

Meeting
Meeting of the
Blue Ribbon Farms Homeowners' Association
Board of Directors
January 10, 2025 9 am
Nichols' Residence-202 Lands' End

1. Roll: Chair Mark Long called the meeting to order at 9:07 am. In addition to Mr. Long, also present were Treasurer Carmen Lynaugh, Paul Allsing via phone, Andre Baritelle and Secretary Natasha Merkuloff Nichols. Drew Zacharias and Jennifer Gibbings were excused. Also present were Gary Gordon and Corby Somerville.
2. Public Comment – Mr. Gordon asked Mr. Long whether the Board had the ability to stop the wind, as it was blowing with gusts of 43 miles per hour. His humor brought a light-hearted moment to the meeting.

Ms. Lynaugh asked for a statement to be entered into the minutes: Corby, you know that you don't have all the information about the Mason case because you are not allowed to be in closed session discussions, yet you continue to make assumptions and false accusations about the Board's performance and actions. How would you feel if you were the volunteer Board member that you were trying to discredit by making these false allegations of misconduct and wrongdoing? All without benefit of the full knowledge of the situation and the efforts being made by the Board. No answer is necessary, just know your words are an attack on the Board's integrity and it is not going unnoticed! Every time you ask for your words to be recorded in the minutes verbatim and to attach letters to the minutes, I see this as you trying to make sure your message of misinformation and allegations of misconduct by the Board are being broadcasted out for the whole membership, because you are not able to email them all directly. Mr. Somerville asked Ms. Lynaugh to identify one falsehood. Ms. Lynaugh responded that one is his claim that one member of the Board acts as a conduit to channel information to the Masons. Mr. Somerville read his statement: "Given how this case has evolved, each board member should ask themselves how confident can they be that there hasn't been at least one member of the board acting as a conduit channeling privileged information back to the Masons." He continued expressing his frustration at how this case has been conducted and felt matters were not handled appropriately or swiftly enough. Board members responded that he did not have all the facts and is not aware of our discussions with the Attorney giving us recommendations and direction, nor is he fully aware of the steps the BOD has taken because he is not privy to closed session information. (NB: a closed session is not open to the public. It is for consultation with legal counsel, pending litigation, legal strategy, potential lawsuits, or legal compliance issues). The lengthy discussion became heated, with statements that were made in past meetings reiterated.

3. Secretary's Report- Ms. Merkuloff
 - a. It was moved by Ms. Lynaugh, seconded by Mr. Baritelle and unanimously carried to approve the minutes of November 26 and December 3, 2024, and January 2, 2025.
4. Committee Reports – Mr. Baritelle
 - a. There was discussion about which roads are taxiways, whether the 10 mph signs should apply to all private roads, or to all easements. The primary concern with speed is on taxiways. Maynard is included as technically it is a taxiway and Mr. Baritelle pointed out with the new mailbox structure on Maynard it becomes even more of a safety issue to keep vehicles from speeding. After more discussion, it was moved by Ms. Lynaugh, seconded by Mr. Long and

unanimously carried that because Maynard and Tyler View are general easements and taxiways, to make them 10mph streets.

- b. Ms. Merkuloff reported that the mailbox move will happen this weekend, and all mailbox owners are cooperating with the volunteers on this project. Thanks to Mr. Long, Mr. Baritelle, Mr. Zacharias and Jim Nichols for initiating and completing this long-discussed project. The mailbox turnout is on Mr. Baritelle's property and therefore he has asked for an agreement between himself and BRF. He is concerned about liability with people pulling into the pullout to get their mail. That is one reason he strongly supports the 10 mph signage. It was moved by Ms. Lynaugh, seconded by Mr. Long to approve the land use agreement between Blue Ribbon Farms and Andre Baritelle. AYES: Long, Lynaugh, Allsing and Merkuloff. Noes: none. Abstain: Baritelle.

5. Treasurer's Report - Ms. Lynaugh

- a. Ms. Lynaugh presented a draft fining structure to be incorporated into the Violation Resolution procedure. The fines were based on samples of fining structures from a few other HOAs. Mr. Long, while generally supporting the proposal, pointed out that there are a wide range of violations and many are never addressed by the Board. While some property owners feel we are "toothless and never do anything" others feel we are policing too much. He wondered whether we are becoming too activist, and is that what people in the association are looking for. Ms. Lynaugh said she believes this is a tool. She reminded the Board that our attorney, Judy Endejan has said that we don't have to enforce everything, but what you do have to do is enforce what a prudent person will enforce. The degree of enforcement would be up to the Board, Ms. Lynaugh said. She sees the fines as yet another tool for the Board to try to get people with major issues to comply with the governing documents. Mr. Long said hopefully this will help avoid going to court. Board members agreed they don't want to have to worry about whether a tree is a foot too tall or something similar. Mr. Long pointed out that enforcement depends on the Board, and the community needs to be aware for whom they're voting. Ms. Merkuloff pointed out that this proposal would add another layer of administrative responsibility on the future Boards. Ultimately, the Board expressed the hope that neighbors would resolve problems among themselves. The process for implementing the fine structure is: the Board adopts the proposed policy and fining structure and presents it to the membership. At the meeting, the Board will take comments and input from the community and from that input, decide to make any changes to the proposed structure. Once that is decided, then the Board Can formally adopt the revised violation procedure with fine structure. Mr. Lynaugh moved for the Board to present the draft violation resolution procedure with the fining structure as presented to the membership at the annual meeting for comments and input. The motion was seconded by Mr. Long and carried unanimously. Mr. Somerville told the Board that one of the GovDoc committee's guiding principles is to preserve the original entitlements and obligations that ran with the original CCRs. So, he felt a new, punitive measure should first be brought to the GovDoc committee for discussion and review. He volunteered to bring this issue to the attention of the GovDoc committee tomorrow. Ms. Lynaugh agreed that the GovDoc committee will need to put this into the new CCRs, but the problem with waiting for this proposal to go through the GovDoc process is that it would take over a year to implement. The Board would like to get the fining structure in place now, hopefully to help avoid the escalation of matters to Court. He also asked whether the Board would ask for a consensus vote at the association meeting. The GovDoc committee can certainly discuss this proposal but final action, according to our attorney, is within the realm of the Board. Mr. Somerville asked if the need to do this is driven by the Mason matter; Mr. Long responded no, it is not. Ms. Lynaugh pointed out there will be paper ballots with which to vote for Board members at the association meeting. She

suggested that using another piece of paper on which to write comments or questions to the Board regarding this procedure would be useful.

- b. Discussion and possible action regarding 2025 Budget – After a review of the 2024 budget, and the projections to year end, the Board agreed they are right where they should be. The Board began a review of the possible budgets for 2025. Ms. Gibbings was noted present at 10am. The Board agreed that the line items for insurance, common area maintenance, taxes and filing fees and annual meeting and picnic expenses were in line with expectations and are fine for budget projections. The line items for legal and administrative expense are problematic. The Board discussed the Washington Uniform Common Interest Ownership Act (WUCIOA). It is mandatory that our POA comply with the regulations by January 1, 2028. Practically speaking, that means the required changes in our CC&Rs need to be presented to our property owners at the February, 2027 association meeting. The estimated cost for an attorney to assist in complying with state law, and with adding changes that the GovDoc committee will recommend is about \$40,000. That figure comes from hourly rates at \$400-\$600/hour. Discussion ensued. Ms. Gibbings said the committee would like an attorney to evaluate where we are, where we are out of compliance and evaluate how much work there is to do to bring the governing documents into compliance. Ms. Lynaugh said the updates need to be done all at once; Ms. Gibbings felt that the community should be surveyed about what changes in the CC&Rs they would like to see, thereby validating the community. On a parallel track, an attorney could be evaluating our current CC&Rs as she explained earlier. She suggested the \$40,000 should be divided, conceptually, into what we have to do and what we would like to do. There was discussion about how an attorney would approach this issue, where we are out of compliance. All agreed the compliance piece is the priority. The discussion then turned to budgeting the \$40,000 over two years, with \$20,000 budgeted in 2025 and that amount carried over into 2026 as a fund balance. Combined with \$20,000 budgeted in 2026 that hopefully would be sufficient to cover the costs. There was hope on the part of the Board that by then attorneys and HOAs would have some experience drafting governing documents to comply with WUCIOA and perhaps we could lift some of the wording from already prepared updated documents.

On the administrative item, it will cost about \$4,000 to move the current BRF website to a new platform. Ms. Gibbings pointed out we have a security issue there and while we took some action to tighten things, the best option is to move to a new more secure platform. It was pointed out that Dan Mays had done the website work for free as he had been a resident here. But he no longer lives here and finally informed the Board this year that he is retiring. Further, the cost of bookkeeping has increased.

Mr. Allsing asked whether the membership is required to approve the annual dues; yes, they have to approve the entire budget, income and expense. Mr. Allsing continued to say that the discussion should be how likely the membership will approve an increased budget this year. There were shared ideas about how to explain to the membership the need for an increase. One question may be if we don't have to have the WUCIOA requirements in place by 2028, why worry about funding them now? Ms. Lynaugh and Ms. Gibbings responded that it takes a long time to get the update done, then we have to have the membership approve the CC&R changes by a 67% majority. It's due to be completed by January 1, 2028 which means we have to take it to the membership in February, 2027. If for some reason it doesn't pass or we don't have it ready by then, we would need to notice a special meeting. So, to meet that timeframe, budgeting for this must start now.

Mr. Somerville said that for years, insurance was the biggest cost, and that could still be the case but for the cost of the legal fees. He felt that not overturning the appellate court cost the association a lot of money. Mr. Long pointed out that winning a court case does not necessarily guarantee getting money back; the courts can order whatever they want. They could easily order us to pay our own attorney fees. Ms. Lynaugh said that by 2027, we'll be back to insurance and administrative line items being the big ones, but with the state mandated change to governing documents, it has to be funded. Ms. Gibbings felt it would be easier to fund it over two years. Mr. Somerville raised the issue of looking at Buckhorn withdrawing from the POA. Ms. Lynaugh said it is a legal process that they would need to commence and pay for. There was agreement that it is not the Board's job to talk to people on Buckhorn about this. Mr. Long pointed out that the Buckhorn residents do have the advantage of the Board helping them if there is an issue with one of the neighbors, say using the violation resolution procedure and the fining structure.

Ms. Merkuloff said she would be comfortable presenting the association with proposed \$200 annual dues for 2025 and perhaps look forward to 2026 at a rate of \$225, which would need to be adopted at the 2026 meeting. Ms. Lynaugh thought we could show projected budgets for the next few years, with maybe anticipating \$225 in 2026 and then showing a decrease in dues in 2027. It was moved by Ms. Lynaugh, seconded by Mr. Baritelle and unanimously carried to present a budget based on \$200 annual dues, with \$22,500 for legal and \$4,900 for 2025 and \$9,400 for 2026 for administrative. Mr. Allsing asked because we think this is only a two-year issue, with funding the GovDocs process and getting the website redone, perhaps we should look at a special assessment. He also said if we project dues amounts, perhaps we will be giving people more to gripe about. He asked if tactically this approach would hurt our position. There was discussion about doing \$125 or \$150 dues with a \$50 special assessment. Ms. Gibbings asked Mr. Gordon and Mr. Somerville their thoughts; neither was concerned about the \$200 number. Ms. Lynaugh said that with \$200 annual dues, we do not have to ask for a waiver of the audit. There was then discussion about a fall-back proposal if this amount is voted down by the membership and the question was raised if we cannot get approval for a budget at all, can the Board simply approve a budget? No, the prior year budget would be the budget.

6. Planning and Preparation for Annual Meeting

- a. The packets will be mailed on Jan 24, with proxies, the Chair's letter, the proposed budget and the information on the violation resolution procedure with fining structure. The proxies need to be back to us by Feb 14th as a spreadsheet must be compiled to show who gets proxies and how many; a sign in sheet must be prepared as well.
- b. The Chair's letter was reviewed and suggestions made to shorten it a bit.
- c. The Board reviewed Accomplishment of 2024:
 - i. Prepared Violation Resolution Procedure adding Fining Structure for discussion at annual meeting
 - ii. All lots were mowed and brought into compliance with the CC&Rs
 - iii. Coordinated with residents on Tyler View and Lands End to relocate mailboxes outside of the 60' General Easement to clear the taxiway.
 - iv. Set up Governing Documents Committee and 15 members have volunteered to participate
 - v. Made Maynard and Tyler View 10mph
 - vi. Approved the installation of a second sign for 70 Greywolf Air Court with a 5 sq. ft. total for two signs

- vii. Hired a new website manager and are posting Board agendas and minutes and minutes of committees, doing email blasts for the POA
 - viii. Update security of the website
 - ix. Hired a new bookkeeper
 - x. Prepared and delivered three Grass Strip newsletters
 - xi. Organized and held a successful Annual Picnic
 - xii. Successful maintenance plan for common spaces
 - xiii. Provided \$3,000 for the Cascadia rate increase challenge
 - xiv. Acquired a new general liability policy
- d. A discussion of the 2025 work plan ensued
- 1. Governing Documents (CC&Rs and By-Laws) Review and update required by SB5796 (Jan. 1, 2028 deadline)
 - 2. Seek new POA Attorney to assist us throughout the year and with Governing Document Update process
 - 3. CC&R's and By-Laws enforcement, as needed
 - 4. Evaluate annually the current insurance policies and make changes as necessary
 - 5. Maintenance of common areas and facilitation of maintenance on private roads
 - 6. Evaluate volunteerism in light of the need to get association members involved
 - 7. In the event we don't have enough volunteers, we need to evaluate the need for paid professional assistance
 - 8. Continue working with the County on the Kitchen-Dick/Lotzgesell curve
 - 9. Continue working with County on enforcement of County codes
 - 10. Continue distributing POA newsletter, perhaps quarterly
 - 11. Plan the annual POA picnic, September
- e. The Board reviewed the agenda for Association meeting
- i. Roll call and certification of proxies
 - ii. Proof of Notice of Meeting or Waiver
 - iii. Verify quorum and intro of new members
 - iv. Reading and disposition of minutes of February 10, 2024
 - v. Report from the Board of Directors
 - 1. Accomplishments in 2024
 - 2. Work Plan for 2025
 - vi. Status of legal action
 - 1. Cascadia Water
 - 2. Mason Wing Walking
 - vii. Report from Standing Committees
 - 1. Curve Committee -Mr. Baritelle
 - 2. Nominating Committee – Mr. Zacharias
 - 3. Insurance Committee – Mr. Allsing
 - 4. Airport Committee – Mr. Baritelle
 - 5. Governing Documents Committee – Ms. Gibbings
 - viii. Approval of 2025 Budget
 - ix. Review and take comments on the updated Violation Resolution Procedure and Fining Structure
 - x. Unfinished business

- xi. New business
- xii. Election of Directors – need 43 lots need to be represented to vote
 - 1. Joel Cziok
 - 2. John Cuny
 - 3. Leslie Bagwell
 - 4. Andre Baritelle
 - 5. Carmen Lynaugh
- xiii. Adjournment

7. Closed Session

- a. BRF vs. Michael Mason et al.

8. Return to Open Session – there was no action

9. Adjournment – The Board adjourned to February 7, 2025, at 10am at the Nichols' Home.

1/12/25