



Eagle Bend West Community Association, Inc.

In the greater Harbor Village community- a great place to live!

Board Meeting

5:00 PM Montana Time, Monday, October 24, 2022

Minutes

Open

President John Cannon, attending by Zoom, opened the meeting at 5:00 PM. All other directors were present in person at the Western Mountains Property Management Office. They were Dena Brunskill, Kevin Kleckner, Chris Walthall and Bill Whitsitt.

Property Manager David Roberts also attended.

Recording Announcement

Vice President and Secretary Bill Whitsitt reminded everyone that by agreement at the previous meeting, the current meeting was being recorded for accuracy, and that future sessions would be recorded as well.

Agenda Adoption

On a motion made by Vice President and Secretary Bill Whitsitt and seconded by Dena Brunskill, the previously-circulated meeting agenda was unanimously approved with addition of Mr. Whitsitt to the Election Improvement Project as suggested by Mrs. Brunskill.

Notice Agreement

By all Board members being in attendance, proper notice of the meeting was deemed by President Cannon to have been provided.

Approval of Minutes

- Minutes: Board Organizational Meeting August 12, 2022

Following a motion for approval of draft minutes reflecting comments and language suggestions by Mr. Walthall and Mr. Kleckner by Mr. Whitsitt, seconded by Mr. Kleckner, the Minutes of the August 12, 2022, organizational Board meeting were discussed.

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Mr. Walthall again raised a question to Mr. Cannon about whether a business may be operated in a garage under the EBWCA CC&Rs. The question was prefaced by Mr. Walthall's claiming that at the August 12 meeting Mr. Kleckner had agreed, but that the minutes did not reflect that. Mr. Kleckner explained his disagreement with such an interpretation of the CC&Rs, noting that there are many business uses on EBWCA lots, such as by artists, and design and real estate professionals, but that garage uses are not specified in the CC&Rs

Mr. Whitsitt, in response to a question by Mr. Walthall, said that he would be open to a future policy statement clarifying appropriate business use and how CC&R "nuisance" language might be the test for lot use.

Mrs. Brunskill raised precedent concerns if people made "widgets" or used "heavy equipment" for business purposes on their lots. She also raised a point raised previously by Mr. Walthall about Mr. Kleckner's having a registered business using his home address.

Mr. Whitsitt explained that the business registration using a home address, picked up through a BuzzFile commercial service and raised initially by Mr. Walthall, is probably very common in many states as it is in Montana. He indicated that the State of Montana and probably the U.S. Postal Service would likely have a serious problem if EBWCA attempted to prohibit such registrations, thereby interfering with delivery of notices and the like. He reminded that Mr. Kleckner had said previously that he would not be making cabinets in his garage for clients, a comment reflected in previous minutes. He suggested that the August 12 minutes -- with the suggested changes mentioned early in the discussion from Mr. Kleckner and Mr. Walthall -- be adopted.

President Cannon reminded that the current discussion was not about a policy change, but about minutes. He asked if everyone had put in their comments on the minutes. All had. A vote was called and the minutes of the August 12 Board organizational were approved by a 3-to-2 vote.

Voting to approve were Directors Cannon, Kleckner and Whitsitt. Opposed were Mrs. Brunskill and Mr. Walthall.

Mrs. Brunskill stated that she did not believe that the consideration had been handled properly. She said there had not been enough discussion.

Mr. Whitsitt repeated his suggestion that a clarifying Board policy on business uses of lots be considered separately.

Mrs. Brunskill raised questions about obtaining draft minutes more quickly. She also asked whether meeting recordings could be provided with draft minutes. Dave Roberts said he did not know how large the recording files are (which may determine whether they can be emailed).

Mr. Walthall asked why draft minutes can't be provided within five days after a meeting.

Mr. Whitsitt pointed out that minutes preparation is a volunteer effort, and everyone is busy. He noted that Mr. Walthall had refused to do minutes, but that he would be glad to hand the Secretary role to Mrs. Brunskill. Mr. Walthall said he would be glad to pay for a court reporter. Mr. Whitsitt explained that minutes are not supposed to be transcripts of meetings and that EBWCA is going "way beyond" what is normally provided in minutes and that it is time-consuming.

Both Mrs. Brunskill and Mr. Walthall pressed for 5-day minutes. Mrs. Brunskill said, "...and reflecting everything that was discussed. Not a transcript, but a reflection of what was discussed."

Mr. Kleckner suggested that Mrs. Brunskill be given the minutes responsibility. Mr. Whitsitt offered to resign as Secretary and nominate Mrs. Brunskill. She in turn again asked why there could not be a court reporter hired. There was discussion of having Buggy Yarborough do minutes in the future.

- Minutes: Board Meeting September 26, 2022

Attention turned to proposed September 26 meeting minutes. It was agreed to postpone their consideration until directors have more time to review and comment since they were distributed late. Mrs. Brunskill raised a question as to whether Mr. Whitsitt had followed up with Mr. Riddle on his street sweeping proposal. He had, and reported on two conversations with Mr. Riddle who he said seemed pleased with the two-per-year sweeping decision.

- Preliminary Summary/Minutes: 2022 Annual Meeting August 11, 2022

The preliminary summary and minutes of the Annual Meeting were also deferred.

President's Report

Mr Cannon said that there was one item to which the Board needs to be paying attention. He mentioned to Mr. Kleckner how soon we need to be thinking about re-paving, treating or repairing the community roads.

He also asked about plans for examining and perhaps cleaning drains. Mr. Kleckner updated the group on a first effort that would be made within a couple of days that could provide information for longer-term additional work that may be needed.

In response to a question from Mr. Cannon as to whether others had thoughts on roads or drains, Mr. Walthall said he though the roads should be slurried (or seal-coated).

He mentioned that he and his wife belonged to a country club that slurried its roads every year and "...those roads are really nice." He mentioned that the McIntyres just treated their driveway and it was a great job.

Mr. Roberts said that he didn't know anyone who seal-coated over chip seal (such as we have in Eagle Bend West). He also said that such a treatment is not durable, but is expensive.

Following further discussion, it was agreed that the capital planning project that Treasurer Kevin Kleckner is leading will include the roads evaluation. It was also agreed that Dave Roberts will assist with obtaining some near-term expert looks and insights on the roads for evaluation and planning purposes, with the evaluation inspection(s) in the spring at Mr. Kleckner's suggestion. Mrs. Brunskill suggested that paying for an evaluation might be acceptable. Mr. Kleckner said he has already begun preliminary work to ensure that there will be an ability to project and contribute adequately to the Road Reserve for whatever decisions are made.

Property Manager's Report

Mr. Roberts reported on efforts to have pumps removed and stored for the winter. He said that the process has been delayed a bit. He said that he is trying to find a new pump man for the coming year.

Dave said that the irrigation system is off. The fountain is still operating to keep water moving until the pumps are removed. Although he saw no indication yet of hard freezes, leaving the pump on is a matter of safety. He said that removing the fountain pump will require bringing in a mini-excavator because of its size and weight.

There was further discussion of street drainage evaluation and work that was mentioned earlier. In response to a question from Mrs. Brunskill, Mr. Kleckner said that as part of his capital projects evaluation there will be mapping of our street/storm drain system.

Treasurer's Report

Mr. Kleckner reported that with recent postings the reserve account balances are:

Capital	\$51,225
Road	77,964
Operating	37,217

He said that there are no issues with the reserve funds.

Mr. Kleckner said that the EBWCA balance sheet liabilities number decreased with repayment of construction deposits to the Falls of \$2,500 and Keowns of \$5,000. The short-term liability total is \$5,000 for a remaining construction deposit.

Several payments were reported as having hit the books recently, including a small amount (about \$100) for street sign moving, and \$3,500 for tree service. He mentioned that about half of the owners have paid their Q4 dues and those payments will continue to post.

There was some residual cash in the Fidelity account, so Mr. Kleckner purchased a \$16,000 CD at a 4.2 percent interest rate for 12 months. The previous Treasurer, Stuart Cole, had purchased CDs with terms that would not tie up cash for long terms, given uncertainties of spending needs such as for roads. That general approach continues.

Looking forward, Mr. Kleckner noted expected near-term charges things like snow removal and another month of landscape-related charges by Black Magic.

Mrs. Brunskill asked how most dues payments are made. Mr. Roberts said by check. She then suggested allowing automatic payment. Mr. Roberts said that homeowners may request that Danae of his staff set up an ACH process now. He also noted that many people use their bank's "bill pay" systems that are free. He said that some other HOAs allow credit card payment, and that a 4% uplift is added.

Mrs. Brunskill asked about the possibility of setting up a system under which an EBWCA bill would trigger an automatic payment withdrawal from an owner's account. Mr. Roberts said, "We don't want to pull money from someone's account." Mrs. Brunskill wanted to know why not and said that it is done all the time. Mr. Roberts said that he didn't think it was right to take money from someone's account, and suggested setting up an automatic ACH payment as an alternative.

Mr. Kleckner said that most owners pay quickly when invoiced and it is not as if the EBWCA is waiting on cash. Mr. Cannon asked if there is a collection problem that needs to be solved. Mr. Roberts said, "None whatsoever." The discussion ended with Mr. Cannon saying that if there is no problem he didn't want to fix it. Mrs. Brunskill said that she had just been asking and wondered if her idea had been thought about.

Budget and Communication Approval for 2023

Discussion turned to the proposed 2023 budget that needed to be provided to the community for review by November 1. A Memo-to-Members newsletter budget notice draft had been prepared by Mr. Kleckner and Mr. Whitsitt and had been provided to the Board.

Mr. Kleckner said that there had been no changes to the draft budget reviewed previously. He noted that in an email to Mr. Walthall he had pointed out that if extra money is needed there is an adequate checking account operating reserve, there is a budgeted \$2,000 contingency amount, and there are discretionary spending amounts in the budget that, if necessary, decisions could be made on. He cited sidewalk

repairs for which there is a budgeted amount, but there are no known projects committed at the moment. He said that, if necessary, such spending could be deferred until the following year.

Mr. Kleckner said that he is OK with the budget unless the Board wanted to change it.

Mr. Walthall mentioned an 8-and-a-half percent inflation rate. He said he hated raising dues, “but...we might be on a tightrope.” Said Mrs. Brunskill, “None of us knows what’s coming.”

At Mr. Whitsitt’s request, Mr. Kleckner reviewed escalations in budgeted amounts in various categories designed to help offset cost escalations. He also reviewed some mechanisms in place, such as multi-year contract provisions and ability to use the Capital Reserve for major equipment failures if necessary. He explained the Operating reserve expectation in more detail as well, noting a possible \$25,000 balance at year-end as well.

The possibility of a cost-inflation-driven dues increase next year, if not this, was discussed, with general agreement that one may be likely.

Mr. Whitsitt said that Mr. Walthall could be right about inflation longer-term, and that things could be tight by the end of 2023, but that he did not see a solid reason today in the budget numbers to justify a dues increase.

Mr. Roberts provided an example of another lawn care company that will be holding down its price increases to 2-3% despite greater inflation.

Mrs. Brunskill said that she did not want to sign the EBWCA memo-to-Members newsletters anymore, as Board members have traditionally been asked to do when a final copy is available. She said she already gets “...so many emails from John Cannon asking me to go out of my way to do something to help a friend or this or that...” (a reference to a phishing issue Mr. Cannon had experienced). Mr. Whitsitt said that is fine, but that good practice is to have signatures on such communications because it signals engagement. “Do a computerized one or something”.

Mr Cannon explained that signatures on the Memo-to-Members are not tied to the phishing matter. It was agreed that at least some signatures will be by computer.

Mr. Cannon made a two-part motion to approve the proposed budget and to approve the newsletter notice to be sent to owners. Mr. Kleckner seconded. The motion was unanimously approved.

Election Improvement Project Update

Mrs. Brunskill had nothing to report and asked if Mr. Whitsitt did. He discussed with Mr. Cannon the processes for making changes that are listed in the not-yet-approved minutes of the September 26 Board meeting at which the list was approved.

Mr. Whitsitt reiterated his commitment to provide a further look at the research on changing from cumulative voting and, in answer to a question from Mr. Cannon, prepare a document on that and how to transition to two-year staggered Board terms, if approved by the EBWCA membership.

Mrs. Brunskill raised a mention in the yet-to-be-approved minutes from September 24th that owner Chuck Weyerhaeuser who attended the meeting had strongly argued for eliminating cumulative voting and that she had agreed. "Agreed with what?", she asked. Mr. Whitsitt said, "Doing away with cumulative voting." "I agreed with staggered terms." Multiple attendees said that they explicitly heard her agree with Mr. Weyerhaeuser, and that it was probably on the meeting recording. She said she didn't recall, and wasn't necessarily against it. Mr. Whitsitt said he was glad that someone else doesn't always remember what was said. Mrs. Brunskill concluded the discussion by saying, "Whatever we decide, I'm for it."

A potential timeline for announcing and considering potential changes - especially those requiring owner super-majority approval -- was discussed, with general agreement that it would be preferable to know what voting system and director terms would be in place for the 2023 Annual Meeting.

Design Review Matters

President Cannon began the discussion about the meeting the Board held with the Design Review Committee (DRC) on October 18 to explore with the members the numerous allegations - including by Mr. Walthall at the 2022 Annual Meeting - of improper DRC consideration and actions, and in particular a number by the DRC Chair, Dawn Underwood.

Mr Cannon said that, at the end of the meeting Mr. Walthall handed him a petition signed by those representing 16 properties, asking for the resignation of Chair Underwood.

Mr. Cannon noted that after the DRG meeting with the Board, all Board members and the DRC members had also received a letter about the meeting from Mrs. Brunskill.

He then opened that portion of the meeting for discussion, beginning with a request to Mrs. Brunskill. He said that he understood that she wanted something further, but that it was not clear what that was.

Mrs. Brunskill said that through that meeting, "...as Dawn was giving her side, anytime one of us interrupted you made sure we gave her the time to get through her presentation and you promised us we would have our time at the end. But we didn't have our time, John. You abruptly got up, said you had another meeting and you had to leave. We did not get any back-and-forth whatsoever. We came to no conclusion. I'm glad Dawn was able to get her side of the story out. That was important. But there is the other side of the story and that didn't get out. To me there was no resolution, no conclusion. If it's not the rules, if the team is in agreement on everything then why are we having the problem? There is a problem. It's not just me and Chris bringing this up. This is what people in the neighborhood are coming to us about. Now I need to report back to those people. I can't say anything. We did not accomplish anything in that meeting."

Mr. Cannon said that for himself, he thought there was time to ask questions and present. But, he said, he was completely open to more meetings with the DRC. He said that the purpose of the meeting was to respond to the many allegations made about the DRC. So, he said, the purpose of the meeting was to allow them to speak. He said that he thought it was very helpful

Mr. Cannon said that it was very disappointing to, at the end of the meeting, be handed a petition with signatures of Mrs. Brunskill and Mr. Walthall asking that Chair Underwood be removed from the DRC. "So, you had already made up your mind before you had even heard from Dawn and the Committee - which is very disappointing".

Mr. Cannon reiterated that he was fine with more meetings with the DRC. He said that if Mrs. Brunskill felt she had something she didn't say at the meeting, he would be happy to have more time to have that review. He said, however that it appears that Mr. Walthall "...and a few other members of the community have a personal axe to grind with Dawn, and this is the way it is manifesting itself." He again mentioned the signing of the petition before hearing from her, went on to talk about how it appeared that this is more about a battle between members of the community than about the substance of what happened.

Mrs. Brunskill claimed she didn't have anything against Dawn and talked about allegations made against herself and Mr. Walthall "... that were totally false". She said that they didn't have time to address them. She said allegations Dawn addressed came from other members of the community through herself and Mr. Walthall as their representatives. Mr. Walthall would later repeat that he had not written anything that he had presented to community members.

A very lengthy and intense discussion followed. It is perhaps best left to being transcribed for accuracy. But topics worth noting included how best to deal with making improvements in a volunteer organization, confrontation, conduct of people at the Annual Meeting and Board members, how to handle owner non-compliance with

design guidelines and the DRC's evaluation and responses to the Annual Meeting allegations and their eventual distribution. Other topics were more personal.

Toward the end of the meeting there was discussion of how DRC candidate vacancies in the future might be handled, and what qualifications and attributes that good candidates should have.

There was also discussion of the Board's meeting with the DRC on October 18. Both Mrs. Brunskill and Mr. Walthall questioned whether the meeting was valid and said that they would have the DRC allegation refutations reviewed.

That part of the meeting wrapped up with some comments about the benefit of moving forward with finding solutions to community issues and divisiveness.

There was then a brief update by Mr. Whitsitt on the Renschler water disposal matter and a general discussion of various implications of it.

Adjourn

The meeting was adjourned at approximately 8:10 PM following a motion by Mr. Cannon, seconded by Mr. Walthall and approved unanimously.

Submitted by Vice President and Secretary Bill Whitsitt.

Approved unanimously by the Board with agreed-upon changes at the regular Board meeting of 11/21/22.

A handwritten signature in blue ink, appearing to read "W. Walthall", followed by the date "11/22/22". The signature is written in a cursive style.