

Rainbow Springs Community Club, Inc.
P.O. Box 388 Granite Falls, WA 98252 (360) 691-2683
Board of Directors Annual Meeting Minutes
April 30th, 2022

Meeting called to order by: Jacob Bruce at 12:38 PM.

Roll Call: (Annual Shareholders Meeting; Granite Falls Eagle Club – 402 N Granite Ave. Granite Falls, WA 98252)

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| 1. President: Jacob Bruce - Present | 6. Trustee: Kyle Knobel – Present |
| 2. Vice President: Marty Schoos - Present | 7. Trustee: Tim Atkinson – Present |
| 3. Secretary: Maelissa Knobel - Present | 8. Trustee: Margaret Warr - Present |
| 4. Treasurer: OPEN | 9. Trustee: Brian Warr - Present |
| 5. Trustee: Greg Nelson - Present | |

Minutes taken by: Maelissa Knobel

Shareholders Present:

A total of 24 Community Members attended, 11.94% of Total Members.

Presidents Introduction:

1. Welcomed Shareholders and Completed Board Member introductions
2. Completed Community Member introductions

Vice Presidents Report:

1. Reviewed Meeting Etiquette, asked members to please hold questions and comments until the end of the agenda

New Business:

1. Reviewed the 2021 Annual Meeting Minutes for Approval, no quorum at prior year meeting.
 - a. A copy was provided to members during the meeting
 - b. Maelissa presented the documents included in the packet provided during check in. We provided a few minutes for members to review the documents prior to any applicable votes.
 - c. Marty made a motion to approve minutes, Annette second, all in favor.

Treasurers Report:

1. McPhersons presented the Financial Report and Account Balances
2. Maelissa introduced Michelle from McPhersons with the December and March Financial Packet to review the 2021 complete year Profit and Loss. Michelle reviewed the December 2021 Financial Report in detail. This review included pre-payment, not paid after sale of home, and the overall profit and loss reporting for 2021.
 - a. Question from a member regarding the prior balances due from homeowners.
 - i. Maelissa clarified that we are working with Michelle and the community attorney to establish a new collection policy for current and past homeowners to rectify the balance sheet.
 - b. Michelle reviewed the fine income loss line per member request.
 - i. A member inquired about what steps have been taken towards the nuisance property.
 1. Michelle responded that we are doing our best to push every option available to rectify the situation within our legal abilities.
 2. Another member asked if they were able to file their own health care complaints to which we responded yes.
 3. Another member stated that she has filed multiple complaints in which they have not taken any action.
 4. Another member asked how they could go about filing rule violations to the board regarding the nuisance property, they were advised to forward all official complaints to the board as outlined in our fine schedule.
 - c. Michelle confirmed no other questions or concerns regarding the financials presented thus far and proceeded to review the prior year budget vs actuals.
 - i. She detailed why we spent less in our effort to proactively budget the needed dam maintenance.
 1. Michelle shared that the board is trying to keep assessments low while understanding that we do have some major expenses that need to be completed in the very near future.
 2. Jake added that we have received bids for tree removal at the lake near the dam and how we were able to save the community a substantial amount.
 3. Maelissa added that the board has been diligent on prioritizing keeping the woods clear near the dam to prevent further issues.
 - ii. The budget report is based upon accrual, which explains the difference in the report.

Review of 2022-23 Budget:

1. Presented detailed Budget Review and voting
 - a. Maelissa explained that the board unanimously focused on doing our best to not increase dues this year as many financially recover from the pandemic.
 - i. Maelissa discussed the amenities that were added this year and positioned the need for an increase in dues next year to support the growing needs of the community.
 - ii. Question from a member inquiring as to what was being done to repair the roads.
 1. Jake explained that we are aware and have received quotes. This work would need to be completed soon and have obtained initial quotes estimating cost of \$50,000.
 2. Jake elaborated that we are looking into HOA construction loans to complete the dam in addition to the roads if possible.
 - a. A member added that having the Dam repair work completed would likely result in additional damage to the roads.
 3. A member mentioned that they have concerns about all the work needing to be completed with the dollar amount outstanding for prior owners.
 - a. Jake clarified that anyone past due will now be placed into an aggressive collections process.
 - i. One member asked if we are implementing that now or are currently working on this.
 - ii. Marty mentioned that we are out of covid and are actively working to reinstate.
 4. A member asked about the emergency access road and how that aligns to the existing budget. They asked if this amount was falling into the same budget line for the dam and the roads.
 - a. Jake clarified that the department of dam safety said they aren't forcing us to complete the road first as previously indicated.
 - b. Jake reviewed where the emergency access road would be on the map for all to see. He continued to explain that the dam has a sink hole that requires repairing.
 - c. A member asked a clarifying question about the emergency access road in the event of an emergency or fire for the people not directly near the main entrance.
 - i. Jake and Marty explained that this would be a lengthy process that would require us to move from private roads to county roads.
 - ii. Another member commented that an access road previously existed prior to an illegal takeover of that property. They mentioned that the judge previously ruled that the homeowner was to replace it to its original version.
 5. A member questioned what would happen if the dam broke.
 - a. DOE identified 8 homes that would be impacted in the event of a dam break.
 - b. Marty mentioned that we are doing ongoing maintenance to prevent the failure of the dam until repair has been completed.

- iii. Annette makes a motion to approve the budget, Tammy seconds, all in favor to ratify budget.

Nominations and Voting of New Board Members:

1. No nominations of board members currently
2. Maelissa reviewed that there is one open position with others on the horizon.
 - a. A member asked what the requirements of the board would be.
 - b. Another expressed concern over traction being lost if the board fully turns over again
 - i. Jake responded that none of us have stepped down as of yet to ensure we don't negatively impact the community but need new board members to join.
 1. There will inevitably be changes to the board and we do not have a pipeline for replacements.

Annual Meeting Votes:

1. Purposed bylaw amendments reviewed for 2022
 - a. Greg shared that we have been reviewing the bylaws and rules and regulations in alignment with the community attorney.
 - i. During this review a member requested that we review the rule around no motors on the lake.
 1. We are proposing a vote to change the existing rule to be "electric only motors with thrust equal to or less than 50 pounds to be permitted".
 - a. Greg opened this up to the community for their feedback and or opinions.
 - b. One member asked about the impacts to the ecosystem and the dam situation and how this would impact the green vegetation or wildlife that is in the lake based upon size of the lake.
 - c. Greg explained that we did not foresee any additional issues based upon limited usage and small motor approval. He explained that we are not experts and cannot say what eco system impacts could potentially take place.
 - d. A member mentioned that they didn't see the value in making this rule adjustment.
 - e. A member asked if this was passed if we would post signage in which the board responded yes.
 - ii. Greg proposes a vote to pass the new rule, Jake seconds, 12 owners voted yes, 8 votes opposed, the amendment passes.
 1. A member asked if anyone recommended an added rule around homeowner maintenance and curb appeal.
 - a. The board confirmed that we did discuss this in detail and were unable to come up with a rule to recommend based upon the difficulty to specify what would or would not be acceptable.

- b. A member commented that a real estate agent commented “I can sell your home but not your community.”
 - 2. A member recommended that we pass a rule around not parking on an easement to eliminate the excessive vehicles in yards.
 - i. A member mentioned that visibility can be challenging based upon what people have on their easement.
 - 3. A member mentioned their concern of being attacked by dogs while walking on the community roads.
- iii. Jake asked if anyone had any proposed votes in addition to changed for the rules and regulations, none presented.
 - 1. A member asked if they could propose new rules and regulations changes outside of the annual meeting.
 - 2. Greg mentioned that anyone can send us recommendations at any point in time and if we receive enough, we can make these votes one off.
 - 3. A newer member asked what exactly a violation is and how do we attempt to collect fines.
 - 4. Greg mentioned that we attempt a face-to-face conversation, then send letters, and finally assess and collect fines.

Business and Special Reports:

1. Volunteer Efforts

- a. Jake spoke about the added horseshoe pit and the volleyball net at the river park. He showed them on the map where they are located.
 - i. A member asked if we would need to replace the sand annually due to flooding.
 - 1. The board responded yes if needed and we can get it from the river to eliminate additional costs.
- b. Jake discussed that we received a donation of a kid’s playground and that it was reviewed by the insurance company and would not be a problem to install. Jake showed on the map where it would be located and mentioned that the community would need to purchase a border and wood chips.
 - i. A member recommended that we could put it in track B along with maybe a baseball field or something for kids to play.
 - 1. The board mentioned that we would like to better utilize that area in the future.
 - ii. Jake makes a motion that we install the playground if insurance doesn’t increase more than \$500 annually. Jake also proposes to put the playground in the lake park, Cammy seconds, 11 vote yes, 4 opposed, the vote passes.
 - 1. One member asked if we would have times of usage in which we explained yes. It is currently posted on all the signs in public areas.
- c. Jake spoke about the need for community members to volunteer.
 - i. A member asked if we have a list that is posted anywhere in which Maelissa responded yes that it is posted on the website.

2. Gate Update and Discussion

- a. Jake opened the discussion reviewing that the gate is officially back up and running including replacement of the actual gate motor to better withstand the weight and usage of the gate.
 - i. A member mentioned they were physically attacked by a non-homeowner and that there was an attempted break in while the gate was open. That same member also mentioned that it prevents the graffiti that has happened over the years.
 - ii. A member mentioned that he likes the deterrent and increased property value.
 - iii. Another member mentioned that they agree with the gate being closed full time to maintain privacy and property value. That same member mentioned that they want the gate open during bad winter months.
- 3. Dam Update and Discussion
 - a. Marty and Jake asked if anyone had a contractor that they could recommend for any bids, none at this time.
 - i. A member offered to help call around and see if they could assist in finding bids for the dam.
 - 1. The only requirement is that they are fully insured and overseen by the DOE.
 - ii. A member asked if we could get any federal funding which the board responded no.
 - iii. A member asked if we could do an advertisement to request bids in which the board said we would consider this option.
 - iv. A member asked if we are on a timeline from the state which we are not, we do not have a hard date. We discussed the need to do it quickly but no hard date.
- 4. Open Floor Discussion from Members
 - a. No additional items to discuss

Meeting adjourned by: Jacob Bruce at 2:31 PM.