

Approved Board Meeting Minutes

Nine Mile Ranch Homeowners Association Board of Directors Meeting March 14, 2020

Due to 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 were ACC members Todd Besaw and Kim Culloo.

Meeting called to order at 1:04 pm.

Notice: Remaining ordered plowing was canceled today. Last night the Ranch received 4"+ of new snow. Given the spring weather prior to this new snow fall, plowing was difficult as there was no longer a base of snow or frozen ground beneath new snow fall. Plows were breaking their shoes and digging up the road.

Old Business

Regarding Barnett's placement of gate at Big Horn Ridge: A month ago letter was sent to Mr. Barnett requesting that he remedy problems resulting from him placing a gate foundation in a 9 Mile drainage ditch. We are waiting for response. ACC will follow up with additional letter to be approved by the Board before sending. If Mr. Barnett does not timely respond we may have to pay to fix the situation and file a small claim in court against Mr. Barnett.

Regarding Big Horn Ridge (BHR) Committee to be brought under 9MR HOA Board control: Representatives of BHR are now voicing that this may complicate business for both BHR and the HOA to umbrella their committee under the HOA. At this time there is no movement to incorporate the two.

Unmaintained Old Tressle Spurs: Road committee was scheduled to inspect said spurs this weekend. Due to the new snow inspection will have to be postponed. Google maps show roads were cut in. The said spurs are also on the 9MR road maps. Most likely the HOA will need to incorporate these spurs into yearly road maintenance.

Reserve Study: Road committee is writing a report of the synopsis of Reserve Study done by Advanced Solutions. Road committee is also creating a Reserve Study that we feel is more applicable to the HOA. Preliminary work has been done on these reports. We are hoping to have reports completed for the May 1, 2020 membership mailing.

New Business

Email motion made between meetings:

Motion made by Kirk Johnson that the Board have an executive session, via email, with the ACC in order to craft a response to the Lewis'. Seconded by Brett Coffman. Motion passed unanimously.

Discussion concerning interpretation of CCRs (Article IX, Section 12: Rentals) whether or not this applies to residences. Legal council interprets this to encompass "all portions of a Lot" including residences. An informal vote was taken from all Board and ACC present to express their opinion. Six

Board members and 3 of the 4 ACC members voted that this CCR does include 6-month rental restriction on residences. Todd Besaw voted that it did not. Working with the majority, ACC will compose a reminder letter to all potentially violating Lot Owners. CCR states that renting is allowed for only 6 months in a calendar year. Whether the ACC will move into requesting further information from Lot Owners, regarding their renters, will be discussed further at a later date.

Resolution unanimously adopted by the Board of Directors:

WHEREAS RCW 64.38.025(2) prohibits board members from electing fellow board members except in the circumstance of appointing a vacancy, and;

WHEREAS the Bylaws of the Nine Mile Ranch Homeowners Association (HOA) at Article IV, Section 4 conflict with RCW 64.38.025(2) by specifying that the Board select no less than (4) directors, those positions possessing the qualifications of "...one member being or having been a licensed forester, one member representing the protection of wildlife interests, one member representing the community of Oroville..." , and;

WHEREAS the HOA Board has verified with legal counsel in the past that RCW64.38's more specific and restricting provisions control over HOA bylaws, and;

WHEREAS HOA legal counsel advised the Board in 2018 as follows: "I do not believe the unusual procedure for selection of board members with specific expertise would be allowed under the HOA statutes. I suggest the Board notes the conflict between your Bylaws and the statutory limitation in RCW 64.38.025(2), and pass a resolution recognizing that the Bylaw provision is unlawful and thus may be ignored."

THEREFORE BE IT RESOLVED that the Board recognizes that the Bylaw language in Article IV, Section 4 regarding the Board selecting directors is unlawful and thus may be ignored.

Policy will be posted to website.

Treasurer Report:

As of March 14, 2020:

Checking: \$51,378.92
Savings: \$17,358.34
CD: \$33,987.30

Accounts Receivable Breakdown:

Total Receivables:	\$29,534
Credits/misc.:	196
Minus interest, late fees, lien fees:	- 5,213
Minus fines charged:	- <u>7,075</u>
Assessments only due:	\$17,442
Minus special assessments due:	- <u>6,850</u>
Annual assessments due:	\$10,592

Minus very old assessments due: - 5,539

This years assessments due: \$ 5,053

85% of the special assessments have been collected

Proposed budget:

Motion made by Stacey Johnson for the Treasurer to send out final proposed budget via email for the Board to give final approval by April 1, 2020. This will allow full compliance with RCWs and Bylaws and also give time for any changes that may come forward between now and then. Proposed budget will be mailed to membership on May 1, 2020. Seconded by Kirk Johnson. Passed unanimously.

Cash Flow Report:

Cash Flow Report shows approximately \$18,000 of spendable cash.

Motion made by Kirk Johnson to spend \$13,800 for spring road raking and gravel. Seconded by Susan Stewart. Motion passes unanimously. The remainder of spendable cash funds will be addressed at a later date. The spending of these funds will put us over budget for road maintenance in this fiscal year. The extra funds are from collection of past due accounts; these figures do not include special assessment funds.

A new subcategory for Accounts Receivable, called Fines Charged, was created in the books. This allows the Accounts Receivable figure to show only assessments due and their relative interest, late fees and lien fees. Fine charges will now show up separately on Balance Sheet from the assessments.

Paypal: Around 6 members have requested that the HOA set up Paypal again for receiving payments. Most of these members are Canadian. Paypal was used in prior years. History shows a total of 18 members used it during the 2 ½ years the HOA made it available. The cost to the HOA is 2.9% of every transaction.

Motion made by Stacey Johnson for the HOA to sign up for Paypal for members to have the availability to pay their assessments. Seconded by Rick Lewis. Paypal will be set up as an icon on the HOA website. Susan Stewart will write up letter to go with all invoices that will be mailed on June 1, 2020. We will ask members to included the 2.9% fee if they choose to use this avenue of payment. Motion passed unanimously.

There are 4 members that owe us approximately \$2,800 of past due assessments. All mail sent to these members is returned with "unknown address". The county uses the same address as the HOA.

Motion by Stacey Johnson to spend \$30.00 to sign up for a background search service to see if we can find their addresses. Seconded by Kirk Johnson. Motion passed unanimously.

Treasurer had verbal contact with the member who owes us over \$3,000 that is 10 years past due. Member committed to \$500 a month payments. Check has not been received yet. Treasurer will follow up on this if necessary.

Notification, from escrow company, that a Lot sale in Division 4 has been canceled. This is the Lot with apparent trailers, junk cars and garbage that we have had complaints about. The buyer is still seeking to own Lot when their "option" is complete. Because of this interaction with the escrow company we now have the name and address of the people who own the trailers, etc.

Thank you to the Rabes for their donation of \$158.00 for office supplies for the upcoming mailings. When inputting any future donations in the books, entry will not reduce cost of relative expense, but rather show up as a donation. This allows the books to show true cost of expenses for the HOA.

Treasurer suggested that any reimbursable expenses incurred from members be submitted to the Treasurer for recording even when members do not want to be reimbursed. This donation would then be inputted into the books it as a donation. This would allow the books to show the true cost of running our HOA.

Work will start on the upcoming mailings. Request of prompt response from Board members in approval of each document.

Road Report

Road manager, Kirk Johnson, reported:

Winter moisture amounts were average, and the melt was very gradual. We also went into winter having fully maintained good road drainage characteristics, including clearing ditches and culverts, and maintaining road crowns where possible. With all these things considered and from limited observation so far, road affects from winter moisture and melt appear to be quite minimal. I am hoping this means this coming season's road repair expenditures will be lower than average, but of course unexpected seasonal heavy rains can change that too. In the coming weeks, once all roads clear of snow and ice and become fully visible, the Road Committee will tour and assess all roads and make a hit list for repair items.

Today's plowing caused the season's winter maintenance expenditures to reach average historical level but approximately \$1200.00 below fiscal year budget amount for that category.

Tim Mason has bid raking at \$60.00 for now. Tim is on-line for spring road work, including ditching and grading where necessary.

The company that provides us with the gray road rock, PCI, has agreed to the availability of the volume of rock we will need.

ACC Report

A 12 X 24 structure in Division 5 was approved.

Issue was brought up regarding RVs, trailers, and recreational equipment left on Lots and not being used for years. Discussion regarding what power the CCRs give the ACC/BOD in asking those Lots to remove old recreation equipment or to protect it from view of neighboring Lots. ACC and Legal Committee will address this further and report to BOD with suggestions.

Issue brought up regarding new construction of houses and site development when trees are desired to be felled. Lot in Division 7 apparently felled approximately 5 live and 2 dead trees without approval of the ACC. CCRs are clear that any tree removal needs to be approved by ACC prior to felling the trees. This is a habit issue for wildlife. Suggestion to include this CCR in site application to the ACC for Lot Owners seeking approval for new construction. Also, include reminders in up coming newsletters.

Discussion regarding needed Board policy for those Lot Owners thinning trees or clearing their land for forest management and/or fire protection. Members and Board having knowledge from qualified people/professionals would assist in creating a policy. DNR contact was published in last newsletter.

DNR will come to properties to advise. Maybe the Board should require members submit recommended professional or government advice with request to clear trees or land. This would prevent over clearing and allow for proper land management. ACC will get clarity as to whether this is an ACC or Board responsibility. Brett Coffman will bring this topic forward to ACC and Legal Committee for recommendations to BOD.

ACC will draft letter to send to all known Lots owners who have more than allowed number of dogs.

Executive Session

An HOA member, who is a paralegal, has volunteered to assist in case study research regarding a current case of enforcement and fines charged. This will assist the Board in moving forward with small claims court on current issues of enforcement.

First draft letter will be written to member who has built a new fence that is encroaching the easement area. The BOD/ACC may consider creating a policy to identify clearer parameters for members putting anything within easement area.

Unanimous agreement was made to the number of domestic farm animals regarding pending issue. A response letter will be written and sent.

Meeting adjourned at 4:43 pm.