Chelan Vista Heights Homeowner Association
Annual member meeting
July 27 2024, 10am to 12:45pm

Attendance:
Guillaume Chabot-Couture, Board member, Treasurer and secretary, Owner lot 35
Emily Rapp, Board member, Vice-president, owner lot 26

Tom and Dina King, owners, lot 1
Jesse and Sara Chapman, owners lot 4
Levi Cox, owner lot 6
Michael and Tracy Fitzsimmons, owners lot 7
Jay Shaver, owner lot 9
Ian Velasquez, owner lot 10
Devin Elliot, owner lot 11
Jason Benson, owner lot 12
Rina Setiawan, owner lot 14
Erin Stansbury, owner lot 18
Daniel and Lara Ramey, owners, Lot 23 and 24

Ronald and Colette Schieffer, owners lot 30
Anthony and Rebecca Reichmuth, owners lot 31
Tristan Ansell, owner lot 34 and 33
Olga Couture, Owner lot 35
Michael Wallace, owner lot 36

Proxy received:
- Greg Mummy, owner lot 27-28, proxy voting right given to Jay Shaver.
- David and Karin Thorp, owners lot 3, proxy voting right given to Jay Shaver, or Levi Cox if Jay cannot attend.

Meeting agenda:
- Board elections
- Budget update by Guillaume Chabot-Couture (interim treasurer)
- Update from the architectural review committee (Tristan Ansell) and road committee (Greg Mummy)
- Progress on our PayHOA rollout (Daniel Ramey)
- A discussion on the minimum size requirement for construction in CVH
- Other business matters.

Meeting called to order by Emily Rapp, seconded by Daniel Ramey.

[1] Board elections
Candidates:

- Daniel Ramey
- Tristan Ansell
- Michael Wallace

Daniel Ramey introduced himself, explained his interest in supporting the HOA and enabling the community to change the HOA rules for the better in line with the community needs and interests.

Michael Wallace introduced himself, and presented his interest in supporting the community, helping to improve it. He stated that he was concerned that the HOA was not being transparent enough, and that he has had negative experiences with respect to receiving a demand letter from the HOA about him being out of compliance with the CCR. He would like to help the HOA use community funds for the betterment of the community, for example by helping to build a gate, and doing road maintenance.

Following this introduction and motivation, multiple owners raised concerns about Mr. Wallace's candidacy, and were opposed to him being on the HOA board.

- Multiple owners raised issues with prior communications from Mr. Wallace from the past year, debating other owners, undermining the HOA, while being out of compliance with the CCRs.
- Mr. Wallace debated these owners during the call as well.

Tristan Ansell introduced himself, explained his interest in supporting the HOA, and explained his prior work for the architectural review committee (ARC). He noted that the ARC was not necessary if we can have a responsive board to review proposals. He wants to be a board member to more effectively support architectural review.

Vote is conducted, lot by lot, including proxies. 22 lots are represented. Votes were as followed, each lot nominating 2 of the 3 candidates for the board.
Lot 1: Tristan, Daniel
Lot 3: Tristan, Daniel
Lot 4: Tristan, Daniel
Lot 6: Tristan, Daniel
Lot 7: Tristan, Daniel
Lot 9: Tristan, Daniel
Lot 10: Tristan, Daniel
Lot 11: Abstain
Lot 12: Michael, Tristan
Lot 14: Tristan, Daniel
Lot 18: Tristan, Daniel
Lot 23: Daniel, Tristan
Lot 24: Daniel, Tristan
Lot 26: Daniel, Tristan
Lot 27: Daniel, Tristan

Lot 28: Daniel, Tristan
Lot 30: Tristan, Michael
Lot 31: Tristan, Daniel
Lot 33: Tristan, Daniel
Lot 34: Tristan, Daniel
Lot 35: Tristan, Daniel
Lot 36: Michael, Tristan

Total:
Tristan: 21 votes
Daniel: 18 votes
Michael: 3 votes

Result: Tristan Ansell and Daniel Ramey elected to the HOA board.

[2] Expenses for FY 2023-2024, and budget for FY 2024-2025, by Guillaume Chabot-Couture, treasurer

During FY2023-2024, we ran a deficit of $7040.51. We received $9200 in dues, with over $3000 not yet received for the year. Our expenses were $16240.51, including $7581 in snow plowing expenses, $6201.50 in legal expenses related to enforcement of CCRs, and $1294 in liability insurance for the board members. If we can recover past unpaid dues for this year and prior year, we may cover most of our deficit. The amount in the HOA account as of 7/27/24 is $21164.49. If we remove funds received so far for FY2024-2025, the amount in reserve is $12727.72.

For FY2024-2025, we anticipate a revenue of $12600 if we account for all owners paying their dues on time, including easement fees, and expenses of $9953.49. These projected expenses do not include any legal fees. If we can recover all our annual dues, and we don't incur unexpected expenses, we should run a surplus of approximately $2600.

Legal fees discussion

- Board: these fees are unprecedented because we have not had to enforce in the past
- Questions about ADU and sizing are useful to inform how to approach that question, to be discussed later in the meeting
- Financial controls proposed by Mr. Wallace are not necessary and they would hurt the HOAs ability to operate. Nonetheless, we believe in transparency and we are committed to flag and notify owners of expenses right away as they are incurred and to work to recover our costs with the owners that are out of compliance and created these costs for the HOA as is expressly written in the CCRs.

Given our low reserves, there is a need to increase the annual dues for the HOA. The board is proposing $500/year/lot.

The board is recommending this increase for the following reasons:

- We need sufficient reserves to be able to repair the road or the gates in the even of serious damage to them that would prevent owners from reaching their property. If we did not have enough funds in reserve, we would need to have an emergency assessment and this would significantly delay repairs.
- We also need to increase our revenue so that we can pay for snow removal services when the cost of that service will increase, or the cost of our other core expenses increase.
- This increase does not represent an expectation that new expenses will be taken on by the HOA. We will keep our budget the same and continue to have our budget discussed and approved at the annual meeting.
- We also need this increase in reserve in the event that an owner goes out of compliance and all non-legal means of resolving issues have been exhausted, leaving only legal action as the necessary recourse for the board.
- HOA dues have not been updated in 20+ years. The initial amount in reserve, at least as of 2014, was around $35000, so our costs have increased significantly due to inflation, and our reserves have decreased significantly.
- $500 was selected to be on par with inflation from 2004 to 2024, based on the US bureau of statistics (CPI). Researching other HOAs, we found that annual dues in other HOAs were significantly greater than this (typically around $1000/year/lot)

Discussion:

- Owners asked whether it would be better to have progressive increases of a fixed % per year. The board’s preference is not to increase every year, but instead to increase rarely so as to reduce the administrative work related to sending and accounting for dues.
- Owners asked what this money would be used for. Board answered that the budget is not changing, the goal is to increase our reserve and keep up with inflation.

Owners approved and seconded the proposal to increase dues. None opposed. Annual dues increase will start for FY 2025-2026.

[3] Committee updates

Greg Mummy - Roads committee:

1. <u>Road wash boarding</u>- prior to getting a company to come in and give us a bid or budget for smoothing out the roads, we need to come to some consensus on exactly where we want any work done. I expect that will be an expensive endeavor and will not be permanent unless we pave the roads or do something similar to what the county is doing with union valley road. Even that still requires ongoing maintenance, so we need to scratch our heads a bit more about what we want done and where we want it done. Jay and Michael Wallace have been doing some of this on their own dime and time, but I don't see that as a long-term solution.

2. <u>Trash pickup</u>- I am in discussions with Glen at Zippy to see about getting trash cans picked up at each CVH gate. There is some concern or requirement for road width where the road narrows short of the log house on Union Valley (same issue with the county on snow

removal). Glen is checking to see if there is any potential change to that requirement.

3. Mail Delivery- I have spoken with the postmaster about our options. It turns out that there is an 'area delineation' with the post office delivery that they don't go beyond. The person delivering mail up Union Valley Road is an independent contractor and it is up to her to decide if and where a closer mailbox installation would work, according to the postmaster. I have tried several times to connect with her but am not getting a response. Either she is too busy, doesn't want more work for the same amount of money or isn't interested in our situation even if she were to be paid more. I will follow up with the postmaster again to see if we can get some feedback. It would require us purchasing and installing a multiple-opening mailbox, with some consideration for parcel delivery. Most likely we would not get any closer than the cutoff for the fire station off Union Valley Road, so I'm not sure we would gain much pursuing this. If there is interest from those in the association for this I can dig into it more.

4. Security gates- I think this item would be of most interest to the association. I have priced vertical lift gates with several companies, and it looks like we could have both gates installed for under **$35,000**. These would be solar powered with battery backup and phone operated. I don't want to exercise the vendors anymore until I am more comfortable with knowing this is something the association is seriously interested in doing. We would need to provide footings for the installation, but that is figured into the cost above. There would be a $10/month fee for each gate for the wireless connection for phone activation. As I figure it, if we have 30 owners contributing, it would be less than $1200 or so per owner to get this security measure in place. If you can poll folks at the zoom meeting, let me know if this is something we want to pursue and I will make it happen.

Most gate options look about the same as far as any maintenance issues. They appear to be minimal and can be addressed by the community without bringing in an outside vendor (short of a blatant equipment failure). The gates don't rely on the local power source, though they can be connected. The gates can be operated manually in the event the battery storage doesn't hold up- I will check into this issue more if we get feedback from the community that there is definitely interest. The bigger issue as I see it is fire department access, which might require a lock? box installation in the event that a 911 call to them doesn't provide an access code for their entry. We can get more detail about this when I check into it more, but I did check with the Chelan fire department about this and that's where I obtained the lock? box information.

Discussion:

- Jason Benson: costs and research. Got a quote for $21k.
- Erin Stansbury: costs and research. He will share his research with the community
- Jay on electrical work

[4] Build size question and ADUs

Discussion

- Property value
- County restrictions

[5] County road discussion
Tracy about lobbying the county to widen the road, to reduce our plowing costs, and to improve the safety of the road.