

## 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.