



STAFF REPORT – 2025 Electronic Voting Report

BOARD ACTIONS:

Staff recommends that the board consider taking both of the following actions:

1st Recommended Motion:

The Board of Directors accepts the 2025 Electronic Voting Report.

2nd Recommended Motion:

The Board of Directors adds the following task to the Elections Committee's 2025 task list:

- Periodically monitor applicable electronic voting law and electronic voting systems, and report to the Board regarding any developments materially altering the substance and conclusions of the Election Committee's 2025 Electronic Voting Report and/or the Electronic Voting Staff Report dated 3/5/2025.

BACKGROUND:

AB 2159 (Electronic Secret Ballot Elections), which was enacted into state law on September 22, 2024, allows the use of electronic (i.e., internet-based) secret ballots in HOA elections beginning January 1, 2025.

As a special task for 2025, the Board of Directors requested that the Elections Committee provide the board with a report on AB 2159. This staff report is prepared on behalf of the Elections Committee to introduce the Committee's completed 2025 Electronic Voting Report, which the Committee has submitted for board review and acceptance. See Exhibit A for the Elections Committee's report.

Working in parallel with the Committee, staff researched to obtain preliminary cost estimate information for implementing electronic voting in Tahoe Donner elections. These cost estimates are presented below.

DISCUSSION:

Current Tahoe Donner Board Election Costs

The Bylaws and the Davis-Stirling Act govern the Association's elections. The existing election processes use a double-envelope secret ballot voting system and comply with the Davis-Stirling Act requirements for concluding elections by acclamation when the number of candidates is equal to or less than the number of open board seats.



The vote-counting process is the responsibility of the Inspector of Elections, who is appointed by the Association each year. Because of the high volume of ballots, the inspector coordinates with a CPA firm contracted by the association to receive the ballots and count the votes.

The total costs for Tahoe Donner Association elections include the Inspector of Elections, CPA firm, PO Box for ballots (that the CPA firm manages), printing and postage, and A/V support at the Annual Membership Meeting. These costs do not include staff and volunteer committee members' time.

Election Year	Election Costs
2024	\$53,830
2023	\$21,097 (Uncontested Election)
2022	\$44,460
2021	\$9,982 (Uncontested Election)
2020	\$44,249
2019	\$26,303

Estimated Election Costs Including Electronic Voting

Under AB 2159, if an HOA chooses to use electronic voting in its elections, that HOA must *also* provide its members with the option to use a traditional double-envelope paper ballot. *Hence, though an HOA may choose to use double-envelope paper ballots exclusively in its elections, AB 2159 prohibits the exclusive use of internet voting in association elections.*

As explained more fully in Exhibit A, under AB 2159, HOAs using electronic voting must run a “two-track” election process featuring traditional double-envelope paper ballots and internet-based electronic balloting.

If Tahoe Donner employed electronic voting in its elections, the Association would also be required to continue its traditional paper-based election system (including the associated design, printing, and mailing costs), while simultaneously managing a second parallel online electronic voting system. Because AB 2159 requires this two-track process, electronic voting does not provide cost-saving opportunities to Tahoe Donner. Indeed, as shown below, using electronic voting could increase the cost of Tahoe Donner elections.

Additionally, the two-track process requires either an inspector of elections who is knowledgeable in both processes and capable of overseeing both processes simultaneously, or *three* inspectors of elections who divide these duties. (Tahoe Donner’s bylaws require an odd number of inspectors of elections.) This would potentially increase the costs associated with Tahoe Donner elections.

Staff began researching electronic voting service providers when AB 2159 was approved in September 2024. Since California has not previously allowed HOAs to use electronic voting, most



vendors were unprepared to provide the service or cost estimates. We highlight two electronic voting service providers to illustrate cost estimates.

ONR Vote has a polished website and app but only manages electronic voting. They would not provide any support for the paper balloting requirement. They estimated electronic voting costs to include a \$2,000 annual fee plus 75 cents per homeowner. If we estimate that half of homeowners would opt for electronic voting, election cost estimates would break down as follows:

- Electronic Voting: \$4,465
- Printing and mailing notices to all members and 50% of ballots: up to \$35,000 per year
- Inspector of Elections: up to approximately \$10,000 per year.
- CPA Accounting Firm + PO BOX to receive, manage and count paper ballots: up to \$7,000 per year.

Total approximate cost \$56,465.

Pro Elections provided the most thorough estimates. They call it a hybrid election (paper and electronic voting), costing \$12,275 plus \$5.82 per paper ballot and \$2 per electronic ballot. If we estimate half paper and half electronic, this will total approximately \$37,583. This estimated cost does not include the cost of a vendor counting the paper ballots, the postage-paid envelopes, the printed candidate statements, or the Inspector of Elections, which could potentially add \$20,000 to the overall costs, meaning the total elections costs could be in the vicinity of \$57,000.

Since California has not previously permitted electronic voting for HOA elections, no vendors interested in providing this service have a proven track record in California. Some have only limited service offerings at this time. Staff assume pricing will be more precise as more vendors enter the market and as all vendors refine and develop their services.

Finally, many industry attorneys, including Tahoe Donner's counsel, advise their clients not to be at the forefront of electronic voting. They generally advise their clients to adopt a wait and see approach until 1) the inspector of elections has walked through and tested the two-track process, 2) vendors can prove their electronic voting systems are secure, confidential, and user-friendly, while also working seamlessly in parallel with the paper voting option, and 3) the California legislature considers potential cleanup legislation to amend AB 2159. As Exhibit A outlines, several risks and concerns are associated with the two-track process.



RECOMMENDATION:

Staff recommends that the board consider taking both of the following actions:

1st Recommended Motion:

The Board of Directors accepts the 2025 Electronic Voting Report.

2nd Recommended Motion:

The Board of Directors adds the following task to the Elections Committee's 2025 task list:

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Alternative action(s) the Board may consider:

1. The Board of Directors refers the 2025 Electronic Voting Report to the Elections Committee for additional specified work.
2. Assign the Elections Committee a new 2025 task to work with legal counsel and staff to draft an update to the Election and Voting Rules to permit electronic voting in Tahoe Donner elections. This task will be initiated in the fall of 2025.
3. Provide the Elections Committee and staff other guidance.

ATTACHMENTS:

Exhibit A: Tahoe Donner Elections Committee Report

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Board Meeting Date: March 13, 2025