

Glenbrook Homeowners Association

Manager's Residence, 239 Old Highway 50, Glenbrook, Nevada

Saturday, September 28, 2019 10:00 a.m.

Fiscal Year 2019 4th Quarter Meeting Minutes of the GHOA Board of Directors

Board Members Present: Dick Stuart, Pete Jensen, Roger La Voie, and Nancy Nolan.

Board Members Present by Phone: Jack Diepenbrock and Tom Tornga.

Jonathan Fore was unable to attend.

Manager Jenny Clark and HOA attorney Jarrad Miller were present.

1. Call to Order, Roll Call of Board Members, and Announcements

With a quorum present, President Stuart called the meeting to order at 10:03 a.m.

President Stuart explained that the rental item on the agenda would be moved forward. He will make comments about the survey discussing the results and the direction the board is considering taking. He will then allow comments from members. He stated that as of this morning the redo of the survey question #10 resulted in 168 respondents with roughly a 1/3rd for 7 days, a 1/3rd for 28 days and 1/3rd for other. He shared the breakdown as follows: 4.17% for keeping rentals as is with allowing daily rentals, 7 days 33.93%, 14 days 15.48%, 21 days 1.79%, for 28 days 33.93% and for 30+ days 10.71%. President Stuart explained that Jack Deipenbrock recused himself on the rental issue several weeks ago and 6 board members would like to go out to the community for an advisory ballot which will offer two choices; 28 days and either 14 days or 7 days, the board will decide today on the questions in the advisory ballot. He further explained that Jarrad Miller, HOA legal counsel is here helping with advice on the rental issue.

Jarrad explained that he is suggesting the board use an advisory ballot. He explained that with Nevada Revised Statutes (NRS) 116 and the CC&R's this issue sits within the discretion of the board of directors to make a decision. He discussed that the board has made tireless efforts to poll the community and here both sides. He further explained that sending out for member vote is not required under NRS or the CC&R's and his advice without trying to change the procedures in place is to go with an advisory ballot advising the board where the community sits on these issues. The advisory ballot will be done in the same format as an amendment to the CC&R's and will be transparent sent to all members. The advisory ballot will be counted and collected and treated like an amendment to the CC&R's but it's an advisory ballot and the board will go with the majority on this issue because it has been so divisive. He further explained that the advisory ballot will essentially give two options one will be to permit transient commercial use meaning the HOA will permit rentals of less than 30 days under certain rules which will be listed for a certain duration and the other option is to prohibit transient commercial or rentals under 30 days and that will essentially decide this issue. There has been a lot of suggestion that potentially the option would be where you permit transient use for only 28 days that way there are still rules in place. His legal opinion is that the 28 days with rules will have no effect when you can rent for 30 days rather than 28 days and not be subject to the rental rules. His opinion is that the HOA would be incurring costs of setting up rules and putting them in place which is a waste of resources. He stated that the advisory ballot will be very simple, prohibit short-term rentals or you permit short-term rentals with stated rules.

Jarrad further explained that homeowners recently received the proposed rental rules and that those rules will go out with the advisory ballot once finalized. The other potential for the advisory ballot is having representatives from the pro short-term rentals and pro no short-term rentals present a one-page summary for each side and send both statements out with the advisory ballot. Under the law this issue is within the discretion of the board of directors and all the board is doing is setting up the framework to follow the wishes of the homeowners as a majority, that is how he anticipates the advisory ballot would work.

2. Members' Comments

President Stuart requested membership limit their rental discussion to one minute per member. He further explained that the board has held three meetings regarding the rental issue and with going out to membership with an advisory ballot should solve the issue.

Brad Forrester asked for clarification in that he heard an inconsistency in what President Stuart stated by going out to membership for whether they want 28 days, 7 or 14 days but on the other hand Jarrad stated either transient occupancy use is allowed or its not allowed.

President Stuart explained that he just received Jarrad's recommendation this morning. He interpreted Jarrad's recommendation that with 28 days then it's a paper tiger and people will rent for 30 days and therefore you've got no rules whatsoever. Jarrad's view is if you allow 28 days then you might as well ban short term rentals completely, it doesn't have any rules associated with it.

Roger La Voie asked if the vote would be 7/14 and 30? President Stuart stated no, either 7 day or 14 day with rental rules or ban short-term rentals, this is what counsel is suggesting.

Brad Forrester directed a question to Jarrad, he stated assuming banning transient occupancy use greater than 30 days then are we back to the grandfathering issue? Jarrad responded that with the grandfathering issue if you were to amend the CC&R's to prohibit short term rentals more than 30 days that's going to have no legal effect on those who purchased their properties at the time the CC&R's stated you can rent. If you altered the CC&R's to prohibit short term rentals you are looking years down the road for it to take effect as properties sell over time, but that is an entirely different issue. Brad asked if you can rent for greater than 30 days and would require a CC&R's amendment? Jarrad stated no, that would not require a CC&R change. Jarrad further explained that there are several great models in Nevada one is at Arrow Creek HOA in Reno, NV, they transient rentals are permitted and with that you don't have rental rules. Jarrad again explained that if you rented for 28 days with rules why not rent for 30 days without having to follow the rental rules. Brad added that he provided the board with a memo that he sent out to some of the community when they were urging people to vote on the revised question 10 asking for residents for their views and the impact on home values with vacation rentals. He explained that 96% of the 52 respondents believe that vacation rentals have a negative impact on home values. He stated this is very important to note.

Sharon Bowman thanked the board for spending a huge amount of time on special meetings on the rental issue and the transparency has been wonderful. She wants members to realize how much time the board has devoted since the issue was first brought up in June.

Sydney Morrow explained that she believes there is a big difference between 7 and 14 days but she and her husband are in favor of the 28 days. They live on Dirigo Court and there are a couple of rental homes on her street and 7 day rentals allow very low prices to be set and a large amount of people can come in and possibly surround her home. She explained that currently two homes on her street are up for sale and at least with 14 days and rental rules there is less turnover, but she is not sure how rules can be enforced. She is concerned with the South Meadow property renting on the internet for \$150 a day.

President Stuart echoed why the board considered 14 days not 7 days however the survey does not support that, 14 days had 15.48% support, 28 days 33.9% and 7 days 33.9% so the attorney suggested how the board might resolve.

Charlene Meenan wanted to commend Jenny, Jim, Jose and the entire board for how hard they worked this year and that they are doing a terrific job.

Claude Hutchison explained that he is speaking as an individual but added that he is also the President of the GCTA which includes 133 Cottage and Townhome owners. He stated that if you visited from another planet and listened to the characterizations of renters you would think this were a third world country and all hell broke loose. He stated that he rents his home and looked at the profile of whom he rents his home to and it's like looking in the mirror, it reflects the community and friends. He further explained that a 7 day minimum is appropriate and he is not in favor of daily rentals. He said he has owned his Glenbrook house for 40 years and bought during construction in 1979. He urges the board not to throw the baby out with the bath water, this is not single-family residence with people packed in. He urged the board to be courageous and don't be swayed by emotions and over exaggerations. He further stated that as an individual he urges the board to go with 7 days with rules and not paint every rental with the same brush.

Margaret Leavit explained that she is a homeowner with her siblings and has been coming to Glenbrook for over 50 years and her parents rented before they purchased. She has been a renter and rents out her unit. She agrees that in the era of on-line rentals GHOA needs responsible regulations and rental programs, she supports and applauds the boards efforts in spending a tremendous amount of time in developing the draft rules. She further explained that her family does not agree with a 14 day minimum. They have been provided with no basis for drawing a distinction from two families renting for 7 days and one family renting for 14 days, with the draft rules in place there can be no additional negative impact from two families each renting for 7 days. The families renting for 7 days add to the same number of people to Glenbrook population that week as their family would if they were using their home that week. All but one or two of the families who rent their home choose to come to Glenbrook for one week and those are families who come year after year and some of them are known to their family and some families they have introduced to Glenbrook. Requiring a 14 day minimum would deny those families that opportunity and deny her family the exercise of their reasonable rights as responsible homeowners. She stated that they have not been apprised of any negative impact from 14 day minimum as opposed to a 7 day minimum. Margaret strongly urged the board to reconsider the 14 day minimum and draft rule number #1 and vote for the 7 day.

President Stuart announced that agenda item 11. Review/Approve Rental Rule Policies will be moved up for discussion at this time.

11. Review/Approve Rental Rule Policies

President Stuart asked Jarrad if there should be two choices on the advisory ballot, choice 1: 7 days or 28 day and choice 2: 14 days or 28 days. Jarrad advised the board that they should possibly consider not offering 28 days as explained earlier in the meeting. He suggested banning short term rentals or 7 day minimum or a 14 day minimum. He further suggested a two-part vote. He explained that the survey shows the community is more inclined to go with short term rentals and this matter should be handled with an advisory ballot. He explained the decision would be to permit transient commercial use or not permit transient commercial use; with permitting transient use you would designate the duration. It's at the discretion of board and he recommends putting 7 day and 14 day to choose from for short term rentals in the advisory ballot.

President Stuart restated Jarrad's recommendation, two choices Question 1: allow short term rentals (7/14) and no short-term rentals; Question #2 choose between 7 and 14. Jarrad added that Question #3 effectively, first advise no short term or short term with rules then second question additional if short term rentals are permitted 7 or 14. And members select between the two.

Roger La Voice agreed with what Jarrad recommended.

Nancy Nolan agreed with what Jarrad recommended.

Pete not sure until the advisory ballot comes back thinks 28 day should be on the advisory ballot as well.

President Stuart explained that 7 day and 14 day would be on the advisory ballot and no short-term rentals rather than the 28 day that Pete suggested. Jarrad recommended a way to choose between 7 day and 14 day. Pete agreed.

Tom Tonga agrees with Jarrad.

Jack Diepenbrock abstained.

Jarrad recommended the following: advisory ballot to members with first questions - no short-term rentals or short-term rentals and rules attached, if short term rentals are permitted should it be 7 or 14 days.

MOTION: To approve Jarrad's recommendation.

In Favor: Stuart, Nolan, Jensen, Tonga, La Voice

Abstain: Degeneracy

Further Discussion:

President Stuart asked about the mechanics of getting the ballot out and what timeframe to get it out to the membership. Jarrad agreed to draft the advisory ballot and research the timing. He stated since the advisory ballot is not dictated by the rules of the association he recommended to the board that in order to avoid arguments as to whether it is or isn't proper or if the rules would be followed the advisory ballot is sent out the same method as if amending the CC&R's then there is no question of transparency. Nancy Nolan recommended using McClintock Accountancy to receive and count the advisory ballots. President Stuart asked Jarrad how much time the board must get the advisory ballot out. Jarrad responded that he will need to look at bylaws and what is required. Jarrad reminded the Board that they have full discretion to make the rental decision, but it makes sense to put out for advisory vote. Jarrad recommends following the same process as amending the CC&R's and in accordance to NRS 116.

Roger La Voie suggested including a letter from the pro short-term rental group and the pro no short-term rental group with the advisory ballot and send in simplistic form. President Stuart suggested delegating to the Management Committee and collect two independent representatives to write the letters suggested by Roger. President Stuart asked for volunteers Brad Forrester in which he agreed and Ian Peterson who was not present would be contacted by Claude Hutchison.

Jarrad discussed that on the advisory ballot there would be one choice or the other against rentals or if pro-rental, if pro-rental there would be a choice of 7 or 14.

Brad Forrester explained that this idea because someone doesn't believe that we have short term rentals to say that they shouldn't have a voice on whether there are short term rentals and the duration seems unfair. Claude Hutchison stated that he refutes that statement and vote no vote no and not going to double team and vote for the longer of the two choices. Jarrad explained that this is just a method of getting to what the board believes the community wants, there are no procedural rules regarding fairness here, in submitting these two-

opposing positions in connection with the advisory ballot, it's just that an advisory ballot and you do the best you can. He believes the board has gone above and beyond to make this as transparent and fair as possible. President Stuart stated that the board will abide by the results and have to be fair in doing it.

The board discussed the Executive Committee implementing the ballot process; mailing to owners, return mail to the auditors, auditor counting, and reporting to the Board. The final advisory ballot and the advisory ballot plan will be sent to the board for their review for errors and thoroughness before implementation.

MOTION: Delegate the mechanics of getting the ballot out to the community to the Executive Committee with the boards final review.

In Favor: Stuart, Nolan, Jensen, Tonga, La Voice

Abstain: Diepenbrock

President Stuart discussed two more issues regarding what the rental law states as far as justification for fees charged on short term rentals. Nancy Nolan and the Rental Committee have already expressed concerns whether \$500 per rental is the right amount. Nancy explained that the committee came up with \$500 originally assuming a number of expenses of costs to GHOA. She further stated that GHOA does not want to be in the rental business and does not want to be the ones to register renters, profile and collect the money. This needs to be a separate individual who is responsible for performing the rental duties. Never in the history of Glenbrook HOA have they charged for anything rental related, the HOA office is too busy with day to day member related duties. She explained that with managing rentals they are hoping to compensate GHOA for some of the time spent dealing with rentals. The committee believes that \$250 or \$300 is fair and justifiable. President Stuart asked for the committee to justify the breakdown of those costs and to satisfy the legal requirements.

President Stuart explained that this week Jarrad provided three detailed letters to the board in which he recommended significant changes to the rental fees, terms of the local rental office and who would be the agent to perform the bulk of the work. Nancy explained that the assumption with some would be that Kevin Kjer would have exclusive rights. However, the committee considered a licensed rental agent who is willing to acknowledge GHOA rules and will do what's required for rentals. Jarrad explained that the rules can be loosened up for more options as to not create a monopoly. He continued explaining that the committee needs to justify the rental fee based on actually rental fees and suggestions on refining definitions to better explain who is a qualified renter representative. He further stated that the board has full discretion to change the rental rules as needed.

Tom Tornga suggested the board contracting out for rental representatives. No one exclusivity that way. Nancy explained that was the original intent.

Nancy Nolan thanked the membership for their support and letters, the board appreciates the input.

3. Approval of Board Minutes for Approval of Board Minutes for May 28, 2019 Special Meeting Minutes, June 29, 2019 Board Meeting Minutes, and July 19, 2019 Special Meeting Minutes.

MOTION: To approve the Board Minutes as presented for May 28, 2019 Special Meeting Minutes, June 29, 2019 Board Meeting Minutes, and July 19, 2019 Special Meeting Minutes.

Motion passed unanimously.

4. Manager's Report

A. Community Security Matter

Manager Clark explained that the owner specific gate codes will be issued to the community in the next few weeks.

B. Dirigo Court Pathway to Glenbrook Club

Manager Clark read an update from Matt Setty with NVENV, in the update Matt explained that this challenging project has not progressed to the degree desired this season. NVENV needs to produce a new alignment that does not proposal a shared roadway on the west end. Mr. Kingman is not interested in any type of use agreement or easement across his property. Therefore, if this project proceeds, it requires additional encroachment on the Golf Course property between the maintenance yard and the Kingman tennis court parcel. Removal of the path from Kingman's parcels will also require a slight realignment to the east (north) and of the pathway where it abuts the Deane parcel on the Dirigo Court end.

To date NVENV has not expended funds on this project beyond an initial mapping effort. They are working on assembling a new alignment on the east and west ends of the project. A second project memo is due to GHOA and Golf Course stakeholders.

C. Smart Sensors for Irrigation

Manager Clark read an update from Matt Setty with NVENV, in the update he explained that the Ewing irrigation proposal is included in the board packet. Matt explained that the Ewing proposal covers full system assessment, wiring, management of implementation, and system control. His goal is to have conduit installed this fall and the water sensors installed 2020 spring.

D. Roadway Repairs and Sealcoat

Manager Clark explained that a request for proposal is being prepared for slurry seal work to be conducted in the spring of 2020. President Stuart directed Management to hire Lumos Engineers to provide an updated roadway report.

E. Cemetery Repairs

Manager Clark explained that proposals will be submitted in the spring and the Historical Society will share in the repairs cost.

5. Meadows/Fire Safety Report from Committee

Conrad Wright reported the following: Earlier this year the GHOA Board engaged in a \$66,000 contract with Conrad's and Matt Setty to do a major aerial fire risk assessment and mitigation study on all of Glenbrook. When completed this will make Glenbrook into the best informed and prepared community from a fire-risk standpoint in the entire Tahoe basin.

NVENV will be proving the Fire Safety Committee a proposal for consideration to develop the Firewise Application packet for the Glenbrook Community using the aerial fire risk data, past and future fuels work plans and field assessments. The outcome of this proposal, if accepted will be a Firewise Certification for the community or a subset of the community.

Firewise is a fire risk reduction program administered by the National Fire Prevention Association (NFPA), a non-profit, national organization directed at establishing criteria for fire risk and public safety.

Reported by Roger La Voie

Current Status of Slaughterhouse and other meadow/forest projects:

First an issue with the TDF / GHOA related grants. When John Pickett left the TDF a few months ago, one of his responsibilities had been to seek and maintain grants. When he left this job, it was turned over to Keegan Schaefer, Head of TDF Fire Crew. After a couple of months Keegan discovered that John had not maintained required paperwork to keep the grant money flowing.

There were initially 2 pots of grant money that had been earmarked to GHOA. The largest was \$300k and was from the US Forest Service and was referred to as the Halo Fund. John and Keegan had been employing that for all the handwork around the halo. When Matt started work here initially, \$100,000 was gone and \$200,000 remained. The last that Matt and GHOA heard earlier this year was that \$110,000 remained. The money from the grant was always paid directly to TDF and did not come to GHOA. While GHOA is the ultimate recipient, the HOA has never been involved in receiving cash then in turn paying it out. TDF has never provided the committee or GHOA with any detail unless asked.

Recently, the grant money stopped flowing to TDF; and that is when they discovered an internal problem. Fortunately for GHOA they have continued their work on the halo, but TDF is temporarily financing it from their own internal funds; while awaiting the re-starting of the USFS grant funds.

TDF has always worked off of the halo grant, they used the remainder of that this year, or are near the remainder. A second grant which I believe was provided by the NV Department of Forestry was for \$100,000. Of that \$70,000 went toward fire prevention work within Slaughterhouse. \$18,000 went to NVENV for stacking and supporting Keegan's fire crew on last year's controlled burns. And, an additional \$52,000 went directly to TDF and GHOA supplied an additional \$23,000.

The GHOA Board approved \$23,000 to be used on the project. To date about \$14,420 has been expended from this budget. This paid for the erosion protection (wattles), stream realignment, and associated environmental protection measures related to the lower meadow. The balance (-\$8,580) of this budget is expected to be invoiced by the end of November for work in preparation of a fall re-burn of the remaining debris and pre-winter seed application.

NVENV is aware that there are lots of grants available for fire safety projects. But, following the rash of deadly wildfires, obtaining such grants is getting much more competitive. Matt is familiar with a grant writer, Lynn Nolan, who is soon retiring from a grant writing position in South Lake Tahoe. For 16 years she has been the Grant Coordinator for the South Tahoe Public Utility District. Matt has discussed with her the possibility of hiring her to work with GHOA and TDF as a part-time consultant when she retires. She could help us identifying all the potential grants; then routing them through TDF for the benefit of GHOA. GHOA would be the recipient and TDF a beneficiary. Matt is going to send the committee a listing of all the potential grants that are available.

Matt has met with Keegan and initiated a conversation on how they can cooperatively pursue and obtain grant funding for Glenbrook. This will be an on-going discussion and Matt will report back to the committee from time to time on the status of new grants and applications efforts.

Important to know that Conrad's work on fire assessment and mitigation will help with future grants. Ironically, grants are not available for his work per-se; but they can lead to getting grants to do the work physical prevention work that his study brings to light.

This shortage of funds partly explains why the area northeast of Land's End hasn't yet begun. TDF has been gearing up for a busy, expensive fire season. Fortunately, it hasn't materialized; but October tends to be the worst.

Need to soon get rid of heavy brush between Land's End and China Basin Beach. Matt has been using a new rotary musher. He mowed walkways near Ruvo's property. Keegan will be coming in where the asphalt path crosses the creek. They will hand place rocks in that area and adding a footbridge there. Also working on Lot N off Yerington Park.

More work will be done in Slaughterhouse in October: Re-stacking, rototilling, BMPs on the Creek, re-seeding blend of native grasses, etc. Needs to be done soon, ahead of potential winter storms. There was so much snow this year that it was impossible to do planting in the spring. GHOA will pay. Also, will employ a cable truck with a 300' winch to be used for mastication. Smaller piles will be merged into much larger central piles. Then another controlled burn in November as was done last November. Will of course be wind/weather dependent. Will begin stacking in a week, giving enough time to dry. More willows are coming up in the area west of Land's End and will use Garlon, a chemical product to kill them thru spot spraying. Already getting nice growth from good, natural grasses, the type that were already there.

From Land's End Road to Georgia Fulstone's house in China Garden, NVENV needs foliage removed soon.

The single highest risk area in GHOA is Old Hwy 50 and between state forest and the Manager's home and office. And if fire came in there, could be a wick for rest of Glenbrook, \$25,000 - \$30,000 is needed there. Last year the state forest service went all the way down Old Highway 50 from Spooner Lake to our property line removing hundreds of trees and you now see them stacked for over a mile along the road.

NVENV widened the hiking trail along Glenbrook Creek and a 2nd one has been completed on the other side by Ruvo's. It starts by the north side of Short Rd, and Matt is trying to get approval from Ruvo for the trail to extend toward the Lake, so it is not simply a dead end or a 1 way path.

The board requested Treasurer Nolan and Manager Clark research how much is available in the fire safety reserve account in order to complete the Slaughterhouse Meadow project.

6. Financial Reporting/Financial Matters

A. Review of Operating and Reserve Accounts

B. Review of Bank Account Balances/Institutions/FDIC Coverage & Terms

MOTION: To accept all operating accounts, reserve accounts, bank statements, monthly financials statements and other financial documents for June 30, 2019, July 31, 2019 and August 31, 2019 that are required to be reviewed by the Board of Directors pursuant to relevant Nevada law, were provided to the Board Members prior to the meeting for their review.

Motion passed unanimously.

C. Status of Assessment Payment Delinquencies

President Stuart tabled for Executive Session.

D. Contract Audit Assistance

MOTION: To approve McClintock Accountancy Corporation for the fiscal year 2019 audit.

Motion passed unanimously.

7. Appointment of Board Officers for Fiscal Year 2019

Nancy Nolan recommended the following slate of officers:

Dick Stuart, President; Pete Jensen, Vice President; Nancy Nolan, Treasurer; Roger La Voie, Secretary; Tom Tornga, Director; Jack Diepenbrock, Director, and Jonathan Fore, Director.

**MOTION: To approve the above-mentioned slate of officers.
Motion passed unanimously.**

8. Designation of Committee and Committee Chairs

MOTION: The following persons are named as officers of the Association for Fiscal Year 2020, and are authorized and directed to establish or re-establish the Committees as set forth below; further, the persons identified as Chairpersons or Co-Chairpersons and members of the respective Committees are hereby duly appointed for the Fiscal Year 2020;

Management Committee – Dick Stuart, Pete Jensen, and Nancy Nolan

Design Review Committee – Chairman, Anton Walden, Primary’s Joe Miller and Phil Atkins-Pattinson;

Meadows/Environmental/Fire Safety Committee – Roger La Voie as Chairman, Larry Tietig, Sonia

Rupp, John Hoeffler, Peyton Bolten, Phil Atkins-Pattinson and Anton Walden;

Cemetery Committee – Garrett Sutton, Chairman

Motion passed unanimously.

9. Review/Approve Management and Maintenance Contracts

The Board reviewed the 2019/2020 IPM Management and Maintenance Contracts.

MOTION: To approve the annual IPM Management contract for \$170,910.00 and the annual Maintenance contract billed at \$45.00 per hour.

Motion passed unanimously.

10. Review/Approve Snow Removal Contract Proposal

The board reviewed the proposed contract from NVENV.

MOTION: To approve the Snow Removal Contract with Nevada Environmental Consulting, LLC for \$56,250.

Motion passed unanimously.

12. Review/Approve Enforcement Officer Contract

Table until next board meeting.

13. Correspondence Items

The Board reviewed email correspondence provided in their board packets.

14. Other Matters

Nothing brought forth at this time.

15. Members’ Comments

Charlene Meenan explained that Real Estate Agents are not allowed to perform Property Management services such as manage rental properties.

Candy Levien explained that some of the trees behind her Townhome are in jeopardy of falling due to short root systems and they should be inspected. One large tree fell over near her unit.

Georgia Fulstone explained that the historical waterway at China Garden needs to be cleaned out.

16. Executive Session Meeting closed pursuant to NRS 116.31085-3.
Closed session.

17. Adjournment
President Stuart adjourned the meeting at 12:35 p.m.