

December 2022 Cedar Ridge Annual HOA Meeting Minutes

Date: December 10, 2022

Start 10:20

End 12:25

Location: Bonney Lake High School

Board Members Present: Travis Weber, Erynn Marlar, Diana Thompson, Carolyn Fry, Lillian McGinnis

Residents Present: Lots 15,13,11,10,03,32,44,45,46,47,49, 52, 53,58, 63,65,66,67,68,74,75,76,79,80,81

January 2023 Board Meeting scheduled for January 11, 2023 at 6:30pm.

Budget Ratification Meeting scheduled for 6:00pm Lot 46

Agenda: Approve 2021 Annual Meeting minutes. Address homeowner questions and concerns. Discuss ongoing HOA business and compliance issues.

****Quorum not met to conduct business of the association. 31 of 91 lots needed in person or absentee ballot needed to meet quorum**** Meeting continued for open discussion.

Meeting Minutes: 2021 Annual Meeting could not be approved since meeting attendance falls short of quorum. Meeting minutes will remain published to association and voted for approval via ballot of extended election.

Elections: Ballots remained sealed and unprocessed due to lack of quorum. Extended election will be held in attempt to complete quorum. Elections committee volunteer stepped forward to help assist with extended election and elections going forward.

Board Reports:

- President Report:
 - Year in review of board accomplishments
- Secretary Report:
 - Compliance summary provided:
 - 1st notices - 4.1 (4) issued, 4.5 (9) issued. 4.2 (6) issued, 4.4 (1) issued. 3.7 (1) issued
 - 2nd notices - 4.1 (1) issued. 4.23 (3) issued, 3.7 (1) issued, 4.5 (1) issued.
 - Final notices - none
 - Board placed hold on issuing compliance letter on hold after October meeting following conversation regarding using the discretion of the board. Board has re-written compliance letters in light of this association feedback. These will need to be approved before used.
- Treasurer's Report: 2023 Budget presented; budget ratification meeting scheduled for January 2023.

Motion was set by homeowner on the floor to continue meeting despite lack of homeowner quorum. motion invalid as no quorum was met. It was agreed that the meeting would continue for the sake of discussion but no official business can be completed (elections, minutes approvals, motions, etc.)

Homeowner discussion regarding where the information was found on quorum rules. President states 1.11 of CRHOA governance documents and RCW 64.38.040 defines rule of a quorum for any meeting of an association. Discussion continued how past elections were run, including when the HOA did not meet a quorum.

Board summarized this years accomplishments. The board issued survey Jan 2022, restarted monthly newsletters, returned late fees from COVID. Several committees were started up again.

Financial Report discussed. WA Annual Report due by March 31, 2023. 2022 tax return due May 2023. Dues outstanding: All of 2019 is paid. We have 1 outstanding for 2020. 2 outstanding for 2021. 2022 has 12 outstanding. Books are now entered into QuickBooks. The budget is a balanced projection budget.

Homeowner question: What is the contribution to reserve for 2023?

Answer-Treasurer: We will not be contributing to the reserve for 2023. It is at the desired budgeted amount.

Homeowner question: Is the reserve fund able to fund capital improvements?

64.38.025: It is limited to unforeseen and unbudgeted costs per RCW 64.38.075

Homeowner question: Do we have a capital improvement fund?

Answer-Treasurer: Not at this time.

Homeowner question: Why does newsletter say we will vote on it and agenda says we don't?

Answer-President: Per RCW 64.38.025 homeowners don't vote on the budget, the board adopts a budget. A budget ratification meeting is held for the association to reject the budget, else budget is ratified.

Homeowner question: Regarding the legal fees in the proposed budget; 2022 budget was 3300.00 to cover attorney fees. Why is 2023 only 270.00? How do we plan to pay the attorney?

Answer-Treasurer: 2022 attorney budget was increased to cover cost of legal fees. 2023 was reduced. Attorney will only be used on as-needed basis, we do not anticipate an increased need for more funds than already set aside at this time.

Homeowner question: When does the dues letter go out?

Answer-Treasurer: February 1st and payment due March 31st.

Homeowner question: Will we be presenting actual vs proposed annual budget?

Answer-Treasurer: Yes, it will be published in the newsletter and on our website.

Homeowner presentation Lot 67: Presentation emphasizes need for fair governance and balance. Discusses how previous boards were effective with discretion on how we move forward.

Homeowner comment: Regarding implementation of fine and fee schedule being used, a final-say vs adopted in a more as needed basis. Reminds that just because we can doesn't mean we should.

Answer-President: The board has the ability to adopt a fine and fee as it currently stands, however since no amounts are assigned to each CCR, only that landscaping fees can be charged to infracting homeowner. Otherwise there hasn't been any way to implement that ability fine above and beyond that. Board feels a standard needs to be set. CCRs should not be selectively enforced. Board will be using all resources to give homeowners review of policy before adoption, take feedback and publish accordingly.

Homeowner comment: The board needs to communicate our policy better.

Homeowner questions: When moving into 2023 with only 2 members since election not processed. How will the board move forward without having a quorum? Interprets a quorum to met within those who present.

Answer-President: The remaining board member(s) can appoint successive member(s) for the remainder of the vacancies' term per CRHOA By-Laws 2.3

Homeowner statement: There interpretation of quorum indicates that the homeowners are fairly represented by those who are present, believes meeting should be held in full capacity with ballots being counted.

Answer-President: Board operates under RCW and Governance documents. Quorum must be met to conduct association business.

Homeowner question: Did mail get checked before the meeting?

Answer-President: Yes, 9:30AM before the meeting.

Homeowner question: Regarding scheduling of the annual meeting, can't we hold it in summer for more attendance. Date changes discussed. Also discussed pairing the annual meeting with an event. All idea discussed with focus on making the meeting attendance numbers increase.

Answer-President: CRHOA By-Laws 2.4 restrict the annual meeting to last quarter of fiscal year. The association must vote and win with majority to change bylaws.

Homeowner question: Can our own CCRs be written to define its own requirements of a quorum?

Answer-President: No. RCW 64.38.040 allows HOA's to define its own percentage to reach quorum but not change the definition of quorum.

Homeowner question: Would the board allow homeowners to vote on this change.

Answer-President: Yes, in-fact it is required. CRHOA governance documents can only be changed by a majority vote of the association to change the quorum percentage. It will be placed on the extended election ballot.

Homeowner presentation Lot 21: Emphasizes importance of communication and teamwork. Points out lack of prior board communication and lack of community involvement. Suggests improvements such as: better policy, make appointments with homeowners, consistent communication, more detailed or recorded meeting minutes, minutes uploaded in a more-timely manner.

Homeowner question: Asked why the fine and fee scheduled was approved by the board but not presented.

Answer-President: Board brought it back into review and included in attorney review. Attorney suggested using a different schedule and provided one to be adopted after board reviews and works with association to create.

Homeowner question: Asked why compliance issues were dealt with so late.

Answer-Secretary: Extensive time was spent interpreting the current CCRs. We also wanted to start with a gentle approach. We used the newsletter as a tool to encourage homeowners to follow the CCRs) and personal visits before issuing letters.

Homeowner question: Asked to explain why we hired a lawyer.

Answer-President; Our current governance documents have only been updated one time since original filed. It was important to us to make sure the governance documents are in good standing. This protects the association from possible legal ramifications of improper enforcement. Insight after the review guides the board on reducing board powers, giving more rights to homeowners, cleaning up confusing language and closing gaps in the documentation.

Homeowner question: When will the 2022 financial records requested will be provided?

Answer-Treasurer: After close of 2022.

Homeowner comment: About previous board receiving letter. Discussed car rules and driveways. Stated that we should not have unfair notices, it should be even and fines consistent.

Homeowner comment: Use of discretion for fine/fee schedule. Not everything needs a fine.

Homeowner comment: How are we going to collect fines if we can't collect dues?

Answer-Treasurer: Those be collected via lien, like the dues, if they remain unpaid.

Homeowner comment: Regarding CCRs that address trash. Would like that to remain in place, from a safety standpoint.

Homeowner comment: Believes nit picking will cause rebellion. Board can better communicate, neighbors can help each other.

Homeowner comment: Maybe trash CCRs can be modified.

Answer-President: Yes association can vote to modify CCRs. We can place this on the ballot.

Homeowner comment: Following what present board interprets the RCW definition of quorum, then no other elections in the past would be valid.

Answer-Homeowner: Board is valid based on appointments for vacancies as board mentioned before.

Homeowner comment: For the future ballots, need to state that we need a quorum to vote.

Answer-President: That will be included just like it was included on the annual meeting agenda.

Homeowner comment: Board needs to get headed in the right direction. HOA loses validity if we don't find a path that works.

Answer-Secretary: Board agrees and is working on defining "right direction". How do we please all sides?

Homeowner question: Are we counting the ballots.

Answer-President: No.

A motion from homeowner proposed to hold extended election. Motion invalid under quorum requirement. Board does agree with extended election and will proceed under RCW 64.38.120. Current ballots to remain sealed and new ballots will be created by elections committee.