCR enforcement against Kate and Wayne Naysnerski's prohibited dog commercial dog breeding enterprise and to defend against their claims that the CCRs are invalid.
2. If 10% or more of the membership requests in writing to hold a formal HOA vote to remove any or all of the current board directors.

Motion made only as potential so Board can act, if needed, before the next Board meeting in October. Seconded by Chris Wolle. Motion passed unanimously.

**Motion** by Kirk Johnson for \$250 for potential newsletter/mail out to go to the membership before October. Seconded by Rick Lewis. Motion passed unanimously.

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### **Treasurer Report**

Rounding off figures:

Checking \$40,283

Savings \$14,355

CD \$34,103

Receivables total \$34,870 which includes this years' billing still owed, older past due, interest charged, lien and late fees. To date we have collected 62% of this years billing which is in the zone compared to prior years collections for current billing during the same time period.

Older assessment receivables total \$8,400 plus another \$3,800 of interest and fees on this \$8,400.

Of the \$8,400:

- \$5,400 is for 6 lots (4 members) that are 3 or more years past due. Remember we had started with 19 lots in this category.
- Of those 6; 1 member (who owns 3 of those lots) is making payments, 1 has not responded, 2 we receive statements back as returned mail.
- Liens are filed.
- There are 7 Lots that are 2 years past due (3 members). We will be filing liens on those lots in October.
- There are 4 Lots that are 1 year past due.

- This all totals to 17 Lots past due which is 11 members because of multiple lots owned by a member.

Statements will be sent out end of July with late fees and interest.

3 members are making payments for this year's assessments. Board agreed that we will not file late fees on these 3 members, but interest will be charged.

**Motion** made by Stacey Johnson to have Brian Rabe, Vice President, added as a signer to the HOA bank accounts. Leo Culloo will be removed as signer. Seconded by Chris Wolle. Passed unanimously.

Given that the vote to waive the audit did not pass, per the counting of the ballots at the June 2019 Annual Membership Meeting:

**Motion** made by Stacey Johnson for expenditure of \$2,700 for Newman & Associates CPA firm to perform the required financial audit for fiscal year 2018-2019. The \$2,700 is based on March, 2019 bid from Newman & Associates. Newman & Associates is being suggested because this firm specializes in Washington state HOAs which is a benefit in this process. Stacey Johnson, Treasurer, will contact firm immediately to begin audit process. As Treasurer, Stacey will work with and provide all necessary information to Newman & Associates. Stacey will keep the BOD informed at all times during this process. Seconded by Chris Wolle. It is legally required to send a vote annually for membership to vote to waive the audit, or not. Association has never been audited. Hopefully next year the membership will vote to waive the audit so costs of audit can go into the roads. We may learn something beneficial from this audit and it will set a framework for this HOA. Passed unanimously.

The current HOA subscription with Quickbooks allows that we can specifically add an accounting firm to our Quickbooks as a user for this very purpose at no cost to the HOA. This will allow for efficiency in the audit.

**Motion** made by Stacey Johnson to have Newman & Association prepare 2018-2019 tax return. Fee for this is \$225 and is included in their bid of \$2,700 for the audit. All prior tax returns have been copied from prior years done by volunteer treasurers. There are two different forms that an HOA can use and both forms have been used at different times. This needs to be sorted out. It was found that 5 years tax returns were filed on the same day. None of this is a factor as we have not been contacted by the IRS, but I feel it is time to have a CPA do our return. Following years may then be copied as the returns are pretty basic. Seconded by Rick Lewis. Passed unanimously.

Treasurer would like 2 Board members to be viewers on Quickbooks. Brett Coffman & Scott Griffin were on as viewers. When renewing our subscription with Quickbooks, to a downgraded subscription for less cost, it was required that I take other viewers off for this process. Brett and Scott need to respond to email from Quickbooks to be placed back on. This is for internal control beyond monthly reconciliations sent out to Brett and Scott.

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## **Road Report**

Kirk Johnson has been touring the Ranch for secondary emergent of weeds. Sprayer will be coming out sometime in the next two weeks for follow up spray.

Jason at Garrett Construction and Tim of Mason Excavation have been contacted to set up critical ditching and water shed work that will need to be done before winter. Road report published of evaluation of roads and work needed.

**Motion** made by Kirk Johnson;

*WHEREAS the HOA needs to purchase a road rake in order to perform its most primary and critical road maintenance duties, this purchase needed because there is no licensed contractor in the area that can timely provide such services to the HOA, therefore*

*BE IT RESOLVED THAT, in accord with the purposes and facts imparted in the 7/6/19 Rake Purchase Report, and upon membership ratification of a revised budget that includes the purchase of a road rake, the HOA purchase a Poor Boys Grader brand gravel road rake (Rake). The process of the potential Rake purchase will include the following actions and parameters:*

- 4. BOD majority approval of adopting a revised budget for the HOA, which will include but is not necessarily limited to, adjustments over the prior budget to allow for the expenditures shown in this Motion.*
- 5. Notify and hold an HOA membership meeting to ratify the revised budget, per RCW64.38.025(3) and RCW64.90.525(1)(a).*
- 6. Upon ratification of the revised budget the Road Committee and the Treasurer will collaborate to immediately execute the purchase and delivery of the Rake.*
- 7. Up to \$19,000 total for the Rake, including sales tax. This will include purchasing the optional spare tire and mounting rack, and (6) replacement rake tines. 5% additional funding is Allowed for potential currently unknown or unforeseeable additional expenditures regarding the Rake.*
- 8. Upon Rake purchase the Treasurer will immediately purchase an amended insurance policy to the current HOA insurance policy, such amendment insuring the Rake itself and non-owner operators who will haul/operate the Rake for the HOA. It is estimated that this amended policy will add approximately \$97.50 to the current annual policy rate for the remainder of the policy period.*
- 9. Up to \$260.00 for maintenance costs to potentially replace broken Rake tines and perform lubrication for the remaining fiscal year.*
- 10. Up to \$150.00 for an adequate battery charger for the Rake.*

*The Road Committee will oversee and execute the maintenance of the Rake and where and how it is stored.*

Seconded by Chris Wolle. Operation of rake will be decision of the Road Committee/Board; operators will be approved volunteers or contractor. No certification is required. Tutorial is offered by manufacturer, as well as any volunteer will have to be trained to use the rake for the Ranch. Properly using it for the roads will need to be watched over carefully. Storage will be decided by Road Committee. Brett Coffman has offered to store rake at his Lot. A secure place that rake can be 'charged' will be necessary. Rake can be kept outside. Rake can be attached to regular truck with trailer hitch. Reimbursement to volunteers will need to be addressed. Rake is used in spring and fall when roads have moisture. It is told that this rake can also be used to push slush off the roads. That

might become a beneficial use as well. Leasing this out to others for use would have to be discussed at another time in greater detail. Motion passed unanimously.

**Motion** made by Kirk Johnson for *Committee for Revised Budget/Spec Assessment*

*WHEREAS it is prudent and recommended for the best fiscal health of the HOA that the funds for a road rake purchase be procured through a Special Assessment vote of the membership, and*

*WHEREAS the HOA currently has sufficient funds in reserve to pay for the Rake purchase even without a Special Assessment, therefore*

*BE IT RESOLVED to form a Special Committee to, by August 1, 2019:*

- 1. Create a ballot, asking for a Special Assessment of \$150.00 per lot for the funds to pay for a road rake and road gravel.*
- 2. Create (2) revised budget options from which the membership can choose to ratify one of; one showing the purchase of a rake **without** income from a special assessment, and one showing the purchase of a rake **with** income from a special assessment.*
- 3. Write up a letter explaining the need for the rake purchase, the budget options, and that the Special Assessment would collect approximately \$44,300.00 which would pay for the \$19,660 rake purchase and the remaining funds will all be spent on gravel for the roads. The letter would also include notification of a membership meeting scheduled for August 17, 2019 to ratify or reject the budget and count the Special Assessment vote.*
- 4. Mail out the above to the membership, costs not to exceed \$425.00.*

Seconded by Rick Lewis. Passed unanimously.

**Motion** made by Kirk Johnson for Board approval of revised budgets that will be sent to membership in upcoming mailing. Seconded by Rick Lewis. Motion passed unanimously.

Discussion about a potential motion for road maintenance that considers change in budget for purchase of rake:

- with a revised budget that is using the savings account, the saving deposit for this year and a few thousand of road budget to purchase rake.
- Or, using approved special assessment.

This will all depend on approval/vote from the membership. In the meantime, so the Board and Road Committee can move forward with road work;

**Motion** made by Kirk Johnson; Board approve \$15,000 on all road maintenance for this fiscal year, including gravel, to be managed by the Road Committee. Seconded by Brett Coffman. Passed unanimously.

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### **ACC Report**

Todd Besaw read report of ACC approvals since this spring. Also, report of letter sent to members that addresses updating of ACC records and approvals. Report will be posted on website. Report of pig will be followed up by the ACC.

**Motion** by Kirk Johnson

WHEREAS the 9MR CCRs at Article VII, Section 2 allow the Board to set limitations on the ACC's actions regarding covenant enforcement, and

WHEREAS the act of enforcing covenants involves legal liability for the HOA and Lot Owners and can cause legal expenditures for the HOA,

I MOVE THAT the ACC submit to the Board, for a (3) day review (Review Submission), all proposed communications from the ACC to Lot Owners that involve notice or warning of CCR non-compliance (Enforcement Communication). This Review Submission must happen prior to the ACC sending out Enforcement Communications to Lot Owners, and the Board shall have the final determination and approval of the content of all Enforcement Communications. The review and approval process may happen by email communication and outside of a meeting. "Approval" by the Board will be by a majority of Directors unless such approved Enforcement Communication involves the Board consequentially thereafter 'taking an action without a meeting' in order to act on what something in the Enforcement Communication stipulates; in that case the Bylaws, Article VI, Section 4 prevails. Seconded by Rick Lewis. Todd Besaw stated it is merited to have the Board review enforcement communications due to any legal ramifications of an enforcement and the overall benefit to the Association. Motion passed unanimously.

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**Motion** by Brian Rabe to compensate our independent observer \$100, and retroactive from last meeting. Rick Lewis seconded. Board hopes the HOA will "mature" to the point that this is not necessary. Motion passed unanimously.

**Motion** made by Kirk Johnson to move into Executive session to discuss pending legal issues and attorney communications involving Kate & Wayne Naysnerski CCRs violations and also Kate & Wayne's action to take over the Board of Directors, all of which involve legal communications. It is possible Board may reconvene out of executive session with motions that may arise during executive session. Any motion will be published in the minutes as well. Chris Wolle seconded. Passed unanimously. Todd Besaw will join the Board in executive session.

No motions were made during executive session.

The Board unanimously regards that Kate Naysnerski has abandoned her position as a Board Director. She has stated herself and through her attorney that she no longer recognizes the Board of Directors. Kate also did not attend this meeting, has not responded to an official Board inquiry, and has not otherwise communicated with the Board.

Meeting adjourned at 4:05 pm.

**Nine Mile Ranch Homeowners Association**  
**Special Membership Meeting**  
**August 31, 2019**

Meeting held at Oroville High School

Board members present: Kirk Johnson, Brett Coffman, Stacey Johnson & Brian Rabe.

16 Lots were represented.

Meeting called to order at 1:08 pm.

Introduction of ballots counters; Clyde Andrews and Jeff Burnell, members of the Oroville community.

Introduction of Board members present.

Open discussion regarding many ideas and opinions.

Ballot counting outcome for Special Assessment:

Yes vote: 102

No vote: 58

Special Assessment passed.

Amended budget, that includes passing of the Special Assessment, was adopted.

Meeting adjourned at 2:21 pm.

## Approved Meeting Minutes

### Nine Mile Ranch Homeowners Association Board of Directors Meeting October 12, 2019

Meeting held at Oroville High School, Oroville, WA

Board members present: Brian Rabe, Kirk Johnson, Stacey Johnson, Susan Stewart, Brett Coffman and Rick Lewis by proxy.

Association members present: 9 Lots represented by 12 Association members.

Meeting called to order at 1:06 pm.

Meeting is audio recorded by the Board. No other members are recording.

#### New Business

Email motions taken between meetings pursuant to HOA Bylaws Article VI, Section 4:

7/19/19: **Motion** made by Stacey Johnson that a request for special assessment of \$242.00 be sent to the membership. This motion would replace motion made at the January 5, 2019 Board meeting for a \$150.00 special assessment request for gravel, and the motion made at the July 13, 2019 Board meeting for \$150 special assessment request for road rake and gravel. The \$242.00 would be offered to the membership to be paid in two installments; \$150 due 30 days after invoiced immediately after the vote counting, \$92 due July 1, 2020 with the regular assessments. The \$242.00 incorporates \$19,660 for the road rake and \$54,000 for gravel which is the calculated amount of deficit gravel needed for the roads.

Seconded by Chris Wolle. Motion passed unanimously.

7/30/19: **Motion** by Stacey Johnson to raise liens fees charged to Lot Owner by \$5.00, from \$200 to \$205. This corresponds with the Okanogan County Auditor raise of the fee for filing liens, effective July 1, 2019. Motion passed unanimously.

8/28/19: **Motion** by Kirk Johnson to have HOA attorney Bergh immediately review the Fine Policy to make sure our Policy language is durable and reasonable in the 'courts eyes' and to ask Bergh to clarify the subject of full-time rentals. Seconded by Brett Coffman. Motion passed unanimously.

9/7/2019: **Motion** by Kirk Johnson for the Board to adopt the Fine Policy. Seconded by Brett Coffman. Motion passed unanimously.

9/11/19: **Motion** made by Susan Stewart for approval of newsletter/ mailing. Motion passed unanimously.

9/13/19: **Motion** made by Chris Wolle to have Kirk and Stacey Johnson removed from the legal committee and for Chris to be appointed head of that committee. Seconded by Brian Rabe. Vote: 6 no's. Motion failed.

9/20/19: **Motion** by Kirk Johnson for adjustments to the Legal Committee:

- Brett Coffman replace Kirk Johnson
- HOA member Brian Blackman be named to committee
- All Legal Committee email communications be held on the BOD email so all directors can have the opportunity to view Legal Committee communications. Each Legal Committee email shall have its subject line started with words "Legal Committee". Seconded by Brian Rabe.

**Motion** amended to add Brian Rabe to Legal Committee. Motion passed unanimously.

9/20/19: **Motion** by Kirk Johnson that Kirk and Brett administer the purchase and placement of Special Assessment gravel as funds come in, commencing immediately. Placement will cease in fall at the appropriate time to allow reasonable auto traffic packing prior to winter weather and snow/ice setting in. Focus will be on placing 5/8"-minus dolomite gravel primarily if not only, as this product binds down tight and hard in short order and does not need machining after placement. Placement priorities will be as the Special Assessment documents stated; covering boulder head road sections, inclined sections, and high traffic areas. The Treasurer will keep a running accounting log of Special Assessment money received and funds spent. Seconded by Brian Rabe. Motion passed unanimously.

9/23/19: **Unanimous consent** from the BOD to accept the 2019/2020 snow plow contract with 24/7.

10/2/19: **Motion** by Brett Coffman that we move to approve this Reserve study action as required by RCW, ASAP. I also add that myself and/or another Road committee member be available to assist with information and specifics of the Ranch. The 14th of October is available at this time. Seconded by Susan Stewart. **Motion** amended to state: Motion to move forward to approve the Reserve Study Action as required by RCW's ASAP; hiring Advanced Reserve Solution (ARS) to complete the required Reserve Study. Estimate costs of \$1,200 has been approved and adopted in the 2019-2020 budget. Brett Coffman and one other Road Committee member will assist ARS with information and specifics of the Ranch. ARS will begin work on October 14, 2019. Amended motion seconded by Kirk Johnson. Motion passed unanimously.

State into the minutes: At the August 31, 2019 Special Membership Meeting a Lot Owner stated that he was informed by the Washington State Department of Labor & Industries that the state required our HOA to register volunteer rake operators under L&I Coverage. The BOD inquired directly with L&I about this and received a written statement back for L&I that stated, in part, "there is no requirement for your homeowners association to have L&I coverage for your volunteers."

State into the record that Chris Wolle resigned as a director on September 19, 2019.

Kirk Johnson brought to attention the reminder that at the June 23, 2018 Board meeting a motion passed that indemnifies all committee members.

**Motion** made by Kirk Johnson to appoint Bill Burnam to the road committee and remove Chris Wolle from the legal committee. Seconded by Susan Stewart. Motion passed unanimously.

### **Treasurer Report**

As of October 12, 2019:

Checking account: \$44,118

Savings account: \$14,356

CD: \$33,360

Accounts receivable is \$48,654. This includes all past due yearly assessments, special assessment and all interest, late fees and lien fees.

Total billing for first portion of Special Assessment was \$46,000. We've collect \$18,700, leaving \$27,300 still to be collected. The Board is in agreement that funds collected for the special assessment beyond Sept. 30<sup>th</sup> is being saved for the purchase of the road rake by this coming spring. Approx. \$9,500 collected prior to Oct. 1<sup>st</sup>

was spent on gravel. Thus, as of today, we have \$9,200 saved for the rake and more gravel to come this next spring.

Past due statements for the special assessments will be sent out the end of October along with the regular assessment past due statements.

Discussion whether we should charge a late fee on Lot owners late in paying the special assessment. It was decided to not charge this fee given that the Board had not announced prior to invoicing that a late fee would be charged.

Treasurer will file 5 liens November 1, 2019 on those Lots that have become 3 years past due. These 5 Lots are owned by one member. We will be under budget for lien fees. Treasurer will spend \$517.50 to file the 5 liens.

Okanogan County raise their filing fees on July 1, 2019. They again raise the filing fees on July 28, 2019. County filing fees are now \$103.50 per lien.

**Motion** by Stacey Johnson to raise the lien fee charged to Lot Owners when lien is filed to \$210.00. This fee pays for the County fee to file lien and to release lien (2 fees) when assessments are paid in full. Seconded by Susan Stewart. Motion passed unanimously.

Per our adopted budget; \$3,000 is to be placed in savings/reserve account. Funds will be transferred next week.

**Motion** made by Susan Stewart to spend \$100 on Wordfence website protection due to the recent severe attacks. Seconded by Brian Rabe. Website is a central and important to protect. Site is backed up regularly, but could take weeks/months to repair. Motion passed unanimously.

In discussion with Scott Griffin, CPA and Association member who reviews our financials every month, it was decided to not make the suggested journal entries that were given to us by the CPA firm that audited our books. They do not serve our situation. (Example is spreading out our insurance payment over 12 month instead of putting the entire month into the month it is paid.) Also, treasurer is now including a Quickbooks yearly comparison report in the month end reports provided to Scott Griffin and Brett Coffman.

### **Road Report**

Maintenance work under the July 13, 2019 Board motion for \$15,000 of expenditures is complete according to the parameters discussed in the 2019 Road List Version 3, and final expenditures came in slightly under budget. \$9,457 worth of special assessment gravel has been placed at numerous different spots throughout the Ranch; 28 loads of 5/8 minus dolomite. Two different contractors placed the gravel for us. Price ranged between \$300 to \$350 a load. Garrett Construction donated 1 load of 1 1/2" minus which we placed on Horsetail Drive. He has wanted us to try this out to see how well it would work for us.

Snowplowing has been set up and arranged. 24/7, a commercial plowing company, is our snowplower for this season. They are \$120 per hour, same price as prior snowplower. They do not charge us a trip charge. Will plow main roads first, secondary roads next. Standards are the same as before; plow at 4 inches. They have backups, and have done dirt roads. They will also sand at \$150 a load.

**Motion** by Kirk Johnson to spend \$3,000 to put toward additional road maintenance. Cash flow report shows we have \$16,000 left for this year's budget in road maintenance. Suggestion is to hold the remaining \$13,000 for overages in snowplowing and any damage that may happen from spring melt, then re-evaluated next spring

with what is left. Seconded by Stacey Johnson. Raking may happen before winter depending if we can rent a rake. Priorities will be looked at as well. Motion passed unanimously.

**Motion** by Brian Rabe to reimburse Kirk Johnson for expenses per submitted expense report. Seconded by Brett Coffman. Motion passed unanimously.

Brett Coffman spoke about culvert ponds: start building culvert inlet basins bigger with rock to check damn them to keep the silt and dirt from going into the culvert. It is harder to clean the culvert than to clean the check dams. Brett will offer forth different designs that we can use.

**ACC Report:** Report submitted by Todd Besaw, read by Kirk Johnson.

August Applications Approved/Pending:

Lot 5, Division 5: porch roof addition

Lot 29, Division 1: new single family residence or cabin pending

Lot 15, Division 5: mobile home single family residence

September Applications Approved:

Lot 18, Division 4: Yurt

October Applications pending as of 10/9/19:

Lot 34, Division 8: Dirt work/Driveway/Tree removal for well location/building site

Lot 38, Division 1: Dirt work/Driveway/Tree removal for well location/building site

**Motion** by Stacey Johnson for a newsletter to be mailed by November 1, 2019 with an expenditure of no more than \$250. Seconded by Kirk Johnson. This newsletter will included snowplowing information for the membership. Need to be mailed ASAP. Snowplow info is already posted on the website. Motion passed unanimously.

**Motion** by Susan Stewart to adopt the Watershed Rule. New Watershed Rule was read outloud. Legal committee worked on this and submitted to the Board for approval at this meeting. Information will be provided to a member for contacts with the EPA and other agencies that can assist with erosion issues. Seconded by Brett Coffman. ACC is the primary enforcer of this rule with support from the Road Committee. Motion passed unanimously.

ACC will start contact with Lot that has severe erosion in Division 4 using Watershed Rule and Fine Policy. Dispute Resolution Committee needs to be established and work with this as well.

**Motion** made by Kirk Johnson to form the Dispute Resolution Committee consisting of 2 Directors and 1 Association member who is not a director or officer. Regarding Board of Directors enforcement of the CCRs using the Enforcement Rules and Fines Schedule, the Committee shall act, which may include reasonable lawful investigation at the Committee's discretion and direction. The Committee shall consider ACC input and counsel in preparing communications to alleged violators. The communications to alleged violators must be approved by a majority of directors prior to sending, and approval may be given via email. The work of the Committee shall be conducted on the BOD email so all directors have the opportunity to be informed. Each Committee email shall have its subject line start with words, "Dispute Resolution Committee". Any number of Committee members present at a hearing shall constitute quorum for that hearing, and hearing shall be open to attendance by all directors and ACC members. [changes made by Susan Stewart in discussion are incorporated above] Seconded by Brian Rabe. This coordinates with the adopted Fine Policy. This committee will move forward with any alleged CCR violators, seeking first to find resolution. Motion passed unanimously.

Short discussion with membership as to whether hearings would be public to all members. Legal committee will research.

Discussion about appointing the 2 Board members to said committee. Table appointing until director Rick Lewis is back from his trip.

Notice of violation letter under the Fines Policy was sent to Wayne Naysnerski from the Board and ACC on September 25, 2019. Have not received response.

Brett Coffman reported update of Reserve Study Process: Jim Moore, owner of Advance Reserve Solution, is coming next week to meet with Brett Coffman to drive the roads and start his study. Treasurer will be giving Mr. Moore a \$600 deposit check next week. We are looking at what is required per the RCW and CCRs, safety on the roads/turn-a-rounds, etc. Brett Coffman has contacted several firms that perform these studies. Brett has learned that these firms are not civil engineers for roads. Most firms work for condo type HOAs.

Meeting opened to audience. Questions and dialogue were brief.

Meeting adjourned at 2:16 pm.

# Special Board Meeting Minutes

## Nine Mile Ranch Homeowners Association Special Board Meeting May 23, 2020

Due to the Coronavirus this Board meeting was held telephonically. Board members present; Kirk Johnson, Brian Rabe, Rick Lewis, Brett Coffman, Susan Stewart and Stacey Johnson. Also present was ACC Chair Todd Besaw.

Meeting was called to order at 11:03 am.

**Motion** to amend the agenda; to remove discussion about Commercial Enterprise Rule, as that appears at this moment to not be time-sensitive and can be addressed at the next regular Board meeting. And, to add discussion about Board and membership meeting protocol issues we are experiencing because of the Covid-19 pandemic. Seconded by Rick Lewis. Motion passed unanimously.

### Old Business

Regarding the ditch blockage at Big Horn Ridge due to Barnett's installation of the gate. Barnett has agreed to the overall fix purposed by the Road Committee, and to also have Kirk Johnson oversee the fix. Fix is being priced right now by Tim Mason. Barnett will pay for fix.

### New Business

Read into minutes motions passed via email since last meeting of March 14, 2020. Per Bylaws Article IV, Section 4:

- **Motion** made by Kirk Johnson to adopt the Domestic and Farm Animal Density Rule. Seconded by Susan Stewart. Motion passed unanimously on April 22, 2020. Rule is posted on the website.
- On March 30, 2020 an owner in Division 1 was given permission from the ACC to come into compliance with the CCR's Article IX/7 'two dogs limit' clause by way of attrition. The owner currently has three dogs and will therefore reduce to two dogs upon the third dog's death.
- **Motion** made by Kirk Johnson to add "Non Owned Auto Coverage" insurance policy and fee of \$68.00 for the remainder of this current policy year (through 4/18/21). Seconded by Stacey Johnson. Motion passed unanimously on May 16, 2020. Language in bid states: "If your association members/volunteer drives their own car for something work-related, and an accident happens, Non-Owned Auto insurance can protect you. This type of coverage is designed to provide liability coverage for bodily injuries and property damage coverage that association members/volunteer may cause while using a personal vehicle for business purposes."
- **Motion** made by Stacey Johnson to approve the 2020-2021 proposed budget submitted to the Board of Directors, via email, by the treasurer. Kirk seconded the motion. Motion passed unanimously.

- **Motion** made by Kirk Johnson on March 24, 2020; due to universal economic hardship being experienced because of the coronavirus pandemic, I move that no new late fees and interest charges be charged on all members' accounts until August 1, 2020, and that no late fees and interest charges will be retroactively charged regarding the time period of between April 1, 2020 and July 30, 2020. Motion passed unanimously.

**Motion** made by Kirk Johnson to amend the Enforcement Rules and Fines Schedule such that it will become in-force by way of CCRs Article IX Section 22, amending the first sentence in the Enforcement Rules and Fines Schedule to now read, “These Enforcement Rules and Fine Schedule (Enforcement Rules) for the Nine Mile Ranch Homeowners Association (Association) have been adopted by the Board of Directors (BOD) pursuant to the authority granted in RCW 64.38.020(11) and also pursuant to CCRs Article IX, Section 22.” Additionally I move that the adopted Rule is relocated on the HOA website from its current location to the category “CCRs and Legal” under “Additional Rules”. Seconded by Brett Coffman. Motion passed unanimously.

**Motion** made by Rick Lewis to approve expense report reimbursement to Kirk Johnson per email sent on May 20, 2020. (Reimbursement is for \$437.56. This is higher than usual as there are \$237.37 being reimbursed for rake maintenance tools) Seconded by Brian Rabe. Motion passed unanimously.

Discussion: driving on roads liability risk to HOA. What started this: a member with an apparent professional liability control and engineering background said to us his concerns regarding HOA liability generated by current road construction conditions. Researching this topic further through Okanogan County Road Dept., the internet, and personal experience the decision of the Board will be to solicit a bid for additional signs for some of the roads blind corners. The Road Committee will identify the places where signs are needed. Many of the HOA main entrance roads already have signs stating “Private Roads/No Warning Signs/20 mph”. Some signs are missing. An inventory will be taken and added to bid to be replaced. The bid will also incorporate adding “Use at Your Own Risk” to the existing and future signs. What is known as the “creek road” is considered the most “at risk” road due to blind corner and a bank that has potential of serious eroding. Kirk Johnson will make up a hand sign to warn of these issues until the bank can be fixed.

Discussion regarding whether Residential Home Rentals at the Ranch would be considered “commercial enterprises”. After considerable research and study of Washington state case law it is determined that Rentals are NOT considered a commercial enterprise, however any rental that provides an additional service, such as a B&B, is regarded as a commercial enterprise. This places the CCR enforcement regarding Rentals under the ACC jurisdiction.

**Motion** by Kirk Johnson to table the discussion for potential director position appointment until after the upcoming elections. Seconded by Rick Lewis. Motion passed unanimously.

### **Treasurer Report**

Checking Account: \$18,288

Savings Account: \$17,358

CD Account: \$34,128

CD will be coming to maturity in July. Will be contacting the bank prior to that. Special assessment collection is at 88% now. Funds are still trickling in. Invoices for this coming year will be mailed next week. Paypal is all set up. Two past-due members whose current addresses were not available were found through Truthfinders background check.

## **Road Report**

After this meeting and therefore including any results from this meeting the Road Committee will prepare a formal Road Report outlining current status and projected year road work plans.

**Motion** made by Kirk Johnson for \$11,000 weed spraying for spray season 2020/21. Seconded by Susan Stewart. The \$11,000 is the approved spraying amount in the 2020/21 budget. This incorporates 2 to 3 sprays. Spraying is lined up. It is possible it may be less as we have thoroughly sprayed for emergent weeds throughout the last two years. Motion passed unanimously.

Discussion regarding two spurs off of Old Tressle that have never been maintained. The Board was contacted by one of the two owners effected by these spurs, asking if the spurs are being maintained.

Facts:

- CCRs express legal duty to maintain all 60' easements and roads that appear on the maps. These spurs are indeed on the maps as 60' easements.
- The HOA has not maintained these easements for the last 23 years. Prior & current Boards have not acted upon the duty to maintain these easements.
- The HOA has not budgeted for maintenance expenditures for these spurs/easements; snow plowing, weed control, regular maintenance.
- Road Committee fielded pricing and created a final price to bring easements up to maintenance status; \$2,600.

Decision to send a letter to Lot Owner who called regarding those spurs. Letter will state explaining the facts above and that the HOA will bring spurs up to maintaining status when HOA can budget it in soon. There are other areas that need large dollar amounts invested. All of these will be identified and prioritized in a report coming soon. We will make it a high priority to bring the spurs up to standard. The plan is to mow it, spray it, and rake it to shape it up. That would bring it back to its original condition. Cost will be proposed for approval by the Board when Road Committee present breakdown of 2020/21 road work. **Motion** for Kirk to write letter to Lot Owner. Seconded by Rick Lewis. Motion passed unanimously.

Volunteer and professional raking has been done this spring with the new rake. Tim Mason raked about 2 miles in spots all around the Ranch, costing around \$800. Tim was tremendously "jazzed" about how effective the rake is. Volunteer raked Division 3 and some spot areas elsewhere. Tools for the rake were donated as well. Suggestion to pay volunteers \$40 per hour for regimented rake maintenance. We cannot pay a volunteer unless they were licensed. **Motion** made by Brett Coffman to hire out maintenance to rake manufacturer. Seconded by Stacey Johnson. Amend motion to include "other than volunteers who are willing to 'volunteer' to perform regular maintenance". Manufacturer is located between Oroville and Tonasket. Concerns that volunteer may not perform maintenance

properly. Motion amended to; all maintenance on the rake, when hired out, will be performed by the manufacturer. Motion passed unanimously. **Motion** made by Kirk Johnson that Nine Mile Ranch members, who are capable to perform rake maintenance, be allowed to perform basic, regular maintenance on the rake. Volunteers will perform maintenance according to the rake manual provided. Seconded by Brian Rabe. All volunteers, whether performing raking or maintenance, will be given a rake manual. The Road Committee will determine capability. There is now a full kit of tools for basic maintenance. Brett and Kirk donated some of the tools and some were purchased by the HOA. Motion passed unanimously.

All but \$3,600 worth of the first collection of the Special Assessment funds for gravel have been spent and placed so far, and approximately \$6,000 worth of annual gravel replenishment funds are still yet to be spent. All gravel placements are scheduled to continue but we are delaying it at this moment because of the PCI gravel being too wet to spread due to recent rains.

Current ditching/culvert maintenance is good from last fall; we were ready for this spring melt and all held up well. We will wait to spend any funds on this until later this year for what shows up as necessary. But we are and have been experienced some significant rains and therefore some wear on ditches and road surfaces, so we'll see how this goes. (one culvert in Division 7 is "plugged with fox kits")

Discussion regarding portion of Mallard Drive and Blue Grouse; whether this road section is legally the HOA's responsibility to maintain. This section of road is from 9 Mile Road to Nine Mile Ranch Division 5, with an original easement agreement between the Eders and Lynn & Marlene Barnett for maintenance of this section. This section is access for the approximately 50 Lots in Division 5. A Lot Owner brought this subject/concern to the Board; questioning whether the HOA is legally responsible to maintain the easement. Lynn Barnett was contacted to confirm whether there has been a filing to turn over maintenance to the HOA. Lynn did not remember. He felt there was a clear precedent set since the HOA has been performing and paying for maintenance for the last 23 years. Should we have Lynn complete the legal process in turning over maintenance responsibility to the HOA? This section is not called out on plat maps by survey coordinates but is indicated in other ways. This is an issue because it was raised by a Lot Owner, and the creek road will need a significant investment soon due to serious erosion. Decision to write Lynn Barnett having the HOA accept the responsibility and liability of said easement. This would benefit the HOA by avoiding legal complication if the Lot Owner who brought this forward decided to sue the HOA, and make general clarification. Also, this easement benefit 50 Lots for access. **Motion** by Stacey Johnson for the Board to produce a letter, written to Lynn Barnett, that for the benefit of Nine Mile Ranch the HOA receives absolute responsibility for the Mallard/Blue Grouse Road Sections that run through the easement known by county as filing number 841707. Seconded by Brett Coffman. Legal Committee will create the draft of letter for approval by the Board. Motion passed unanimously.

Discussion regarding meeting protocol due the Corona virus. Notice to the members, that will be mailed this week, was read out loud, stating the indefinite postponement of the Annual Membership Meeting. Board will continue to monitor the re-opening of Washington State/Okanogan County in hope of future rescheduled meeting. At this moment, Okanogan County is getting ready to submit to the Washington State Health Department to enter into partial Phase 2 which will allow only 5 people to

gather. Board will research actual viable alternatives for meetings that will provide equal opportunity for members to use and participate in meetings, if this situation appears that it will continue...if it were to run into next year annual meeting and future Board meetings. **Motion** made by Stacey Johnson to officially postpone the 2020 Annual Membership Meeting while the Board continues to monitor the situation, with notice being sent this week to all members. Seconded by Brian Rabe. Brett Coffman stated for the record that he does not agree with Washington State Guidelines; Brett believes that our meeting is “essential”. Motion passed unanimously.

**Motion** made by Kirk Johnson; Pursuant to RCW 64.38.035(4) that we now assemble in closed session to discuss matters involving possible violations of the governing documents of the Association, and matters involving the possible liability of an owner to the Association. Namely 1) the existing unapproved dog breeding business of the owner of Division 1, Lot 47 the recent installation of a permanent fence within the HOA easement and encroaching the HOA road by same owner. Seconded by Susan Stewart. Motion passed unanimously.

Meeting is adjourned at 12:48.

Executive session convened.

**Motion** made by Kirk Johnson for Stacey Johnson to contact Miller & Chase, PLLC to set up a consultation meeting regarding easement encroachment/blockage on Division 1, Lot 47, motion for \$600. Seconded by Brian Rabe. Motion passed unanimously.

## Approved Board Meeting Minutes

### Nine Mile Ranch Homeowners Association Board of Directors Meeting July 11, 2020

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

Meeting called to order at 11:14 am.

**Motion** made by Kirk Johnson to add to the agenda a discussion regarding rescinding past policies. Seconded by Brian Rabe. Motion passed unanimously.

#### Old Business

Regarding Barnett's placement of gate at Big Horn Ridge: Tim Mason has sent 2 bids to Lynn Barnett for repairs. HOA has not heard back from Mr. Barnett. Followup contact with to Mr. Barnett will be attempted.

Mr. Barnett is in agreement for the HOA to formally take responsibility of a private easement portion of Mallard Drive. A draft agreement will be written soon for Board approval before sending it to Mr. Barnett (this is an easement that runs from 9 Mile Road to Division 5). Directors Kirk & Stacey Johnson and Pam Lewis should recuse themselves from final approval of letter given that they are directly affected by said easement.

#### New Business

Read into minutes motions passed via email since last Board meeting on May 23, 2020. Per Bylaws Article IV, Section 4:

**Motion:** On 6/10/20 the following motion was adopted: WHEREAS the law firm Miller & Chase is qualified to represent our HOA in general counsel legal matters. There are two attorneys at the firm who both have substantial HOA experience, including in Washington state. They also litigate locally and are extremely familiar with local court rules, experiences, and judges and local jurisprudence, and WHEREAS their rates are as follows: \$225.00 per hour for attorney, \$85.00 for paralegal, they bill in .1 hour increments, and any email is a minimum of .1 hour billing. We would not be required to maintain a retainer but would be billed on their regular billing cycle, IT IS UNANIMOUSLY RESOLVED THAT, pursuant to Bylaws Article VI, Section 4, the Board of Directors approves the law firm Miller & Chase in Omak, WA to become the inside general counsel law firm for the 9MR HOA. Motion brought by Kirk Johnson, seconded by Brian Rabe.

**Motion:** On 6/10/20 the following motion was adopted: Motion brought by Kirk Johnson, seconded by Brian Rabe. IT IS UNANIMOUSLY RESOLVED THAT, pursuant to Bylaws

Article VI, Section 4, that we seek immediate counsel from our HOA attorney regarding the following legal questions:

- 1) Clarify whether our annual meeting ballot contents meet with legal requirements. This includes verifying whether we can legally count the ballots on June 20, 2020, out of meeting, as we have planned or if we are advised to wait to count the ballots in some form of live annual membership meeting. This therefore also includes clarifying whether the ballot subjects of waiving the audit, electing (2) directors and rejecting the annual budget can be validated on June 20, 2020 which determines whether HOA business proceeds from that point forward with new additional directors and a new budget.
- 2) Clarify legal requirements for noticing the membership for regular and special Board meetings, as well as requirements for noticing and adhering to agenda items for those meetings. Attorney Andy Chase indicated yesterday that we may have obligations about this that we have not yet followed, but he is also not yet directly familiar with our Bylaws stipulations and how they overlay with RCWs and how that causes us to therefore be required to act. Stacey will contact Miller & Chase with questions and information and request an email response from them.

On 6/17/20 the following motion was adopted:

**Motion** brought by Kirk Johnson, seconded by Brian Rabe. IT IS UNANIMOUSLY RESOLVED THAT, pursuant to Bylaws Article VI, Section 4 and to legal counsel advice that arose from 6/8/20 counsel with law firm Miller & Chase:

- 1) that we may immediately submit information relative to recent member emails - that have raised legal questions - to HOA general counsel Miller & Chase, asking for legal guidance and counsel regarding the issues and/or any potential response. Counsel's legal advice/response may be given in writing or in a conference telephonic or video call live at the next Board meeting. Stacey will prepare legal questions and accompanying information to be submitted to counsel and send that to the Board for review prior to sending it to counsel.
- 2) that counsel may, according to majority Board consent via email, attend the Board meeting telephonically or by video conference and will represent the HOA and provide counsel in any matters that arise.
- 3) that HOA general counsel may attend any Board or membership meeting henceforward, upon majority consent of the Board via email prior to the meeting, and counsel will be asked to advise us in the next meeting whether this clause in this Motion is legally valid.
- 4) that the charges from counsel which arise from this Motion will come out of the general 2020/2021 or otherwise current legal budget, and if necessary additional funds be used from savings/reserve fund.
- 5) that Brian and/or Felicity Rabe be in charge of arranging and administering any tele/video conference.

**Motion:** Brought in email on June 16, 2020 and resolved on June 22, 2020, Pursuant to Bylaws Article VI, Section 4, "IT IS RESOLVED to spend \$50.00 for a Hometown Pizza gift certificate for Clyde Andrews as a thank you for taking the time to count the HOA ballots. Expense will be inputted under "meeting expense" in the HOA accounting records. Note that this is Clyde Andrews' third time counting for us. We have not presented him with a gift of thank you before." Motion was brought by Stacey Johnson and seconded by Brian Rabe. Motion passed unanimously.

#### Elections Results:

- Director Don Charnholm received 86 votes, Director Pam Lewis received 76

- Waiving of the audit: Yes (to waive the audit) = 87      No (to not waive the audit) = 37
- Budget: Approve = 101    Not approve = 20
- 128 ballots were received
- 1 ballot was not counted due to suspension of member's voting rights
- An additional 5 ballots were received in the mail after date due and were therefore not counted.

#### Election of Officers for One Year Term

**Motion** made by Susan Stewart to elected Kirk Johnson as President for this next year. Seconded by Richard Lewis. Motion passed; 7 yes, Kirk Johnson abstained.

**Motion** made by Susan Stewart to elect Stacey Johnson as Secretary/Treasurer for this year. Seconded by Brett Coffman. Motion passed unanimously.

**Motion** made by Stacey Johnson to elected Brian Rabe as Vice President for this year. Seconded by Kirk Johnson. Motion passed unanimously.

Terms of new directors: Based on number of votes each director received; Don Charnholm's term is 3 years, Pam Lewis term is 2 years. A spreadsheet will be emailed to all Directors, from the Secretary, showing the term layout for all Directors since the first election in 2018.

Upcoming year's meeting dates: Stacey Johnson will email Directors suggested Board meeting dates for the upcoming year. The dates will be approved via email by the majority of the Board members.

#### Rental Compliance:

**Motion** made by Kirk Johnson: Regarding compliance with CCRs Article IX, Section 12, I move to:  
a) establish either a policy or a form that contains the content the Board requires landlords to provide to the ACC which reasonably enables the ACC to enforce Article IX, Section 12, and  
b) direct the ACC to contact known landlords and engage compliance.

Seconded by Richard Lewis. Letter and Renter Form to Lot Owners that are renting on their Lot, written by the ACC and Legal Committee, were presented to the BOD to use in discussion. Discussion included that the CCRs allow renting no longer than 6 months per calendar year as well as requires renter to sign the CCRs showing that the renter has read them.

**Motion** made by Kirk Johnson for acceptance of draft Rental Form excluding names of all occupants, vehicle make, model & licenses. Seconded by Richard Lewis.

**Motion** made by Susan Stewart to amend motion for Rental Form to also include numbers of occupants and number of licensed vehicles. Seconded by Brian Rabe. Motion passed; 5 yes, Don Charnholm, Pam Lewis and Kirk Johnson voted no.

**Motion** made by Susan Stewart to amend motion to include note to Lot Owner/landlord, either in Letter or Rental Form, mentioning speeding and abuse of roads by renter. This note will be crafted by the ACC and Legal Committee to be presented to the Board for approval via email by the majority. Seconded by Don Charnholm.

Final summary of all motions: To accept Rental Form with changes of removing names of all occupants and vehicle information and adding number of occupants and vehicles. Changes will be given to the ACC and Legal Committee to rewrite and present to the Board. Statement to Lot Owner regarding renters honoring speed limit will be added to Letter or Rental Form, written by the ACC and Legal Committee to be presented to the Board for approval via email by the majority. Motion passed unanimously.

## **Rescinding Subject**

WHEREAS it appears, according to historical minutes, that there has been little or no rescinding of motions in the record that may conflict with each other, which is not in the best interests of the HOA if that condition exists, and

WHEREAS the board of the HOA has resolved to adhere to Roberts Rules of order, such rules which impart that any new policy or resolution passed by the board which conflicts with a prior resolution causes the new policy to be invalid, and

WHEREAS a member of the HOA has recently insinuated in writing to the board that if such conflicts exist in the record that he may regard that as a breach of the board's fiduciary duty and consider using that as a reason to pursue legal pressure against the HOA in some way or another or to establish that some beneficial governing work of the HOA is rendered void,

**Motion:** THEREFORE Kirk Johnson moves that any policy, standard, or motion in the minutes since May 30, 2018 that relates to the same subject in any minutes prior to May 30, 2018 hereby supersedes the prior language, causing the prior language to be rescinded and the new language to be valid since the date of the new language's adoption. Seconded by Brett Coffman. Motion passed unanimously.

**Motion** made by Kirk Johnson to amend the 6/18/17 BOD general policy regarding official communications and orders from the HOA to work contractors. The policy read, "All HOA road maintenance scheduling and authorization for work be communicated to the contractors by the Road Manager only, or in his absence, the President of the BOD." Amend the policy to now read, "All HOA road maintenance scheduling and authorization for work be communicated to the contractors by the Road Manager, or by an agent appointed by the Road Manager, or in the Road Manager's or appointed agent's absence, the President of the BOD." Seconded by Stacey Johnson. Amendment by Brett Coffman to add "Road Committee Agent" in place of agent. Seconded by Kirk Johnson. Motion passed unanimously.

## **Ballot Voting & Recount Procedures**

**Motion** by Kirk Johnson to discuss proposed Election, Ballots & Recount Policy. Seconded by Susan Stewart. Pass unanimously.

WHEREAS we interpret that, in law, some information within membership voting ballots is of an executive nature, that owners have a right to expect ballot privacy, and

WHEREAS applicable state statutes and governing documents provisions allow the records of the HOA to be inspected by all owners, and that records in the form of membership voting ballots are not expressly excluded from being regarded as records to be inspected, and

WHEREAS we regard it our duty to provide a solution that at once satisfies both acknowledgments above, and

WHEREAS there are legitimate circumstances under which the membership can require the Board to conduct a recount of an HOA election, and

WHEREAS original election vote tallying and any potential verification is probably the single most potentially consequential act on the confidence and proper function of a voting fiduciary-based organization, such that we consider it detrimental to the HOA to have any number of individual members creating their own unofficial 'recounts' and thereafter potentially promulgating varieties of individual conclusions that cause an undue undermining of the 'public confidence' in election processes, and that allowing copies of ballots to be made and/or distributed would have the same detrimental effect,

**Motion** made by Kirk Johnson to accept the following criteria be met and followed regarding inspection of prior HOA election ballots, conduction of future membership election ballots, and cause for official election recounting. Motion passed unanimously. (Policy will be available on HOA website.)

**Commercial Enterprises Rule**

Motion made by Kirk Johnson to adopt the Commercial Enterprises Rule. Seconded by Brett Coffman. Motion passed unanimously. (Rule will be available on the HOA website)

**Newsletter**

Motion made by Stacey Johnson for a newsletter to be sent out by the end of July with a spending cap of \$250, content to be approved via email by the majority of the Board. Seconded by Don Charnholm. Newsletter will written by Newsletter Committee to present to the Board. Motion passed unanimously.

**Treasurer Report**

Checking: \$48,453  
Savings: \$17,359  
CD: \$34,199

**Acct Rev.**

Total:	\$ 66,869.41
Less fines	- 13,150.00
Less Lien/Int/late fees/misc	- 4,960.79
All assessments owed	\$48,758.62
8 Lots many years past due (total due)	<u>9,762.93</u>
	\$38,995.69
Special assessments owed (1 <sup>st</sup> billing)	3,392.04
Special assessments owed (2 <sup>nd</sup> billing)	<u>11,039.08</u>
Total Annual Assessments owed	\$24,564.57
Annual assessments owed (current billing)	22,169.17
Annual assessment owed (last years)	<u>2,395.40</u>
	0

78% of total special assessments has been collected.

Paypal is not working. Bottom line is Paypal will not accept the PO Box as the HOA address. Account can be set up using an individual's address, but account would also be under their name. Treasurer is unwilling to do this. (No BOD members offered as well). Paypal will be canceled.

One Paypal payment made it through to us. The member did not add the requested 3% charge. Board instructed Treasurer to carry the balance forward; member will be charged.

Treasurer received a bounced check notice.

CD will be reaching its maturity on July 21, 2020. Contact is made with HOA banker to discuss rolling it over into new account. Update will be sent to the BOD.

Treasurer is instructed to make the budgeted \$3,000 deposit into the HOA Savings Account.

**Motion** made by Stacey Johnson to, due to covid-19, extend the suspension of late fees and interest on past due accounts through October 1, 2020, to be readdressed at the next Board meeting on October 10, 2020. Seconded by Susan Stewart. Mail to and from Canada – US is taking a month+. Motion passed unanimously.

**Statement Regarding Historical Reserve Fund**

The current Board of Directors is aware of a prior Reserve Fund Policy adopted in 2012, and that the HOA, at this time, does not meet the policy requirement of “a reserve fund equal to or greater than that years annual budget”. The Board is seeking to resolve this shortfall through upcoming final reserve study reporting which will inform a potential assessment increase and budget change to be considered for next year. Board is in agreement to statement. (2012 Reserve Fund Policy can be found on HOA Website)

Motion made by Kirk Johnson to extend the meeting by ½ hour. Seconded by Stacey Johnson. Motion passed unanimously.

**Road Report**

***Road Work Performed to date from April 2020 to July 10, 2020***

**1. 4/24/20 Raking ..... \$845.52**

W.O. #01-2020: approximately 2.5 miles of mostly DEEP raking and reshaping on (14) different spots throughout the Ranch.

**2. 5/28/20 Erosion, Prevention, and Safety Repairs on West Corral .....approx. \$1085.00**

W.O. #02-2020: Division 7, at the switchback corner 1.1 miles up West Corral where it meets with Gold Rush Ridge Road: install 9MR-provided '8"-4" clean' rip rap on the embankment erosion spots at the corner, on both road embankments before and after the actual turn of the switchback. This will likely include attending to the culvert outlet area also. Please do work as per direction from Brett Coffman. Clear the culvert inlet basin area of siltation. Per direction of Brett Coffman, repair the ditch at the top of Gold Rush Ridge and install 9MR-provided '12"-minus dirty' rip rap, armoring the ditch and road, per Brett's requests.

**3. Volunteer Raking in May and June**

Volunteer has not submitted a mileage reimbursement request (yet???) . Approximately 2.5 miles of spots including:

- Upper West Corral in Division 7.
- (2) spots on Gold Rush Ridge Road in Division 8.
- short spot at .8 Mallard Drive (assisting with raking out a gravel placement and road reshaping for better drainage.
- Approximately .2 miles of Old Tressle incline below Thompson's place.
- .5 miles of Wagon Wheel road.

**4. 6/17/20 Erosion Repairs, Ditching, and Raking various areas ..... approx. \$3300.00**

W.O. #03-2020, plus additions and omissions:

- Rake Allen Drive in Division 2.

- On Pine Bluff Road in Division 4, 800' down from the Old Tressle intersection, restore the filled ditch and reshape the road plane to fill erosion and have the road shed water better again. Also clear out the plugged driveway culvert associated with this area (this part has not been performed yet).
- Repair road plane erosion and re-crown: rake approximately 300' of Pine Bluff, just north of the Canyon Spur intersection.
- On Pine Bluff between .2 and .35 miles from Chesaw road: rake for crowning, erosion and potholes.
- On Longhorn in lower Division 8: using a backhoe uncover an extremely buried culvert outlet.
- On Sunset Ridge at .9 miles north of the Old Tressle intersection: grade 200' for significant drainage reshaping and crowning, pull 100' of associated ditch, install (1) load of PCI 5/8"-minus gravel and walk it down with a dump truck for compaction.
- At the end of Wagon Wheel in Division 2: Call for power and phone locate. Using a grader, reshape the culdesac to allow proper drainage away from the road and into the ditches (this has been a problem since the road was built), grade the road for erosion repair, pull approx, 300' of ditch, and install 1-2 loads of gravel as appropriate. This task is being done right now.

**5. June 2020 Major Weed Spray ..... \$9276.75**

**6. July 2020 Touch up Spray, with Road Committee assessment**

Two Road Committee members split up the Ranch and toured all roads for touch-up spraying, marked maps for an order, created a list with maps and order for the sprayer and mailed the sprayer the order. Spraying to commence week of July 13. In the last two years this second spray comes in at around \$1800.00, but we'll see when we get the bill. Specific assessment and notes were taken to document planned pre-emergent sterilant spray for early next spring, as these areas of growth are encroaching the road planes and need to be sprayed before they are visually identifiable.

**7. Special Assessment and Annual Replenishment Gravel placed ..... \$23,071.25**

Between April 1, 2020 and late June we have placed (57) 11-yard truckloads of gravel throughout the Ranch; \$9518.63 for annual replenishment gravel, and \$13,552.62 of special assessment gravel.

***Other Current Road Work Considerations by the Road Committee***

- 1. A third touch-up spray.** The last two years required a final small touch up spray, coming in the low to mid \$100's in cost. We'll see if this is necessary this year.
- 2. Signage.** A bid has been procured to purchase (17) commercial 'road warning' signs at entrances throughout the Ranch, cost of \$963.70 with tax. (12) signs to read, "USE ROADS AT YOUR OWN RISK", and (5) signs to replace missing signs that would say the same as the others: "PRIVATE ROAD – NO WARNING SIGNS – 20 MPH – ALL WHEEL DRIVE REQUIRED". These signs fulfill the best possible liability exclusion waiver for the HOA to protect the HOA against liability suit from drivers on roads, as well as best advise drivers of safest driving circumstances and warnings. The price for this bid was done through a known professional competitive road sign company, and the bid is similar to the cost for a similar amount and type of signs purchase by the prior board a number of years ago.
- 3. Reclaim Two Spurs on Old Tressle.** There are two small road sections at the west end of Old Tressle – one is 400' long and the other is 800' long – which have apparently not been maintained since they were originally constructed by the developer. Last winter a Lot Owner who owns property adjacent to these spurs asked the Board to attend to this issue. The Board found that the spurs are indeed '60-wide easements and roads' the HOA is required to maintain like all other roads per CCRs. A bid for approximately \$2600.00 was procured to mow down the overgrowth, rake the growth to the culdesac, rake the existing gravel into decent shape, and sterilant-spray the road planes. The work is planned to be accomplished sometime during the 2020/2021 fiscal year (ie. before June 1, 2021).

4. **Continue placing special assessment and annual replenishment gravel.** These placements were suspended in late June because natural road and gravel moisture was becoming inadequate for decent gravel compaction upon placement and regular road traffic. All of 2019/2020 annual replenishment gravel was placed, and the amount of special assessment gravel that was placed stayed on-pace with the actual funds collection amounts as funds came in. Placements will resume in fall when moisture conditions are supportive, and we will also be in a new fiscal year to possibly start placing 2020/2021 annual replenishment gravel as well.
5. **Fall culvert clearing and ditching.** Spring road assessments determined that, with few exceptions which have already been repaired, ditching and culverts were in proper useful condition to head through this summer, barring unforeseeable weather events. So a final check and performance of ditches and culverts clearing will be made this fall in preparation for the next winter/spring duty.
6. **Possible fall raking.** Budget permitting, rake spots for elimination of washboard, maintaining crown and reclaiming roadside gravel will be done in the fall, emphasizing highest priority items within budget.
7. **Possible higher winter maintenance expenses.** Regarding plowing and sanding... This subject is yet undetermined but we're aware of it's potential:
  - It has been increasingly problematic for plowers in recent years (as well as they have been voicing it more) that the rough Ranch road sections with boulder heads sticking up cause them heavy wear and expense on their equipment that they may be asking higher plowing rates to compensate for.
  - There are more wintertime residents and traffic on the Ranch these days, so there is greater call for more wintertime sanding.
8. **Some roadside tree felling.** There are at least (4) trees on upper Division 5 that are really encroaching Blue Grouse to the point that winter plowing and traffic are negatively affected. There may be some other additional maintenance spots like this to attend to as well.
9. **Action regarding various capital improvement projects.** There are a multitude of known and determined road spots that could use improvement, prioritized by consideration of increased traffic in the future. These kinds of spots include:
  - widening sections that are currently too narrow for oncoming traffic passage or proper winter maintenance.
  - establishing better water shedding before such current water shedding doesn't become a problem when traffic increases
  - improving blind corners: increasing road width so oncoming cars are able to pass each other safely without needing to see each other coming.
  - raising road sections that currently become submerged during spring melt; with one exception these sections are relatively OK for now but some are getting close to being a problem when heavier traffic comes in the future and causes the roads to become too muddy to pass through.
10. **Reserve fund study.** The Road Committee, especially two members for now, have been assessing and accumulating 'component items' of road repairs to be considered for completing the final study and report. We have also done some preliminary analysis/studying of the professional report supplied to us from ARS earlier this year. Many deliberations and discussions have happened also. All these things will be part of a comprehensive reserve fund study and recommendation for assessment rate that the Board will analyze and consider later this fiscal year and then bring to the membership for their consideration.

Discussion regarding some road spots. One discussion was in regard to weeds growing and excessive bolderheads on portion of Blue Gross Road. A spray regiment is already planned to deal with this trouble spot. Richard Lewis volunteers to cut down tall grass in middle of road if necessary.

**Motion** made by Kirk Johnson that the Board authorize \$4,000 for the Road Committee to spend on further road maintenance that coheres with the Road Report, prioritized by emergent needs. Seconded by Brett Coffman. Motion passed unanimously.

**Motion** made by Susan Stewart that volunteers who want reimbursement for their expenses need to bill the HOA for expenses within a 6 months. Seconded by Kirk Johnson. Motion passed unanimously.

**Consent** requested made by Kirk Johnson to have the Road Committee spend \$950 for new warning signs for roads. This is an important liability issue for the Ranch. Unanimous consent given.

**Motion** made by Kirk Johnson for new mileage rate for V-8 vehicle used in road assessment touring. Seconded by Brian Rabe. Concern that some members have issues with mileage reimbursement.

**Motion** made by Brian Rabe to amend motion to table subject and mention this subject in upcoming newsletter. . Seconded by Don Charnholm. Board agreed to let membership know about this in upcoming newsletter and get feedback from members. Motion passed unanimously. Newsletter Committee will write up wording for Board to approve.

### **ACC Report**

The ACC is still working with two Lot Owners on applications for plan approval; one in Division 8 for a residence, the other in Division 4 for a shed. If any ACC or Board members are aware of any new activity please inform so it can be confirmed.

### **Moved into executive session at 1:43 pm.**

**Motion** made to spend funds on further legal counsel for the Board to pin down final steps in moving forward with enforcement on violating Lot Owner, with a spending cap of \$500. Motion passed unanimously.

Meeting adjourned at 2:18 pm.

Corrections made to these minutes on August 10, 2020 per unanimous approval by the BOD

## Special Board Meeting Minutes

### Nine Mile Ranch Homeowners Association Special Board Meeting August 29, 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 10:06 am.

Discussion regarding August 28, 2020 Cash Flow Report emailed to Board prior to meeting. Changes in wording suggested and noted.

Discussion regarding upcoming road work this fall and next spring. Decisions for spending funds is based on said Cash Flow Report.

- There was a recent touch up spray performed. Invoice has not been received. Estimated at \$500.
- Estimated cost of spring 2021 pre-emergent sterilant is \$4000. A pre-emergent spray has not been done for many years. Doing this will most likely reduce the amount of spray done in June 2021.
- More funds are still coming in through collections.
- Considerations for road expenditures are outlined in the 7/12/2020 Road Report. Following list is in priorities:
  - maintaining watershed and erosion control characteristics such as culvert and ditch clearing and raking or grading for road crowing.
  - Other structural repairs, like repairing dust spots and other erosion-prone areas.
  - Placement of yearly replenishment gravel.
  - Raking of roads to eliminate washboard and potholes.
- Consideration of how much money we should not spend now - hold out for unforeseen costs.
- Although budgeted amount for snowplowing and sanding is incorporated in Cash Flow Report, we should consider having extra in case of severe winter.

**Motion** made by Kirk Johnson that \$9,000.00 be made available to the Road Committee to spend on roads at their discretion with priorities given to the following items: 1) considerations outlined in the 7/12/2020 road report, 2) maintaining watershed and erosion control characteristics such as culvert and ditch clearing and raking or grading for road crowing, 3) other structural repairs, like repairing dust spots and other erosion-prone areas, 4) placement of yearly replenishment gravel and 5) raking of roads to eliminate washboard and potholes. Seconded by Richard Lewis. Stacey moves to amended motion to state the funds used are to come from annual assessment collections, not from the special assessment collections. Kirk Johnson seconds amendment. Motion passed unanimously.

**Consent** agreed upon to post August 28, 2020 Cash Flow Report to website.

**Discussion** regarding HOA/BOD right to spend funds to enforce CCRs and to seek special assessment if necessary. Also, the right and duty to enforce/uphold CCRs. Majority (all but one) directors believe that the Board has the responsibility and duty to enforce/uphold the CCRs. Enforcement/unholding CCRs includes inquiry, imposing fines and filing legal suit if necessary. Looking at CCRs Article IV Section 4 and 6 clarity was brought forward as to the right to ask the membership for a special assessment for legal funds, if necessary. Spending Association funds on legal fees is always a concern.

Director Pam Lewis has stated that the Board has the power to enforce CCRs but not the duty to do so. Prior legal counsel states that “Thus, the Board has the power to enforce the covenants, but the duty to enforce them only to the extent authorized by a vote of the Board. As a general matter, the Board has a fiduciary duty to the members of the Association. This fiduciary duty is tempered by the business judgment rule, which requires the Board to act on behalf of the Association in a reasonably prudent manner. If the Board reasonably determines, after a reasonable inquiry, that an attempt to enforce a covenant would be unsuccessful, or would unreasonably consume the resources of the Association, it may decline to pursue enforcement.”

CCRs give the Board all the tools to manifest funds for enforcement, if necessary.

**Discussion** about clarification whether current HOA/BOD member accepts unconditional compliance with CCRs: The following is directed at Pam Lewis, who is at this meeting as a Board member. “There seems to be some confusion over this subject so for clarification, regarding you having 2 more dogs than are allowed by the CCRs at Article IX, Section 7, the BOD and ACC communicated to you some months ago in writing that you must comply with the covenant and has offered you the option to comply through attrition; in other words, allow your number of dogs to reduce to 2 over time by way of the natural death of the excess number of dogs. This offer of attrition is not a member’s right to have by way of the CCRs but is rather the sole right of the Board of Directors to offer to violating member if the Board considers this to be in the best interest of the Association. This offer of compliance through attrition of your current dog overages offered to you is not conditioned as “for the time being” as you have said, nor for any other time period or circumstance; it is either accepted by you in full or it is rejected by you if you communicate any form of condition on your acceptance. So for the record, please state clearly whether you accept this offer of unconditional attrition regarding your current 2 dog overage.” Director Pam Lewis response, “as I’ve stated before I will accept that for now. Things can change and I will not accept that if things change”. Director was then asked “as long as the current CCRs exist without amendment for the limitation of 2 dogs you do accept the offer of attrition”. Director Pam Lewis agreed. (Note: Prior Boards did not consistently enforce the 2 dog limit. In the best interest of the HOA, the current Board has offered attrition to those members not in compliance prior to 2018. From here forward the 2 dog limit will be enforced with attrition no longer being offered.)

Board assembled in closed session to discuss matter involving violations of the governing documents of the Association, and matters involving the possible liability of an owner to the Association namely the existing unapproved dog breeding business of the owner of Division 1, Lot 47, the recent installation of a permanent fence within the HOA easement and encroaching the HOA road, by the same owner with the violating dog breeding business.

Board reconvened to ratify the following motions made in closed session:

**Motion** made by Kirk Johnson that the current draft letter be immediately sent to the owner of Division 1 Lot 47 regarding a final offer of settlement before legal action ensues. The final offer includes all of

the same prior-communicated requirements to the Lot Owner that they remedy their violation of CCRs dog and commercial breeding clauses and also easement encroachment clauses. The offer also includes forgiving the amount owed of fines. Response and compliance is required within 30 days. Member's current balance statement of account will be included. Motion passed 7 yes, 1 no = Pam Lewis.

**Motion** made by Stacey Johnson to send said letter certified to member. Seconded by Susan Stewart. Motion passed 7 yes, 1 no = Kirk Johnson.

**Motion** made by Kirk Johnson;

WHEREAS it is the duty of each HOA member to comply with the terms of the 9MR CCRs, and

- WHEREAS it is the duty of the Board of Directors to uphold the CCRs unless such proposed actions to cause compliance with the CCRS are not in the best interests of the HOA or if such proposed actions are unduly burdensome on the HOA's ability to obtain enough income to support the proposed actions, and
- 
- WHEREAS the particular violations of the owner of Division 1 / lot 47 are extensive and long-standing such that the violations threaten nearby property values, and other rights to HOA members, and violate the purposes and terms as clearly expressed in the CCRs,
- 
- THEREFORE be it resolved that an amount of up to \$3000.00 be spent to have HOA general legal counsel 1) draft a legal agenda/itinerary and supportive explanations for the Board to follow for the subsequent legal pursuit of enforcing upon the lot owner for his CCR violations, and 2) draft a one-page summary and explanation of the case and recommended legal process for the general HOA membership to receive. This expenditure will not be taken until and if the violating lot owner does not timely respond to the current out-of-court settlement offer from the Board regarding the violations. The funds used for this motion will be used from the current legal expenditure budget, and if more funds are needed than what that budget can provide then the additional funds will be taken from the HOA reserve fund. Such funds taken from the reserve fund will be replaced from next fiscal year's regular annual assessment income.

Seconded by Richard Lewis. Motion passes 6 yes, 2 no's = Pam Lewis and Don Charnholm.

Meeting adjourned at 11:37 am.

## 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.

## **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 Okanogon.
- 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 the 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 years' annual assessments. There are under 6 Lots owing for last years' 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 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.

## Board Meeting Minutes

### Nine Mile Ranch Homeowners Association Special Board of Directors Meeting October 30, 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, Susan Stewart 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 7:17 pm.

Read into minutes email motion made between meetings:

**Motion** made by Brian Rabe: "In the best interests of the HOA to accomplishing necessary road work and management, I move to remove the existing HOA mileage reimbursement cap of \$200 per year for mileage reimbursement for the road manager and any other road committee member for miles driven in the course of their volunteer service." Seconded by Susan Stewart. Motion failed: 7 yes, Pam Lewis no. (Motions made outside a meeting need unanimous vote to pass)

**Motion** made by Brian Rabe: "In the best interests of the HOA to accomplishing necessary road work and management, I Move to remove the existing HOA mileage reimbursement cap of \$200 per year for mileage reimbursement for the road manager and any other road committee member for miles driven in the course of their volunteer service." Seconded by Rick Lewis. No discussion was brought forward by any Board members. Motion passed: 7 yes, Pam Lewis no.

**Motion** made by Kirk Johnson to post Board's email chain regarding reimbursement cap on the website so there will be transparency regarding this issue. No discussion was brought forward by any Board members. Seconded by Susan Stewart. Motion pass unanimously.

#### **Summary of Meeting with Legal Counsel**

Discussing regarding attorney meeting on October 27, 2020. Meeting was with Andy Chase of the firm Miller & Chase. Andy has extensive experience working for HOAs as well as municipalities.

Meeting with attorney was to address the petitions presented to the Board by the anonymous group fix-9mr, as well as ballots sent out and meeting called by fix-9mr. Items on the petitions were addressed as well.

Regarding the financial audit Mr. Chase explained that although our Bylaws give the Treasurer the *duty* to cause this audit, neither the Bylaws (Article VII, Section 1) nor the CCRs give the Board the *power* to take this action, ie. spend funds on this audit. In other words, it would be illegal for the Board to take this action. This is an example of how the structure of our governing documents need to be reviewed and amended.

Regarding the “compliance audit” Mr. Chase explained that nowhere in our governing documents, state law or case law does it allow the HOA to spend funds on this audit nor does it give the membership the right to require the audit. Any HOA member can conduct their own audits at their own expense.

Regarding proposed CCR & Bylaw changes by fix-9mr: The first words legal counsel shared after a quick review of the changes fix-9mr is proposing was verily, “this is not how you change your governing documents”. Legal counsel found the suggested changes to be needlessly complicated and some of it potentially in violation of RCW 64.38 (HOA state law). The basic structure of each document (CCRs & Bylaws), and how they relate to each other, needs to be addressed, and discrepancies need to be resolved.

Regarding removal of 6 directors Mr. Chase explained that legal due process would need to be followed to accomplish this. He also stated in reflection of how courts have actually ruled on this subject was verily, “An *election* is a popularity contest, but a *removal* is subject to valid reason.” And further, “Courts view HOA Boards just like public municipalities; not only can you not remove council members without *proof* of breach of fiduciary duty, but it could also cause harm.” Removing a director(s) is serious business. As in this case, if the 6 directors were voted off the HOA would be left with a non functioning Board of 1 or 2 members. Legal counsel warned of the liability of this; of the Board’s duty to not jeopardize the function of the HOA, especially when there has been no breach of fiduciary duty.

Regarding a special meeting requested by the membership: A special meeting has been properly requested by the membership. Covid will not allow this. A Zoom meeting could be had, but may be dysfunctional and cost the HOA additional funds. Miller & Chase has the ability to facilitate a Zoom meeting. Before Covid, proper steps would be for the Board to send out notice of meeting. At the meeting members can then make a motion to have a ballot sent to the membership for a particular voting issue. This would need to be seconded, then discussed, then voted on. If this motion passed, then a second meeting would be required to count the ballots.

In regards to the ballot and meeting called by fix-9mr: Mr. Chase stated that there are civil illegalities and potential criminal acts being taken by the individual(s) who have acted as ‘fix-9MR’. They have no legal right to send out ballots or conduct a meeting posing as official. He compared this to if a few citizens of Oroville were to send out a ballot to remove the city council: this action is invalid and illegal. Proper legal steps need to happen to remove *elected* officials. The Board of Directors manages the business of the HOA. Doing this anonymously is illegal as well. Mr. Chase suggested that he write up a Cease & Desist letter to put fix-9mr on notice. Mr. Chase felt this is a step that is in the best interest of the HOA.

### **Board Discussion**

The Board then had a lengthy discussion on how to handle the special meeting petition especially given the Covid situation. The following is a summary of that discussion:

- All suggested items on petition that “fix-9mr” wants a vote on at the meeting cannot be legally conducted by the HOA.
- Removal of the 6 directors cannot happen unless there is legal due process.
- The Board could “**choose**” to send out a ballot with just the removal of 6 directors anyway. The other items would not be on there given that the HOA cannot legally spend funds for the

requested voting items. An explanation of why the other items are not on the ballot would be sent with this ballot.

- Suggestion that the attorney write up the ballot so members would have confidence that how the Board is handling this situation is legal.
- Sending out a ballot would cost yet more HOA funds and would not allow for due process. This could jeopardize the HOA. What happens if the 6 directors were voted off? No legal plan to deal with this. Business would stop. There's a possibility that only a few get voted off. If a ballot was sent then the votes would tell the Board what the members want either way and potentially end this situation.
- The Board does not legally have to send out a ballot for removal of directors due to lack of due process.
- The information that fix-9mr has sent to the membership and written on their website that influenced members to sign petitions and/or to vote on the fix-9mr ballot is based on lies and misinformation. This is an important factor.
- The terms are over in June for the six Board members slated for removal. Why spend yet more additional funds for this when a new vote for Board members will be coming soon?
- Many members have told the Board that they signed the petition not because they agreed with the items being presented to vote on, but they felt that a meeting might serve in this situation. They wanted to hear both sides.
- Many Board members felt strong that no ballot should be sent: "we do nothing other than communicate/up date members about the status of this situation."
- Final decision/consent was to send only a letter out to the membership to update on legal findings from attorney counsel. Letter needs to be simple, with bullet points, to honor those members that just want to know the quick facts. To save HOA funds a newsletter will be sent with the letter.

Consent to ask the attorney to draft an explanatory paragraph as to why voting to remove directors needs to follow a legal due process. This paragraph could be used in the letter to the membership. Also, to ask attorney that since the signatures on the petitions were solicited based on misinformation could that invalidate the petitions?

**Motion** made by Kirk Johnson for attorney to write and send a Cease & Desist letter be sent to fix-9mr. Seconded by Brett Coffman.

Discussion:

- This letter would put fix-9mr on notice regarding that the ballots and meeting actions are illegal. They cannot represent themselves as "official".
- This anonymous group needs to be stopped. Their actions are affecting the HOA. Members have told the Board they want it to stop.
- Concern of spending yet more funds of the HOA was discussed.
- Will this be a waste of HOA funds?
- Several Board members have offered to donate funds into the general account to help defray legal costs.
- A Cease & Desist letter may not stop fix-9mr, but it would benefit the HOA if things moved into to court in that the HOA ask them to stop and they didn't.
- Fix-9mr ballot and meeting are invalid. It will not affect the HOA other than potential cause more problems and stress for the membership.

Motion passed 7 yes, Pam Lewis no.

Legal counsel advised that Board email addresses connected with website not be the directors personal email addresses. Brett suggested that emails on website be connected with positions of the Board. Stacey will contact webmaster to discover easiest way to make these changes and will bring this information back to the Board.

Stacey Johnson asked the Board to start thinking about setting up process to revise/up-date/amend the HOA CCRs & Bylaws. This process will incorporate a membership committee and legal counsel. Board will start to address this topic in the January 2021 Board meeting.

Kirk and Susan will start working on the Newsletter that will be sent with letter to the membership.

**Motion** made by Susan Stewart to reimburse Kirk Johnson for submitted request of costs and mileage for \$189.39. Seconded by Brett Coffman. Motion passed 7 yes, Pam Lewis voting no.

Meeting adjourned at 9:41 pm.

**Special Board Meeting Minutes**  
**Nine Mile Ranch Homeowners Association**  
*Executive Session*  
**December 1, 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, Susan Stewart and Stacey Johnson.

Meeting is being recorded by secretary only.

Purpose of meeting was to address attorney letters received representing Association member James Mathis and Wayne Naysnerski. Attorney letters are threatening litigation against the HOA unless the Board calls a Special Membership Zoom meeting.

Meeting was called to order at 7:00 pm.

**Actions Taken in Executive Session**

**Motion** made by Brian Rabe: Pursuant to Bylaws, Article III, Section 2 whereas 10% of members can call a special membership meeting that the Board call Special Membership Zoom meeting. Seconded by Kirk Johnson. Motion passed 6 to 2: Pam Lewis and Stacey Johnson voting no.

**Motion** made by Stacey Johnson for her to contact HOA Attorney Miller & Chase to facilitate the Zoom meeting for the Special Membership Meeting. Seconded by Brian Rabe. Motion amended by Brian Rabe to included that Andy Chase, attorney, be present at the meeting. Seconded by Rick Lewis. Motion passed 6 to 2: Pam Lewis & Don Charnholm voting no.

**Motion** made by Kirk Johnson to vote on the following:

1. WHEREAS every HOA member has a right to require the Board to receive and attend to certain communications at the official HOA address (P.O. Box 332, Oroville, WA 98844), these communications which could including any of the following contents:

- a. official requests for inspection of HOA records,
- b. official proxies,
- c. official requests for membership meetings,
- d. receiving member payments,
- e. communicating changes of official notice addresses,
- f. questions regarding a Lot Owner's personal account with the HOA,
- g. official written assent to the removal of a director(s), and
- h. any other official correspondence/solicitation as allowed by law and governing documents,

and;

2. WHEREAS the HOA BOD email address is provided to the membership from the Board as a courtesy to Lot Owners for their convenience, not as a venue for harassment.

3. WHEREAS directors are volunteers and have no obligation to bear harassment and/or intimidation from Lot Owners or any other person, be that harassment coming through email, HOA post office box, or any other form or source of communication, and;
4. WHEREAS the Board has withstood consistent voluminous undue email harassment from Lot Owner James Mathis over a period of seven months so far, such harassment described as the following:
  - a. approximately (73) pages of emails received from Mathis which in total include voluminous frivolous and unfounded implications or direct accusations of director wrongdoing,
  - b. (12) statements of either direct threat or insinuation of threat of legal suit, against both the HOA and the directors individually, including one threat through an attorney, statements which are generally laced throughout emails with the obvious intent of trying to intimidate directors into acquiescing to his demands or false legal claims,
  - c. repeated and continuous veiled 'disclaimers' from Mathis accompanying his harassments/intimidations – descriptive words used copiously like “alleged”, “in my opinion”, and “likely” - used with the obvious intent to attempt to limit his legal liability while making continuous harassing claims and threats/intimidations against the Board,
  - d. repeated defamatory personal claims about directors, including widespread promulgation throughout the HOA membership of false accusations that threaten certain constitutional rights, and also including undue unsuccessful attempts to have state enforcement agencies prosecute Board members based on false and unsupported claims,
  - e. repeated and continuous harassments/intimidations in emails which are laced in junction with exorbitant numbers of requests for HOA documents, at such a volume and tone as to be on par with that like what happens in civil court discovery proceedings, including that often the only way to identify his official documents requests within the emails is to have to also wade and parse through pages or paragraphs of frivolous mean-spirited harassments and veiled intimidations, and;
  - f. repeatedly asserting, without substantiation, that Board members are constantly “under investigation” and obviously using this as a way to intimidate, and;
5. WHEREAS Mathis' harassment causes undue delays in genuine HOA business being conducted by the BOD, and;
6. WHEREAS the Board possesses email proof that Mathis is either one or the responsible party for the anonymous “fix-9mr” website that has for months promulgated volumes of conjecturous egregious defamatory claims to the membership and public at large about directors, and;
7. WHEREAS the directors have continuously resisted spending HOA funds on attorney counsel and/or response to Mathis' emails content as much as possible, and that the directors wish to continue to avoid spending HOA funds as much as possible, including avoiding seeking an anti-harassment court order against Mathis if possible, and;
8. WHEREAS the Board deems it to be very important for the health and success of the HOA that James Mathis' actions be hereby cast into the official HOA record for future volunteer directors and all HOA members to be aware of;

THEREFORE BE IT RESOLVED that all email communications from James Mathis are hereafter blocked from being received by BOD email addresses, and that a copy of this motion will be sent to James Mathis via USPS.

Seconded by Rick Lewis. Motion passed 7 to 1: Pam Lewis voting no.

**Motion** made by Don Charnholm to have attorney letters, received from Mr. Mathis' and Mr. Naysnerski's attorneys posted to the website along with report/update regarding Special Membership Zoom meeting. Seconded by Brett Coffman. Motion passed unanimously.

**Motion** made by Kirk Johnson to file lien on Mr. Wayne Naysnerski for fines charged to date. Seconded by Brian Rabe. Motion failed: 4 to 4: Don Charnholm, Pam Lewis, Susan Stewart & Rick Lewis voting no.

Meeting adjourned at 8:42.