

MINUTES
TAHOE DONNER ASSOCIATION
REGULAR BOARD OF DIRECTORS MEETING

November 12, 2016
Northwoods Clubhouse
9:00 a.m.

A regularly scheduled meeting of the Board of Directors of Tahoe Donner Association was held at the Northwoods Clubhouse 11509 Northwoods Blvd., Truckee, California on Saturday, November 12, 2016. President Jeff Bonzon called the meeting to order at 9:00 a.m. The following Directors were in attendance, thus constituting a quorum of the authorized number of Directors of the Association:

Directors Present: Jeff Bonzon, President
Ron Wulff, Vice President
Steve Miller, Treasurer
Jeff Schwerdtfeger, Secretary
Darius Brooks, Director

Directors Absent: Director Ron Wulff left the Board Meeting at 12:05 p.m.

Staff Present: Robb Etnyre, General Manager
Forrest Huisman, Director of Capital Projects
Miguel Sloane, Director of Operations
Mike Salmon, Director of Finance & Accounting
Annie Rosenfeld, Director of Facilities & Risk
Brinn Talbot, Director of Marketing
Megan Rodman, Recording Secretary and Executive Assistant

I. CALL TO ORDER 00:23
1st Half

DISCUSSION: SOCIAL MEDIA UPDATE 01:45
1st Half

Brinn Talbot, Director of Marketing, presented to the Board and to the membership a summary of comments and activity across all Tahoe Donner social media platforms and on Next Door as an additional way to stay abreast of emerging issues among the membership.

The most common topics this month were:

- Garbage Service issues regarding the 28-foot rule

- Speeding issues in Tahoe Donner
- Proposition 64, and the legalization of recreational marijuana use in California

Brinn Talbot also reported on Board meeting video recording statistics, providing a brief overview of what is being tracked, total video viewings, and other general information.

II.

MEMBER & DIRECTOR COMMENTS

10:34
1st Half

Board President, Jeff Bonzon, recognized members to comment on agenda items as they occurred. But, opened the meeting addressing the following topics that were not on the agenda but perceived as important to address and potential items to be placed on future board meeting agendas.

- Board President, Jeff Bonzon notified members that this particular Board meeting was being recorded live, and that all future Board meetings will be recorded live as well. Director Bonzon also mentioned that The Nature Conservancy and the Truckee Donner Land Trust, who are working together to protect Carpenter Valley, will be hosting a reception on Tuesday, November 15, 2016 from 5:00 – 7:00 p.m. in Los Altos, CA to continue fundraising efforts. As well, Director Bonzon also reminded Committee Chairs and Committee members of the Committee Member Appreciation Night on Saturday, November 12, 2016 from 5:00 – 7:00 p.m. hosted by the Board of Directors to recognize and thank all Tahoe Donner committee volunteers.
- Other member comments were regarding taking live Board meeting recordings a step further, to allow active, non-present, membership participation, and comments on Agenda Item I – Board Member Amenity Access Policy, were held for discussion later on in the meeting.

Members may submit additional comments by email to the Board at board@tahoedonner.com.

III.

A. ACTION: APPROVAL OF MINUTES

19:36
1st Half

The Board received the preliminary minutes of the following for consideration:

- October 7, 2016 Regular Meeting Minutes

Director Steve Miller moved and Director Darius Brooks seconded to approve the meeting minutes as presented. Motion passed: 5 – 0 .

IV.

**B. DISCUSSION: COMMITTEE MANAGEMENT
(Committee Chairs)**

20:04
1st Half

- **Architectural Standards** – The Board was provided with the committee’s September 14, September 28 and October 12, 2016 meeting minutes.
 - Rod Whitten, Chairman of the Architectural Standards Committee, reported that things are slowing down, not as many new projects are being presented. On the Consent Calendar, the committee is asking for the Board

to approve Nick Sonder as a new member for the Architectural Standards Committee.

- **Covenants** – The Board was provided with the committee’s September 8 and October 13, 2016 meeting minutes.
- **Election** – No report.
- **Finance** – The Board was provided with the committee’s October 13, 2016 meeting minutes.
 - Jeff Bonzon, Board liaison to the Finance Committee, spoke on behalf of Art King, Chairman of the Finance Committee, and reported that three firms are preliminarily being considered by the Finance subcommittee on this topic to help conduct compensation studies for the top five highest paid positions at Tahoe Donner. Completion of the compensation study is currently set for March 2017.
- **General Plan (GPC)** – The Board was provided with the committee’s October 3 and November 7, 2016 meeting minutes and with committee’s 2016 Capital Projects at a Glance report.
 - Michael Sullivan, Chairman of the General Plan Committee, reported that the Trout Creek Locker Room Remodel is moving forward. The Mailbox Cluster project has been assigned a subcommittee, and concerns on how to actually tackle the issue, has led for the project to still be under discussion. Finally, work on the Downhill Ski Area study has been placed on hold until an Association Master Plan is received.
- **Tahoe Donner Giving Fund Committee** – The Board was provided with the committee’s October 3, 2016 meeting minutes and with the committee’s Long Term Strategic Plan.
 - Richard Gander, Chairman of the Tahoe Donner Giving Fund Committee, reported that the committee has started a new giving campaign, Tahoe Donner Cares, to connect fellow Tahoe Donner homeowners and residents to the committee’s mission to do good in the community. Tahoe Donner Cares will include a full complement of marketing materials, a specific plan of promotion, a year-round calendar of awareness-raising events, and an annual fund raiser. If just 15% of the homeowners contributed \$100 per year, the committee could grant \$100,000 to numerous local organizations. The committee also is currently looking for more volunteers to fill out the committee roster, should anyone be interested, please contact Richard Gander at RWGander@yahoo.com.

V. C. **DISCUSSION: COMMITTEE ROSTERS AND COMMITTEE GOALS** 40:43
1st Half

The Board was provided with updated committee rosters from each of the chartered Tahoe Donner Committees that reflect updated member terms. The Board asked Committee Chairs to continue their efforts to update each of their individual committee rosters, as well as updating their committee's goals for 2017.

VI. D. **ACTION: CONSENT CALENDAR** 42:03
1st Half

The Board was provided with the following for consideration:

- Conversion of Architectural Standards Office property files to digital files
- Resignation of Jewlez Vaio from the Covenants Committee
- Appointment of Nick Sonder as a new alternate member to the Architectural Standards Committee

Following discussion, Director Ron Wulff moved and Director Steve Miller seconded to approve the Consent Calendar items as presented. Motion passed: 5 – 0 .

The following Consent Calendar items were pulled from the original Consent Calendar and were reviewed further before being voted upon by the Board of Directors.

- **Downhill Ski Area Maintenance Work Truck**

Following discussion of the Downhill Ski Area Maintenance Work Truck, Director Jeff Schwerdtfeger moved and Director Steve Miller seconded Option 1 of the Decision Paper, as presented. Motion passed: 5 – 0 .

- **Investment Broker addition (Eaton Vance)**

- Director Steve Miller, asked for further clarification on why an additional investment Broker was being recommended, if investing Association money in short term bonds was appropriate, and what investigation was conducted when seeking out this new Broker.
- Michael Salmon, Director of Finance and Accounting, informed the Board that the Association currently utilizes two investment brokerage firms – Stifel, Nicolaus & Company and Wells Fargo Investments. In an effort to potentially improve investment yields and diversify investment holdings, a managed funds investment Broker, and multiple managed funds Brokers were interviewed, Eaton Vance, being recommended out of the selection, to be added as an Investment Broker. The Finance Committee has reviewed and approved Eaton Vance as an additional Broker, with managed funds up to \$3,000,000, a brokerage fee no greater than 0.48%, and all funds invested in accordance with the Investment Policy of the Association.

Following discussion, Director Ron Wulff moved and Director Darius Brooks seconded to approve adding Eaton Vance as a new Investment Broker, Option A of the Decision Paper, as presented. Motion passed: 5 – 0 .

VII. E. DISCUSSION: COVERAGE CALCULATION POLICY

1:00:10
1st Half

Rod Whitten, Chairman of the Architectural Standards Committee, reported that implementation and enforcement of the rules on coverage have evolved in an unrecorded manner to meet changes both in building practices and building materials, as well as constantly changing building codes. Therefore, the Architectural Standards Committee has decided to review and modify Coverage in the context of the current effort to update, clarify, and simplify the Rules and Maintenance standards.

Coverage calculations are required with any submission where structures or other materials will be covering previously natural ground surface. As such, the Architectural Standards committee established three categories of materials/elements with respect to coverage.

1. Those items that did not count as coverage.
2. Those items that had a reduced percentage of coverage.
3. Those items that counted as 100% coverage.

The Architectural Standards Committee recommends that the presented Policy Paper, be published in the next issue of the Tahoe Donner magazine to inform and educate homeowners and other interested parties of the change in coverage calculation standards. Additionally, the Committee is recommending creation of a brochure similar to the Building Envelope brochure on this topic. The Board agreed by consensus with the Architectural Standards Committee's decision to publish the Coverage Calculation Policy in the next issue of the Tahoe Donner magazine and with creating a brochure.

VIII. F. ACTION: DIRECTOR OF FINANCE & ACCOUNTING REPORT

1:07:00
1st Half

(Director of Finance & Accounting, Mike Salmon)

The Board was provided with the 2016 September Financials report by Mike Salmon, Director of Finance and Accounting.

• **2016 September Financials**

- The month financials for the Association indicate that net operating results for the month was a loss of \$560,000, which was favorable to budget by \$101,000. The month of September operating revenues of \$825,000 were \$139,000 favorable to budget and total expenses of \$1,385,000 were \$38,000 unfavorable to budget. Compared to last year same month, revenues are up \$64,000 and NOR is unfavorable by \$94,000.
- Year to date financials for the Association indicate that net operating results for the month was a loss of (\$2,968,000) which was favorable to budget by \$1,914,000. Year to date operating revenues of \$10,537,000 were \$2,857,000 favorable to budget and total expenses of \$13,506,000 were \$944,000 unfavorable to budget. Compared to year to date last year, revenues are up \$4,198,000 and NOR is favorable \$1,290,000.
- Member's Equity as of September 30, 2016 is \$3,868,000, which exceeds our Policy Peg Balance of \$920,000.

XI. H. **DISCUSSION: CALIFORNIA PROPOSITION 64, MARIJUANA LEGALIZATION**

1:53:35
1st Half

Annie Rosenfeld, Director of Facilities and Risk Management, notified the Board that while Proposition 64, legalizing recreational use of marijuana in California, passed on November 8, 2016, the Tahoe Donner Association is still a Drug Free Workplace, and smoking prohibition for all Tahoe Donner Common Area Facilities is still in effect. Key points of the Adult Use of Marijuana Act, “AUMA”, include:

- Personal Nonmedical Marijuana Use – legal for persons 21 years of age or older to use and possess nonmedical marijuana
- Commercial Nonmedical Marijuana Activity – California will have a state regulatory system that will govern the industry from “seed to sale”
- Licensing – allows nonmedical marijuana businesses licensed by the state to operate within city limits, unless the city’s municipal code prohibits the use of marijuana
- Personal, Indoor Cultivation – local governments can regulate indoor cultivation of up to six plants for personal use, cannot be banned
- Personal, Outdoor Cultivation – local governments can prohibit all outdoor cultivation, outdoor plants must be in locked enclosures and out of public views
- Taxation – new state taxes on medical and nonmedical marijuana will be imposed
- Deliveries – deliveries can be made by a state-licensed retailer, microbusiness, or nonprofit, unless prohibited by local ordinance
- Nonmedical Marijuana Businesses – cities may ban, adopt business regulations, or adopt land use regulations pertaining to any recognized marijuana business

Regarding private properties in Tahoe Donner, the Association’s Covenants, Conditions and Restrictions (CC&R’s) provide for minimum standards and behavior expectations of property owners. These standards include (1) noxious activity, and (2) business activity.

1. Noxious Activity

“No illegal, noxious or offensive activities shall be carried out or conducted upon any Lot or Common Area nor shall anything be done within the Properties which is or could become an unreasonable annoyance or nuisance to neighboring property Owners. Without limiting the foregoing, no Owner shall permit noise, including, but not limited to barking dogs...to emanate from an Owner’s Lot or from activities within the Common Area, which would unreasonably disturb any other Owner’s or tenant’s enjoyment of his or her Lot or the Common Area.” (CC&R’s Article VIII, Section 1, c).

2. Business Activity

Tahoe Donner governing documents provide restrictions on business activities as follows: “No business or commercial activities of any kind shall be conducted in any Residence, Condominium or outbuilding or any other portion of any residential or multiple family residential lot if those activities involve any of the following:

- exterior advertising
- increased traffic or parking

- more than insignificant number of deliveries of goods or other commercial materials
- visible storage of goods or other commercial materials
- excessive noise”
(CC&R’s Article VIII, Section 1, f).

Grow complaints, regarding gardens and nurseries, there is no prohibition against, so long as any structure relating complies with other existing rules and regulations. However, any greenhouses and any other exterior modification or lot improvement, must be approved by the Architectural Standards Committee.

If any homeowner should have a complaint, complaints are processed through written procedures as defined under the Architectural Standards and Covenants Rules respectively. In addition, an article will be published in the next Tahoe Donner News to fully describe what the passing of Proposition 64 means for the Tahoe Donner Association community.

XII. I. DISCUSSION: BOARD OF DIRECTORS AMENITY ACCESS POLICY 2:24:30
1st Half

The Board of Directors is looking to create an official policy resolution that would document what privileges and/or perks active Board members are to receive during their terms in office. Currently, as stated in the Association Governing Documents, Article VIII, Section 10 of the Bylaws titled “Compensation”: “Directors, officers and members of committees shall not be entitled to monetary compensation for their services as such. However, this limitation on compensation shall not preclude a director, officer, or committee member from being reimbursed for such actual expenses incurred by the director in the performance of his or her duties as may be determined by resolution of the Board of Directors to be just and reasonable. Expenses for which reimbursement is sought shall be supported by a proper receipt or invoice. Directors shall also be entitled to reasonable Common Facility user privileges without the usual fees or charges in order to promote the circulation and visibility of directors within the community and to encourage their awareness of the condition of Association properties and the concerns of Member users.”

Following discussion, the Board agreed to create a resolution outlining what types of privileges are appropriate for active Board members to receive, at no additional cost to the Association, in order for the Board to perform their duties in order to promote the circulation and visibility of directors within the community to encouraging awareness of the condition of the Association and to address membership concerns. No monetary compensation, discounts on food, beverages or retail, or extended privileges to Board Director family members, guests or emeritus Board Directors, will be given and/or included in the creation of an official Board of Directors Association Amenity Access Resolution.

XIII. J. ACTION: GOLDMINE SOFTWARE 2:47:46
1st Half

The Goldmine Customer Relation Management (CRM) software utilized by Architectural Standards and Forestry departments needs to be replaced with a community development

software. The limitations of a CRM software for the use in both departments requires much of the work to be performed manually, which has become inefficient. As such, Management began reviewing needs of the departments, as well as the Architectural Standards and Covenants Committees to perform their work for the Association. In tandem with this analysis, membership feedback and demand for electronic processing of improvement projects was raised, as well as improvement communications with these departments. After completing the needs analysis, management concluded that there is a need for a community development software to replace Goldmine. Thus, Management recommends the Board of Directors consider approving the replacement of Goldmine CRM software in 2016 with Lama Solution utilizing Replacement Reserve Funds with a not-to-exceed budget of \$75,000.

Following discussion, Director Darius Brooks moved and Director Jeff Schwerdtfeger seconded to approve Option 1 of the Decision Paper, as presented. Motion passed: 5 – 0.

CLOSED SESSION

XIV. EXEC. EXECUTIVE SESSION AND LUNCH 3:02:20
1st Half

The Board adjourned to Executive Session at 12:02 p.m.

Director Darius Brooks moved and Jeff Bonzon seconded to adjourn to Executive Session at 12:02 p.m. Motion passed: 5 – 0.

Director Ron Wulff left the Board Meeting at 12:05 p.m.

XV. APPEAL HEARING

The Board reconvened to an Appeal Hearing at 1:00 p.m.

OPEN SESSION

The Board reconvened to Open Session at 2:02 p.m.

XVI. EXEC. EXECUTIVE SESSION REPORT 01:05
2nd Half

Board Secretary, Jeff Schwerdtfeger reported that the Board met in Executive Session today to hear two Appeal Hearings.

XVII. K. DISCUSSION: NONRESIDENT VOTING IN TRUCKEE 01:30
2nd Half

Director Brooks lead the board in the following discussion with regard to nonresident voting in Truckee. The Tahoe Donner Association was founded in 1971 and operated independently until 1993, when residents voted to create the Town of Truckee by combining the areas of Historic Downtown Truckee with the surrounding neighborhoods of Gateway, Donner Lake, Tahoe Donner, Glenshire, Prosser Lake View, and Sierra Meadows. While Tahoe Donner is one of America’s largest homeowner associations, approximately 83% of the nonresident members’ are unable to participate in Truckee

municipal elections related to taxation or political representation, due to the fact that a person can only be registered to vote in one county. As such, most second homeowners, opt out of voting in Truckee, to vote in the county in which they permanently reside. The Board continued to discuss what options are available to grant nonresident property owners in Tahoe Donner the ability to participate in the Town of Truckee municipal elections. Director Brooks pointed out a civil rights case similar to this topic, *May v. Town of Mountain Village*, in which the United States Court of Appeals, Tenth Circuit, determined that “it [was] clear that the nonresident property owners [had] a sufficient interest in Town affairs to make it rational for the Town to include them in the political process,” thus the district court decided to grant voting rights to nonresident property owners for municipal elections. Furthermore, the Board determined that extensive research on civil rights cases relating to this topic, in addition to research on both state and local laws would need to be conducted, before any further discussion on the matter is had. Director Brooks and Director Schwerdtfeger volunteered to research this topic further and report back to the Board at the December 17, 2016 regularly scheduled board meeting.

XVIII. L. DISCUSSION: EMPLOYEE HOUSING

31:27
2nd Half

Robb Etnyre, General Manager, provided the Board with an update on the current status of seasonal employee housing of the Association. This winter season, the Association has hired 52 J-1 employees to meet our operating needs, with 51 requesting assistance with obtaining housing. Aside from the Chalet house conversion approved by the Board, three additional rental property leases have been signed, with the intention of signing three additional leases, all within budget. All immediate neighbors have been contacted and the remaining rental property neighbors will be contacted once additional leases have been signed. All J-1 employees residing in these rental properties, will sign subleases when they arrived for work, in addition to paying a deposit and rent, before they are permitted to occupy these residences.

The Board expressed that they would like to invite Truckee Tahoe Community Foundation representatives to attend the December 17, 2016 regularly scheduled board meeting to provide further insight into the Truckee North Tahoe Regional Housing Needs Assessment.

XIX. M. DISCUSSION: FIRE SAFETY AND FOREST HEALTH

37:00
2nd Half

Annie Rosenfeld, informed the Board and the membership, that Tahoe Donner’s Forestry Department provides numerous services to the Association as a whole, and to the membership specifically. For the Association, the Forestry Department manages all vegetation on Tahoe Donner property including, all common areas, plantation/fuel breaks, and natural stands. To the membership specifically, Forestry provides private lot forest management, encompassing forest health and hazard tree advice, providing tree removal permits, homeowner insurance inspections, change of ownership defensible space inspections, a property owner chipping program and firewood sales. Forestry also has numerous programs to help educate the membership on forest management including the private lot defensible space program, the 8-year defensible space program, and the dead tree program. While Forestry is a valuable resource to have available to the Association,

and is responsible for maintaining a vast majority of Association property, as a Covenants rule, homeowners are responsible for the maintenance of their own private lots. As a fire safety covenants rule, owners of lots (both improved and unimproved) are responsible for the maintenance of their lots in a fire-safe condition. This includes, no dumping of ashen materials, maintaining 100 feet defensible space around structures and from property lines, keeping roofs free of dead vegetation, and maintaining a 10-foot clearance area around chimneys, stovepipes and propane tanks. Secondly, as a forest health covenants rule, owners of lots (both improved and unimproved) are responsible for the maintenance of their lots, including the general health of the forest. Compliance for forest health, is determined by the Association’s onsite state-certified Forester, Bill Houdyschell. Failure to comply with determined forest health hazards, from on-site property inspections, by the Association’s Forester, will constitute a violation of the Association Rules, resulting in possible fines. Annie Rosenfeld concluded by saying that should members have any concerns about the health of the forest on their property, and/or meeting fire safety requirements, or if they have concerns about surrounding properties, to reach out to the Forestry Department for further assistance. Phone: (530) 587 – 9432. Email: forestry@tahoedonner.com.

XX. POTENTIAL FUTURE BOARD MEETING AGENDA ITEMS

57:08
2nd Half

- Committee Rosters and 2017 Committee Goals
- Tahoe Donner Community Solar Share Project
- Board Amenity Access Policy
- Nonresident Voting in Truckee
- Employee Housing
- Presentation on 2017 Forestry Plan

XXI. ADJOURNMENT

58:44
2nd Half

By consensus the Board adjourned the meeting at 3:00 p.m.

Director Jeff Schwerdtfeger moved and Director Darius Brooks seconded to approve adjournment of the Board Meeting at 3:00 p.m. Motion passed: 4 – 0

Submitted by:

Megan Rodman, Recording Secretary and Executive Assistant

SECRETARY’S CERTIFICATE

I, Jeff Schwerdtfeger , Secretary of Tahoe Donner Association, do hereby certify that the foregoing is a true and correct copy of the minutes of the Tahoe Donner Association Board of Directors regular meeting held on November 12, 2016 as approved by the Board

members in attendance and constituting a quorum at a duly convened subsequent meeting of the Board.

Jeff Schwerdtfeger, Board Secretary

DRAFT