

# CREPOA General Meeting Minutes

## June 22, 2019

The annual meeting was held at the Kern residence. It was called to order by Dan Kern, president at 9:10am.

Other board members in attendance were John Wallace, Jim O'Malley and Ryan Luke. Jeff Apple was sick and unable to attend.

A quorum was established with 20 lots present in person or by proxy.

### **2018 General Meeting Minutes**

John Wallace moved to approve the 2018 General Meeting minutes. Dan Kern seconded. Jim O'Malley noted that a lien on the Schwarzburg property never happened because they began paying dues. The Routt dollar amount is less than the \$20,000 mentioned in the minutes, but still stands.

2018 General Meeting minutes were approved.

### **Budget Report from Treasurer**

Treasurer Jim O'Malley presented the budget report. Checks outstanding are close to \$6,000. The biggest change from last year's budget is extra legal fees totaling almost \$12,000. The legal costs were related to Routt and the need to update CC&Rs and association bylaws. Snow removal was another extra cost this year.

Question was asked around 2018 storm tree removal costs and what that entails. These costs covered hiring Ricardo to assist with debris removal from the roads.

It was noted that PO Box fees continue to go up and there was discussion around moving the CREPOA mailbox to an open slot in the mailboxes to avoid these costs.

### **Road Report**

Last year a road failure due to a rotting stump was patched on the lower road with recycled asphalt. It has since developed some potholes that need to be hot patched. No other major road problems at this time.

Drainage ditches need branches and debris cleaned out.

Jim Olsen asked about the condition of culverts on association roads as some of these are bound to fail in the future with significant costs to replace.

## **New Business**

Dan Kern provided a summary of the dispute with Routt over non-payment of dues. In the past the association has waited too long to take action on these issues. As a result, the statute of limitations has passed on some of the dues and they are no longer recoverable.

John Wallace provided a legal summary and history of issues related to Routt as well as expiration of CC&Rs and problems with re-incorporation of the association:

- Previous boards have done a good job of maintaining the roads, but have missed a number of important administrative items over the years.
  - The likely cause of some administrative issues in previous boards is poor handoff of information between new and outgoing board members.
  - Previous boards did not record association documents with the state.
- Boards have let the association corporation lapse 3 separate times.
- Due to these lapses, we became an unincorporated association. This is not ideal due to liability and insurance issues.
- Weyerhaeuser had put a sunset clause in the CC&Rs, expiring in 2012. There were attempts to reinstate in 2012 and 2013. Membership voted to continue but the results were not recorded with the county.
- The first law firm hired during 2018 Routt logging dropped the ball on an agreement for Routt to put a bond in an account. He then completed logging with no bond in place.
- Due to the administrative issues around incorporation and CC&Rs, it became clear that the association had questionable standing to enforce association bylaws against Routt and a rewrite/readoption of bylaws was needed.
- The new bylaws cover a lot of areas where previous bylaws fell short:
  - Allowing for electronic notification and voting
  - Budgeting
  - Association accounts restructured
- In order to prevent future lapses of the corporation, it is recommended that we hire law firm Carmichael Clark to act as the registered agent for the association.
- From legal research and memorandum provided by lawyers, it is clear that in Washington state everyone using common roads is required to pay their fair share of maintenance costs.

The issue of the Routt email sent to members was discussed. Many of the arguments in the e-mail are based on expired CC&Rs. Liens on Routt property are expired and were filed by corporation that no longer exists. The requirement to share road maintenance costs still stands regardless of association problems. John Wallace recommended using small claims court to resolve Routt payment. A ruling from small claims court can be registered in Superior Court and becomes a lien. John recommended going after road maintenance costs that are still within the statute of limitations, including the last chip seal assessment and pro rata maintenance costs.

Jim O'Malley mentioned that years ago the association had the opportunity to foreclose on Routt and decided not to do that, in part due to medical considerations. The board has been working with members who cannot make the full payments and has worked out smaller monthly payments. Jim

mentioned that the claims of association business being illegally approved via electronic vote are not true.

A question was asked regarding liability insurance – is it covered through the corporation? Yes, the insurance is covered through the association corporation.

Meg Steed joined the meeting.

There was discussion around the benefits of having chip sealed roads vs other options like gravel, including the greatly reduced maintenance costs with chip seal.

There was a question regarding the new bylaws and whether there is a path for new lots to join the association. There is a path for new lots to join.

Miles Ulrich said he does not want to be part of the association, but will continue contributing his share of maintenance costs. John Wallace said he is likely not in a position to leave the association since he has been participating and paying dues. They agreed to take the discussion offline.

Jim O'Malley discussed concerns around how the \$850 dues are set aside, since operating account funds had to be used on legal fees.

There was discussion about going back to \$400 per year dues and removing the capital improvement fund. It was mentioned that the dues were previously raised to avoid big special assessments in the future. Miles Ulrich said he would rather have lower dues and pay larger special assessments. Evan Sugden (via proxy) wanted it brought up that members should not have to invest in future roads when they may not continue living here.

Jim Olsen brought up the idea of a management company as many HOAs use them. He also mentioned that we should have some idea of future cost projections for failing culverts on association roads as they can be very expensive when they fail.

John Wallace motioned to adopt the revised bylaws. Jim Miller seconded. Passed by a vote of the membership with 18 votes in favor. Ulrich, Loukusa and Sugden lots abstained.

### **Budget Proposal for 2019**

In lieu of Jeff Apple's report, there was a discussion of budget items including hot patching work, marked areas on the lower road needing repair and electricity and maintenance on the south gate. For chip seal budget it was previously recommended to have dues at \$850 with \$500 set aside for future resurfacing of the roads.

Jim O'Malley motioned to approve the 2019 budget proposal. Dan Kern seconded. There was some discussion around increased traffic on the roads. Membership voted to approve the 2019 budget proposal.

John Wallace motioned to approve dues at \$850 per year with \$500 of that going into the chip seal fund. Jerry Higgins seconded. Jim O'Malley motioned to amend so the \$500 goes into a new account and will require two thirds vote of the membership to spend it. Jerry Higgins seconded the amendment. Approved by vote of the membership with 16 votes in favor.

John Wallace motioned to appoint Carmichael Clark as the registered agent. Christie Higgins seconded. Approved by vote of the membership with 16 votes in favor.

Jerry Higgins raised the issue of a gate at the power lines entrance to the roads. There was discussion around previous issues with running power to the location.

Kathy Ulrich raised the issue of the speed limit on the roads and noted cars driving too fast.

Christie Higgins raised the issue of right-of-way and moving over or using turnouts to let other cars pass on our narrow roads.

Jim Miller motioned to have the board explore feasibility of a gate at the powerlines entrance. Trisha Newell seconded. The motion was approved by a vote of the membership.

John Wallace mentioned the e-mail signup sheet for receiving electronic notification of meetings and other association business.

### **Board Elections**

Jeff Apple was nominated to the board. He was previously filling in for the remainder of Don Kono's term. Dan Kern seconded. Approved by a vote of the membership.

John Wallace nominated James Miller for a board position. Jim O'Malley seconded. Approved by a vote of the membership.

John Wallace moved to nominate Dan Kern for president again. Jerry Higgins seconded. Approved by a vote of the membership.

### **Meeting Adjourned**

John Wallace motioned to adjourn. Dan Kern seconded. Approved by a vote and the meeting was adjourned.

Meeting minutes submitted by Ryan Luke.