

Special Board Meeting Minutes

Nine Mile Ranch Homeowners Association Board of Directors Meeting May 19, 2021

Board members present through Zoom; Brian Rabe, Richard Lewis, Stacey Johnson, Don Charnholm, Kirk Johnson, Brett Coffman and Susan Stewart by phone. Also present Todd Besaw, ACC Chair. Association members Corinne Mossman, Allen Jones, Leland Jay and Drew Sawchuk and Ginetta Carnevale were also present.

Meeting called to order at 6:35 pm.

Lengthy discussion took place regarding using the Zoom platform for the annual meeting. Non-Board members present have extensive experience in Zoom meetings and technicalities. Discussion included:

The key problem with Zoom will be the bandwidth. If there are lots of participants it would be good if the host is somewhere with good bandwidth. Members with poor bandwidth may find they get dropped or have poor audio. If a toll free option is available then people can use cell phones to connect rather than VOIP through their computers. That will also help assuming most have home phone service if they do not have good cell phone reception. When setting up the meeting the default should be configured so participants start with video off to deal with poor bandwidth.

Final decision to have committee of Leland, Drew and Allen to set up and facilitate Zoom for the annual meeting. Corinne and Kirk will pin down parameters to feed back with committee. A formal registration will be developed to place through the HOA website for members to respond. Will set up to run a couple of test sessions.

Discussion regarding receiving proxies:

- Legal proxies cannot be denied if brought to the meeting. Those proxies brought to the meeting will still need to be validated after the meeting.
- Communications to the membership have encouraged members to have proxies to the Board 2 weeks prior to the annual meeting. This allows proxies to be validated prior to the meeting.
- Allen and Stacey will create a statement for the website to restate encouragement of getting proxies to the Board PRIOR to the meeting so proxies can be validated. Also stating that proxies can be presented AT the meeting but will not be validated until after the meeting.

Discussion regarding Annual Meeting and agenda:

- Agenda copies will be at the meeting and posted on the website.
- Chair will explain rules, also explain how final comprehensive vote tallying will happen.
- Any/all Voting Items
- Allen Jones' 'amend bylaws' subject
- Request for any other valid motions from the membership present
- Final secretary announcement of vote tallies; ballot counting policy states that counters will read final outcome. This will have to be adjusted because not all topics being voted on are straight forward in how outcome is created. Example is the vote outcome of the vote whether to

waive the financial audit is based on 67% of vote casts. Also, some members may vote AT the meeting through Zoom, etc. Final tally will be announce at end of meeting. Counters can read cast vote tallies, but all outcome of all votes will still need to figured out.

- Two Canadian members have expressed concern of not being able to depend on the mail to have their cast ballot back to the HOA in time. Stacey has offered that they can email their cast ballot to her with the signed statement on the ballot return envelopes, both can be found on HOA website. The members will also need to write a statement that acknowledges that they understand that their vote will not be totally private; Stacey and the counters will see their ballot and signature together. Stacey will give emailed cast ballots directly to the counters. Ballot and signature will be separated by the counters at the meeting after verification.
- A statement will be put on HOA website to state that no motions can be made at the annual meeting regarding an action without prior notification to all members but a motion to discuss can be raised. This can lead to a motion for another meeting, that is noticed to all members, to vote on an issue presented. This procedure will also be explained at the beginning of the meeting.

ACC Report

Todd Besaw reported a potential rental non-compliance. Member has not replied to several attempts to communicate by the ACC. There is potential that the Lot residence is no longer being rented. ACC will verify before further action.

Treasurer Report

Checking is \$21,329

Savings is \$20,361

CD is \$34,359

Cash Flow Report (posted on website): Since the last report cash situation has improved due to collections and emergent spray was less that budgeted for.

Treasurer increased legal fees catagory: Still have not received current billing from corporate attorney. Will continue to ask. Concern that James Mathis is attaching legal threats to his case outside of the parameters of his case. This led to HOA insurance attorney passing issues on to the HOA corporate attorney thus costing the HOA more funds. *Note: Mathis suggesting settlement of his case if the Board would turn over the entire voting process (from creating the ballots, mailing the ballots and counting the ballots) to an outside source. He also threatened an injunction of the vote if the Board did not comply with his request. After full review of Ballot Policies adopted by the Board the HOA corporate attorney responded to Mathis attorney stating that the Board has gone beyond what is legally required and is within the law. Mathis did not file an injunction. Also note that the insurance company offered to settle the case and pay for an outside party to handle the voting process (per Mathis request) if Mathis would drop the case. Mathis refused settlement offer stating he wanted a “statement that the vote to remove should have been held” and reimbursement of his “fees, or at least a good portion of them”.*

Accounts receivable is “looking good”. Amount owed in annual and special assessments \$8,263. The HOA has not had its receivables this low in many years. This amount is 18 Lots. All of the \$17,000+ that was owed to the HOA 3 years ago has been collected except one Lot that makes payments.

Fines charged: The HOA has fines charged on one Lot. The amount assessed is now at \$18,800. The Fine Policy adopted was to encourage members to comply with the CCRs. It obviously is not working with this member. Is the amount now unreasonable? It overstates income in our financial statements. The Board passed a motion January 14, 2020 Board meeting to have corporate attorney to research whether state law allows filing liens on fines (some states do not allow this). In a recent quick conversation with attorney he stated that the HOA can file lien as long as proper procedure is followed. This still needs to be followed up on with attorney. HOA Fine Policy states that lien may be filed. Process with Lot owner has included offering of a hearing, monthly statements are sent, and the Board has offered the elimination of all fines if they were to comply. No response from member. Concern was brought up that this member, and his daughter, are running for election on the Board. These members would have to recuse themselves from any discussion or actions regarding their non compliance if elected to the Board. Given that there is not a qualification in our Bylaws that a Board member needs to be in compliance the HOA cannot require this. When this Board was first formed in 2018 an official “agreement” was made that all Board members need to be in compliance. Will follow up with attorney to verify whether lien can be filed and what procedures need to be followed.

Treasurer was directed to transfer funds from savings to checking per motion in April 6th Board meeting as it had not been done yet.

Road Report

Road report was read by Kirk Johnson. Report is posted on home page of HOA website and under “reports”.

Rick Lewis pledged 2 truck loads of rock to be place where the Road Committee determines is needed.

Motion made by Kirk Johnson: Motion for fiduciary and counters indemnification: I Move that local non-interested parties Tamara Porter, Luis Perez, and Chris Wood – who are supporting the June 19, 2021 HOA election, are regarded as agents of the Board and are hereby indemnified by the Nine Mile Ranch HOA for the term of their services for the HOA pursuant to the June 23, 2018 BOD motion, page 2, top motion on the page. Seconded by Rick Lewis. The above named people are participating in the HOA election as a fiduciary and ballot counters. Motion passed unanimously.

Motion made by Brian Rabe to accept and pay costs reimbursement to Kirk Johnson for \$220.62. Seconded by Brett Coffman. Motion passed 5 yes, Kirk & Stacey Johnson abstain.

Motion made by Kirk Johnson: MOTION to accept into the record the MASTER Annual Assessment and Reserve Fund and Study Report as completion of the Board's 2020 and 2021 reserve study and reporting requirements for the HOA as stated at RCW64.38.065(3). Seconded by Rick Lewis. Motion passed unanimously.

Motion made by Stacey Johnson that \$2,500 be allocated for legal expenses, if necessary, for corporate attorney Andy Chase of Miller & Chase for Mathis vs HOA. Seconded by Susan Stewart. The HOA

has spent approximately \$8,000 so far, waiting for up-to-date billing from HOA corporate attorney. We need to make clear with Mr. Chase that we need billing on a monthly basis for budget planning. Funds will not be spent if not necessary. If funds need to be spent they will come from savings. Hoping court will award the HOA's cost in Mathis vs 9MR HOA. Motion passes 6 yes, Don Charnholm no. Don wanted to wait until we got our up-to-date billing before we made a motion to allocate more funds. (Note billing from Miller & Chase came next day on May 22nd for \$968.00)

Meeting open to members attending:

Question whether member suing HOA were to be elected on the Board can he come to meetings that discuss the said suit.

Suggestion that we use the 'raise hands' function for voting through Zoom at the annual meeting.

Thank you to members attending and contributing.

Executive Session

No motions made in executive session.

Meeting adjourned at 8:50 p.m.