



STAFF REPORT: Proposed Election and Voting Rules Change

BOARD ACTION:

By Motion:

The Board of Directors adopts the proposed Election and Voting Rules with two minor technical modifications correcting footnotes in Section 1.D. The adopted rules become effective on March 13, 2025.

BACKGROUND:

The Election and Voting Rules were last updated in 2021 to reflect state legislation changes and clarifications of election and campaign guidelines proposed by the Elections Committee and legal counsel.

In addition to ensuring that the Tahoe Donner Election and Voting Rules express the intent of new legislation today, Tahoe Donner's legal counsel advises a new format of the rules and reordering some of the existing rule language. Thus, the primary purpose of the rule change is to replace the existing rules entirely with the proposed rules (Exhibit A).

The 45-Day Notice period for the proposed Election and Voting Rules Change expires on March 12, 2025. Having complied with the C&Rs rule-making process, the board can consider action on the proposed rules as presented or with modifications at the duly noticed March 13, 2025, special board meeting.

ANALYSIS/DISCUSSION:

Pursuant to Tahoe Donner Covenants and Restrictions Article III Section 7, "the board may, from time to time, propose, enact, amend rules and regulations of general application to the Owners of Separate Interests within the Properties." Article III Section 7 (b) states, "...no association rule shall be adopted until the proposed rule or amendment thereof has been published to the members at least 45 days before the date when the board is scheduled to act on the proposal..." This notice is referred to as a ("45-Day Notice") in the Tahoe Donner rule change process.

In accordance with the Tahoe Donner C&Rs Article III Section 7, the following next steps were taken,

1. At the January 9, 2025, Special Board Meeting, the Board authorized the publication of the proposed Election and Voting Rules change for a 45-Day Notice with all supporting materials necessary to inform the members about the purpose and effect of the rule change. The 45-Day Notice was published and sent to the members via a special individual delivery mailer on January 27, 2025, to expedite the notice period start date.
2. At the board meeting on February 28, 2025, an agenda item was scheduled to hear members' comments (written and/or verbal) on the proposed rules change.



Summary of Themes from Submitted Member Comments

The 45-Day Notice was mailed as individual delivery on January 27, 2025, which initiated the 45-day member notice period. Members were instructed to submit their member comments via email at 45daynotice@tahoedonner.com or via USPS mail to:

Tahoe Donner
11509 Northwoods Blvd
Truckee, CA 9616

Tahoe Donner received five member comments in writing; no verbal comments were made at the February 28, 2025, meeting (See Exhibit B).

There were three themes to member comments, which are addressed below.

1. **Electronic Voting:** The Board tasked the Elections Committee to analyze the impacts of the new legislation allowing for electronic voting. As there is much to be understood and implemented regarding the new legislation and much caution by counsel, no proposal was put forth regarding this proposed rule change. Additionally, staff was advised in early 2025 at the California Community Association of Managers (CACM) annual law seminar that a cleanup bill on the new legislation was forthcoming.
2. **No Redline Available for the Proposed Rules Change:** This rule change did not provide a redline due to the extensive reordering of existing language, i.e., legal counsel's advisement to reformat and reorder the rules. Working from the existing rules, a reader would have seen documents almost entirely of redline edits due to this change.
3. **PDF Requirement for Submitting Candidacy Form:** Section 1.A.2. states, "Each Member's Candidacy Forms must be (1) in .PDF format that Candidate Applications must be submitted by PDF..." This language was reviewed and approved by legal counsel.

The Elections Committee was informed of the member comments and does not propose any modifications resulting from them.

Recommended Technical Modification to the Proposed Election and Voting Rules

The Elections Committee recommends one technical modification to the Proposed Election and Voting Rules. The footnotes related to the qualifications section are minorly disconnected. Where highlighted below in Section 1.D., it references Footnote 3. Instead, it should be Footnote 4. Then, the following footnote reference, which says "4,5,6," should only be 5,6.

Copied Section and Footnotes in 45-Day Notice:

Section 1

D. Qualifications for Candidacy and Election to the Board. 1. To be eligible to become a candidate, a person must, as of the Nomination Deadline, (a) be a Member Footnote 4 who is current in the payment of regular and special Assessments, Footnote 5 and (b) have been



a Member for at least one year. 2. To be eligible for election to the Board, a candidate must, as of the date scheduled for the close of the balloting period, be a Member Footnote 3 who is current in the payment of regular and special Assessments. Footnotes 4,5,6.

Footnotes:

3. If a Director Election Statement does not clearly identify the Member-author by name, the Director Election Statement shall be deemed to have been submitted anonymously and will not be included with the Ballot Packets or made available through any other form of Association media.

4. If title to a Lot is held by a legal entity that is not a natural person, the governing authority of that legal entity shall have the power to appoint a natural person to be a Member for purposes of this Section 1, Paragraph D.

5. A Member shall not be disqualified for failure to be current in payment of regular and special Assessments if any of the following circumstances are true: (1) The Member has paid the regular or special Assessment under protest pursuant to California Civil Code Section 5658; or (2) The Member has entered into, and is in compliance with, a payment plan pursuant to California Civil Code Section 5665; or (3) The Member has not been provided the opportunity to engage in internal dispute resolution pursuant to California Civil Code Section 5900 et seq.

6. All Directors must be current in the payment of regular and special Assessments.

Summary

Staff has laid out the pertinent aspects of the rule-making process, showing the board may now consider adopting the proposed rule with or without modifications.

Should the board consider modifying the proposed rules, it will determine if such changes are minor, “non-substantive,” or substantive. Substantive modifications would require a new 45-Day Notice. Non-substantive modifications include correcting numbering or grammatical errors. Substantive changes materially alter the text.

RECOMMENDATION:

The recommended board action is as follows:

By Motion:

The Board of Directors adopts the proposed Election and Voting Rules with two minor technical modifications correcting footnotes in Section 1.D. The adopted rules become effective on March 13, 2025.

Alternative(s) the Board may consider:

1. The board may direct staff to substantively modify the proposed Election and Voting Rules and complete a second 45-Day Notice, which would incur an additional unbudgeted cost of approximately \$9,000. This action could not occur until after the 2025 director election.



2. The board may postpone any portion of the initiative and provide staff with feedback or direction.

FINANCIAL IMPACT:

It is not applicable unless the board chooses to modify the proposed rules and send out a new 45-day Notice. Should that be the case, approximately \$5,000 remains in budgeted funds for special delivery 45-day Notices. These funds were budgeted for potential other 45-day Notices related to Covenants and Architectural Standards rules updates this year should a special mailing be required due to size rather than using the Tahoe Donner News.

ATTACHMENTS:

Exhibit A: 45-Day Notice of Proposed Election and Voting Rules Change

Exhibit B: Member Comments January 27 – March 6, 2025

Prepared By: Annie Rosenfeld, General Manager

Board Meeting Date: March 13, 2025