

DRAFT
Mill Creek Summer Home Owners Association
November 19, 2016
Home of Bill Zeller
12:20 p.m.
1143 Celestial Way, Yuba City, CA 95993

Present: Susie Kirch, David Rigby, Jude Tarrant, Mitch Hoggard, Amy Webster, Mark Black, By phone: Patti Petromilli
Reporting Visitor: Bill Zeller

1. Overview of CC&R/By-Laws Project - Susie Kirch –By Laws were last amended in 2012 to address specific issues such as: to be in compliance with laws that had been changed, to clarify dispute procedures and lien processes. It was understood that they would need to be reviewed and amended again. A review committee of Susie Kirch & Bill Zeller read through the current By Laws & CC&Rs for the past 18 months and reviewed each part with MCSHA lawyer Greg Einhorn. This meeting was to review their suggested changes and set a timeline for community review and discussion. Bill also wanted to thank MCSHA lawyer Greg Einhorn for his help and quick responses. See additional information in: Addendum #1-Proposed By Law Changes, #1A –Additional Proposed By Law Changes, #1B –Proposed changes to Mill Creek/Lassen Water Company & #2 Proposed Changes for CC&R for full text of all proposed and discussed changes and references in these minutes.

2. Review of By Laws (reference Addendum #1 –Proposed By Law changes) The Board considered all those changes as listed by the committee and identified some for further investigation by Board members. Sections not listed here from the addendum #1 were passed without discussion. Those changes we approved are “approved as submitted” those changes we didn’t pass or that are to be subjected to further review are listed as “strike changes” with instructions as included

2.A. Principal office. Amy questioned the “with notice to all members” -posting to the website is considered “notice”, the language came from the Lawyer. **Approved as submitted.**

3.A.3. Directors Quorum. Written to be a quorum of 4 instead of five. **Approved as submitted**

Mitch Hoggard and David Rigby questioned the rationale and statement of the quorum as expressed in Addendum #1 3.A.3. If there were 4 board members present, wouldn’t it still take all 4 to pass a motion (normal Quorum) rather than the table submitted with the rationale. Their question and concern was that the By-Laws should say how many Board Members are necessary to pass a motion rather than a majority of quorum. David Rigby requested that the question of the number of voting Board members be asked of the lawyer for legal clarification. Approved as submitted for 3.A.3 but referred to Lawyer Greg Einhorn for further clarification of the question of number of voting Board members required to pass a motion when the full Board is not present.

5.D.2 Notice of Annual and Special Membership Meetings (additional correction/handout-Addendum #1-A Susie mentioned this needs a comma to make it first class, register or certified mail. **Approved grammatical change as added in Addendum #1A.**

5.D.4 Notice of Annual and Special Membership Meetings –Question was about the wording “to the extent known”. After discussion it will be left in the By Laws as is. **Approved as submitted**

5.G.1 Membership and Record Date. **Approved as submitted.**

5.I.1.a,b,c,d,e and f. Special Membership Quorum Requirements. There were a few minor questions about some of the language of the proposal. **Approved as submitted.**

6.B.1 Nomination of Director Candidates. There was a question about nominating committee vs. floor nominations. **Approved as submitted.**

6.C.4. Election of Directors –MCSHA believes that four-year terms seem to be too long for easy recruitment of new board members. This was proposed to align with the Water Company Board Member terms to streamline service of Board Members on both active boards (Mill Creek Summer Homeowners and the Mill Creek Lassen Mutual Water Co.) and may need to be revisited, MCHSA voted to strike the changes.

Lawyer Greg Einhorn believes members can serve on both boards without any By Law changes required. The Mill Creek Lassen Water Company submitted a report compiled by their lawyer to the effect that some minor By Law changes would facilitate combination of the boards. MCSHA did not review the Water Co. report at this meeting. See Addendum 1B.

6.H. Term Limits. Since the MCSHA Board term limits are shorter and 6.C.4 was not changed, –Strike the changes

7.F. Action Taken Without a Board Meeting. Mark questioned the “anytime” –should it have a timeline. **Approved as submitted.**

7.H.1. Minutes of a Board Meeting. Jude Tarrant had a question about the intent of the language that says “the minutes shall be made available to every member” and wanted to add the words “upon request” so that the Board would not be required to distribute them. **Approved as amended.**

It should read:

“The minutes proposed for adoption, which are marked to indicate draft status, or a summary of the minutes of any Board Meeting, other than an executive session, shall be made available to every Member within thirty (30) days of such Board Meeting upon request and will be posted on the Association website.”

9.F. Duties **Approved as submitted.**

A vote was taken regarding the By Laws. Mitch Hoggard moved and Patti Petromilli seconded to accept all the submitted changes to the By laws (Addendum #1 Proposed By Law Changes) with the following previously reported changes: 3.a.3 approved but actual voting numbers to be reviewed by counsel, 5.d.2, 6.c.4, 6.H, 7.F, 7.h.1 reviewed by counsel. **Passed unanimously.**

4. Review of CC&Rs sections identified for discussion by Board members.

Article 2. Definitions 2.6 Delete Declarant throughout document, **Approved as submitted**

3.6b There was a question about the assumption written in the legal opinion of taking ownership of a lot, the legal opinion is not the wording we were voting on. We were simply removing the phrase “and the declarant” from the original document. **Approved as submitted.**

4.3c Antenna and External Fixtures. Amy Webster raised a question about the definition of “large” in the description of a satellite dish; the Board consensus was to delete the word “large” that was difficult to qualify. **Approved as amended.**

5.6 Right to Impose Sanctions for a Violation of a Provision of the Governing Documents. Mark Black had question about the use of the language “threatened violation”, which seems arbitrary and difficult to define. The consensus was to delete the phrase “threatened violation” from the CC&R. **Approved as amended to remove this language.**

5.6D Increases the fines from 50.00 to no more than 500.00. **Approved as submitted, with a legal review and opinion about establishing an operation code for a penalty schedule.**

A question was raised about the penalty schedule’s mention of “suspension of privileges” since there are currently no real privileges to suspend. The language was recommended by counsel and left as is in the case there are some actual common privileges established later on.

The schedule that was proposed is part of the rationale and can be adopted at a later board meeting. The penalty schedule should be outside the CC&Rs so it can be changed more easily but could be distributed at the same time. It may not be the entire 500.00 at any given time.

A discussion ensued about distributing the penalty schedule as an operating code. David Rigby requested that we return to the lawyer and have him write the schedule as an operation code and also inquire about the process for enforcing this schedule. Jude asked if the schedule could be added as an addendum to the CC&Rs, since it is mentioned in the CC&Rs. Counsel Greg Einhorn will be consulted about this.

5.13.A.2. Preparation and Distribution of Financial Statements, Reports, and Copies of the Governing Documents, **Approved as submitted.**

7.5 Reserve Funds, no change, this will stand as is from last CC&Rs.

7.8.1 a Assessment Period, moving from calendar year to our fiscal year as is the current process. **Approved as submitted.**

5. A vote was taken to accept the recommendations regarding CC&Rs – Mitch Hoggard moved and Jude Tarrant seconded that we approve the changes as submitted and recorded. **Passed unanimously.**

6. Timetable for completion of By Law & CC&R Simplification Project

- 1) Attorney's office to type a redline version of both documents - estimated 2 weeks
- 2) Final review by committee to cross check numbering, accuracy, etc.
- 3) Getting information to members
 - i) -Post recommendations w/analysis, plus redline version on website
 - ii) -Send email 'blast' to members

- i) -Include notice in annual meeting letter that more information is available online, hard copies are available by request and that changes will be voted on at annual meeting, This letter is to be sent 60 days before the meeting to give members plenty of time to evaluate the amended By Laws & CC&Rs. Attorney indicates this would satisfy the legal need to distribute copies of the information to be voted upon.

7. Vote to accept Website Review Committee recommendations (handout). Jude moved, Mitch seconded and it **was approved** to accept the plan as distributed by the Website Review Committee. **Handout is Addendum #3 Website Review.**

- a) There was a short Discussion of the proposed changes and layout.
- b) The board voted to accept the recommended changes and proceed with updating and renewing the website.
- c) Next step is to regain access to the website and to work with Tom Childers to see what can and can't be done with the current web development program we are using.
- d) The recommendations by the Committee (Chair: Amy Webster) will be electronically update as soon as possible.

8. Set Spring 2017 Schedule

- a) Mid March (3/25/2017)
 - o Review roads, common lands, hazard trees and projects as some road work may be in excess of \$50,000 and bigger expenditures will require a budget change
 - o Budget ratification set annual dues
 - o Contracts for maintenance (roads, common lands, etc.) finalized.
 - o Election Committee & recommendations for committees & recruiting of new directors
- b) Middle of May, date to be set.
 - o Send Annual Meeting Notice May 1st including; proxy, dues notice, election information
 - o By Law and CC&R revisions to be voted on
 - o Notification ADR information (see CC&R 14.17 B.11) NOTE: Attorney advises this requirement can also be met by a notice in the annual meeting letter that the ADR is available through the CC&Rs online.

9. Meeting adjourned at 2:55, respectfully submitted Amy Webster, secretary.