

August 19, 2015 SCHOA Board Meeting Minutes

The meeting was called to order by Michelle Haneberg at 7:05 pm following our outdoor BBQ. Both Michelle Haneberg and Ben Blankenship were present, so a quorum was established. Denaë Bastian was excused as she was out of town.

Minutes Approved. Ben Blankenship made a motion to approve the July 2015 board meeting minutes; Michelle Haneberg approved and it passed unanimously.

Announcement regarding new proxy statement for changes in governing documents: We are very pleased to announce that the proxy statement to lower the percentage of members needed to amend our governing documents is completed and ready for signing. We would especially like to thank Phil Bastian for all the legal work he has donated to our Association to get this done, saving us a substantial amount of money. We are also grateful to Jim Jones who worked hard researching the options for us as well. If the proposed amendment passes, the number of members needed to vote **for** changes to the CC&R will change from 75% to 60% of the total number of potential votes; and the number of votes needed to change the Articles of Incorporation and the Bylaws will be $\frac{2}{3}$ of those present (in person or by proxy) at a meeting where a quorum has been established. A quorum for our association is 106 votes.

Phil Bastian gave a brief explanation of what each of those documents governs. The CC&R creates the HOA and subjects each lot in The Falls to the provisions contained in the CC&R. The Articles of Incorporation creates a non-profit corporation with the State and establishes the legal framework upon which the corporation may operate. The bylaws prescribe the day-to-day details by which the HOA performs its business.

A discussion of the proposed new percentages followed. No statute specifically governs the percentage required to amend the CC&R. The board felt that using 60%, which is the same percentage needed to raise taxes for the school district, was a good idea. With 60%, a change must have very broad support to pass. Also, it would be just hard enough to reach this number that it would be very difficult for a small group of members to make a change unwanted by most, and yet it gives us a reasonable number, whereas 75% of all members is almost impossible to achieve.

State law requires 2/3rds of an established quorum of members to change the Articles of Incorporation. Bylaws, according to state law, can be amended by a majority of the board unless the governing documents state otherwise. For simplicity, we decided to adopt the same 2/3rds of an established quorum for amending the Bylaws.

Financial Report: Ben Blankenship gave the following financial report:

of members having made a payment YTD: 303

Operating Budget Balance: \$12,095.06

Reserve Allocation Total: \$29,137.42

Expenses Paid May and July 2015:

Archey's Landscape Monthly Maintenance: \$3,832.50

Dave Sandager for Debris Removal: \$34.23 (Neighborhood Beautification Day project)

PUD: \$0

Silver Lake Water: \$86.40, \$30.40

Supplies: \$192.79 (Quickbooks Pro 2015)

Aynax: \$9.95

Fence Contractor: \$5000.00

Fence Reimbursement to member: \$1931.58

Transfer to Reserve: \$1050.00 (3 months)

Executive Session: Michelle Haneberg made a motion to hold an executive session prior to the next board meeting to discuss private matters relating to individual members; Ben seconded the motion and it passed unanimously.

Staining of New Fence: Ben Blankenship gave an update regarding the possibilities for staining the new fence. Several options available to us are: do nothing until next year when new money comes in; accept the offer from the fence contractor to cover only his costs now and pay him the profit portion when 2016 annual assessment money starts coming in; take out a small loan to make the difference between what funds we have now and the total cost; stain just the new fence on the west side of Snohomish Cascade Drive, and do the east side next year.

Our goal is to paint both sides of the new common fence to protect the wood and increase its longevity therefore better protecting our investment. Members along the fence line who would like a different color stain on the side of the fence facing their home, may speak with us about staining their side on their own--but it must be done before our contractor stains the street side as the stain bleeds through and we want to be able to cover it. If members choose a different stain for the side of the fence facing in, they would be expected to cover that cost.

A discussion among those present followed. The consensus was to further explore the option of having Nice View Fence stain soon and pay him his cost now and his profit later - once dues start coming through in January. Of course, members are welcome to pay next year's dues early as well if they would like to help the fence replacement and staining project move forward more quickly.

Information on how to get involved in choosing the stain color will be emailed out to members.

Waterfall Update: due to the extremely dry weather and the overflow valve not working properly, we will wait until it starts really raining again to turn the waterfall back on.

Neighborhood Safety Patrol: We have a sergeant from the sheriff's office coming to speak with us at our next board meeting, tentatively scheduled for Tuesday, Sept. 15th at the Totem Falls Elementary Library. He will educate us on the best ways to keep our neighborhood safe

and guidelines for our neighborhood patrol. The sheriff's office is very supportive of us getting this going.

Appreciation and Adjournment: Ben Blankenship thanked everyone for coming, and the meeting was adjourned at 7:47 pm.