

Special Meeting Agenda for July 5, 2023 @5:30PM

The purpose of this meeting is to discuss the concept of three signature approval, no open meetings, no minutes and all board members being on the ACC.

Board Members Present: Maureen Allen, Sylvia Banzon, James Byrne, Diane Clevenger, Dave Engman, Clint Fretz, Scott Horsfall, Don Huibregtse, and Peter Nash.

HOA Members: Walter R. Ferguson, Therese Montgomery, Rich & Michael Kriegbaum, Deborah Dean, Les Dennis, Sharon Ferdliar, Guy & Debbie Koeneman, Wayne Gripp, Genevieve Johansen, Don & Debbie Davis, Richard Caron, Gary Shirbish, Roger Debritz, Mike Hancock, Bryan Roof, Joe & Diane Gellant, Marv Peterson, Faith Quigley, Mark Murray and Christene Bennett-Schultz

Special meeting is being called by James Byrne- President @ 5:30 pm

- James is letting Scott Horsfall (Board Member) facilitate this meeting in case there is a conflict of interest. James is currently the Chair of the ACC.

Complaint letter was dropped at the office by homeowner to discuss at this meeting.

- This item has been tabled to the Board meeting on July 26th and the President have notify resident of this action.

Points for clarification (this will ensure new Board members understand current process that it is in question): 30-45 minutes

Introduction: Dick Caron- retired 19 years. It was called a Control Committee and morph into the ACC. It requires three signatures for all the permits. For the items going to the Board, since all Board Directors are members of the ACC, 5 votes are still required for approvals.

1. How the ACC resolution was handled?

a. Recording status with Mason County-

- The resolution was not recorded. We have the opportunity to revisit this resolution. That is the reason we are here today.

b. Regardless of recording, is it right to act counter to resolutions passed by the board, published on our website and part of new member contracts with LLVCC?

- Resolution 26 was written as a job description. The goal is to create a new resolution that will explain the structure and the responsibilities of ACC.
- It also lays out specific requirements for open meetings and majority votes by the ACC.

Question: Why is a resolution needs to be filed with the county?

- Resolutions are designed to clarify the covenants. Most resolutions posted in our website are recorded with the county.

c. Is a resolution still a resolution if not recorded?

- Not according to the law.

- Yes, it should be recorded, but it doesn't have to be.
- d. **Does Res 26 create any requirement, or does it only define what our bylaws, RCW 24.03 and 64.38 already require? E.g. specifies when, not if, open meetings are required.**
- No, it doesn't create any new requirements that aren't already required by state law or our bylaws, namely: open meetings, minutes majority votes, and ACC members being appointed by the board.
- e. **If Res 26 didn't exist, do our bylaws still require open meetings, minutes, and do some covenants still require five ACC members?**
- All Board members are in the ACC. The covenants refers to the Control Committee requires 5 members. The Control Committee is different that the ACC. The Control Committee used to perform duties that the ACC and office staff currently performs. ACC meetings are integrated into the Board meetings. ACC complicated issues are discussed at the Board meeting and the ACC logs are brought forward every meeting for approval.
2. **How fines work in the community and who levies those fines?** as needed
- a. **Is the ACC involved in this process?**
- The ACC is indirectly involved in the process.
- b. **Does state law require that we pass rules regarding the process and only levy fines if they have the opportunity for a hearing in accordance with those rules?**
- Yes. See RCW 64.38.020. Unless otherwise provided in the governing documents, an association may:
 - a. Impose and collect charges for late payments of assessments and, after notice and an opportunity to be heard by the board of directors or by the representative designated by the board of directors and in accordance with the procedures as provided in the bylaws or rules and regulations adopted by the board of directors, levy reasonable fines in accordance with a previously established schedule adopted by the board of directors and furnished to the owners for violation of the bylaws, rules, and regulations of the association.
 - b. LLVCC was issuing fines without ACC or board approval, and this has been corrected.
- c. **Is Res 16 compliant with the law?**
- Yes, this resolution was reviewed by an attorney.
- d. **Must the board approve all fines as per Res 16?**
- Yes, after a hearing, the board receives a recommendation for approval from the Hearing Committee and this may include a fine.

3. **Compliance officer position- This topic was not discussed at the meeting due to time constraints.**
 - a. Job description
 - b. What this position is
 - c. Meeting minutes from when position was created
 - d. Do meeting minutes and a job description have *precedence* over resolutions passed by the board, published on our website and provided to new members as part of their contract with Lakeland Village?
 - e. Can the board delegate authority to one person outside of the bylaws or a resolution?

4. ACC members
 - a. **Is the whole board on the ACC?**
 - Yes. Currently this is posted on the website and it has been the practice for many years. Do we want to change this for some reason? This would need to be brought forward for discussion.
 - This is only a policy, and a motion from several years ago cannot take away the current board's obligation to appoint committee members per [RCW 24.03A.575](#). If Res 26 is invalid there is no ACC.

 - i. **Per the above, what are the rules and how is the community best served?**
 - Our covenants suggest 3-9 members, currently we have a small group of 3 directors that approve simple permit applications which are shared with the Board at every meeting. Their work is logged in a spreadsheet and the logs are approved by the Board. Any application that is complicated or required others opinion are brought up forward under the ACC Committee section of the Agenda for discussion, consensus, and approval. The community is best served by having the smaller group approving the simple permit application which an approval turnaround of less than a week.

 - ii. Where is the requirement or rule stating the whole board to be on the ACC?
 - This is not a requirement; it is the current process and has been in practice for many years.

- b. **Where is the "smaller group" defined, and what powers do they have?**
 - We believe the smaller group came from the requirement of having three signatures for the ACC application permits. Most of the permits we received are items that are straight forward. As long as the permit meets the criteria the permits can be approved. Any permit that requires more input needs to come to the Board for approval.

- c. **Does a small group on the ACC create two classes of ACC members?**

- No. The ACC can have 3-9 members. It was decided that the ACC is composed of 9 members. Per our bylaws, this is a Directors Committee, which means that only Board members can participate. The small group is composed of Board members as well.
 - The small group currently decides what does to the whole board and they keep log of all activities. It was agreed in this meeting to define the small groups operations and specify exactly what type of approvals they can deal with, without the full board.

Comments from the public:

- Continue to approve with a smaller group of three people can approve simple projects. Anything else is brought back to smaller group and the group makes a recommendation to the Board.
- We need to define what is a simple process or a complex process.
- Make sure there is a language in the permit application that deflects the liability from the Board and HOA.
- Can we have the small group rotate the approvals?

5. How can we ensure that ACC procedures are documented and they are following state law, bylaws, and governing documents?

- All documentation of the ACC activities are part of the Permit Application process. Letters sent are kept in the office and in the property files of the homeowners.

6. How are the three people selected?

- They were appointed by the President.
- This process needs to be voted on by the board as part of the larger process of documenting ACC processes. The small group could be provisionally appointed by the board with the understanding that all processes will be documented and approved in the near future.

Covenant 12-2- Talks about ACC and what the ACC needs to handle this.

7. When are ACC meetings? Do we need to have additional meetings of some sort for the ACC?

- Bylaws state: "All official meetings of the Board of Directors and its committees shall be open for observation by all members and their authorized agents, except as otherwise specified by law." Are we in compliance?**
 - Yes, the ACC meets at the Board meetings.
- Bylaws state: "The Board of Directors, or any of them, and all committees may meet together in informal study sessions, which do not constitute official Board or committee meetings so long as no votes are taken and no business is transacted, and no binding agreements are made regarding official actions of the Board." Are fines and permitting official business of the board?**
 - Yes, the fines and complicated permits come to the Board for approval.

- Fines have been occasionally sent out without a board vote as [RCW 64.38.020](#) requires. It was agreed that residents will be offered hearings and all fines will be approved by the full board.
- Permit approvals allow projects to be undertaken the moment they are issued, and as such are business of the board. A monthly approval of an after-the-fact list without context doesn't satisfy the by-law requirements.

8. Go over ACC log and the permit applications.

- We do this every month at the Board meetings.
- This is after the permits have been reviewed, approved and issued by the "small group."

9. Revisions to ACC resolution and why they are needed.

- The original resolution 26 was written as a job description and does not clarify ACC process.
- Define what a simple is or a complex process.
- Define the process of selecting the small ACC group.
- Define the process of documentation of ACC activities
- Get attorney opinion on:
 - Do ACC members have to be appointed by the board
 - Can the board force a director to be on the ACC without a nomination or vote?
 - Is a resolution published on our website for four years still a resolution if not recorded.
 - If Res 26 is not binding, and the ACC isn't required in the bylaws, is there even an ACC?
- Get board consensus on questions to the attorney.

Points for discussion: 30-45 minutes

1. Pause levying any fines without the opportunity for a hearing.

- This is already done.

2. Inform all members that were levied fines without a hearing of the situation and of their legal right to a hearing.

- These will require research and extra work hours from our office staff. We need parameters for the research. - Tabled to discuss at the next Board meeting.

3. Vote in, or pledge to vote in, the five required Director members of the ACC.

- This is not an issue. As all Board members are members.
- We agreed to get attorney opinion on: Can a motion of the board taken many years ago require all board members be on the ACC, or does this violate RCW 24.03A.575.

4. Vote in, or pledge to vote in, ACC Chair, and attempt to avoid the current situation of:

- The President of the Board being the ACC Chair.

- This will be decided at the next Board meeting. We will make a call for this and have it recorded in the minutes.

5. A non-compliant ACC "working group" of only three directors where the two other ACC members report to the President/ACC Chair as their boss (President is the supervisor of all LLVCC employees)

- At the time the group was formed no one else on the board wanted to be part of the daily ACC decisions made. This group is a volunteer group and members of the Board are welcome to volunteer for it.
- When was the group formed?

6. Share ACC correspondence with the whole board, until such time as proper recorded votes and minutes are taken.

- This is done via email from the office.

Decisions to be voted at the next Board meeting

- Proposal to research past fines and hearings to ensure process was follow
 - Legal and liabilities issues and clarification.
 - Board members have open access to information, the board can't vote to restrict access unless there is some exceptional legal reason.
- Vote or Appoint? The small group of ACC members.
 - Needs definition first.
- Add Resolution 26 draft
 - Are all Board members part of the ACC?
 - Need attorney review to ensure it complies with [RCW 24.03A.575](#)
 - Define simple and complicated permit
 - Need of a smaller group or do we need the approvals of nine for permits
 - Define the process of selecting the small ACC group.
 - Continue to approve with a smaller group of three people can approve simple projects. Anything else is brought back to smaller group and the group makes a recommendation to the Board.
 - Define the process of documentation of ACC activities
 - Make sure there is a language in the permit application that deflects the liability from Board.

Resignation:

- Dave Engman submitted his letter of resignation from the Board at the end of the meeting. Letter was accepted by James Byrne.

Sylvia motioned to adjourn 7:42. Peter second. Ayes: All