



Sudden Valley Community Association

360-734-6430

4 Clubhouse Circle Bellingham, WA 98229

www.suddenvalley.com

Board of Directors Regular Meeting

July 11th, 2024, 6:00 PM, IN PERSON, DANCE BARN **EARLY START**

Call to Order

Land Acknowledgement & Anti-Racism Statement

Roll Call

Item 1) Adoption of Agenda

Item 2) Announcements

Item 3) Property Owner Comments – 15 Minutes Total

Please note that comments are limited to 3 minutes per person.

Item 4) Closed Session – Personnel & Legal

Item 5) Consent Agenda

5a. Minutes – June 13, 2024, as submitted

5b. Minutes – June 27, 2024, as submitted

Item 6) General Manager Report

Item 7) Committee Reports

7a. Document Review

7b. Finance

7c. GM Search

7d. Long Range Planning

7e. Nomination & Elections

7f. Safety

Item 8) Continuing Business

8a. Memo – Status of Non-Voting Directors

Item 9) New Business

9a. AGM Agenda, Measures

9b. Proposed Bylaw Amendment – Leasing

9c. Proposed Bylaw Amendment – Terms of Office

9d. Request for Approval – N&E Manual Revisions

Adjournment



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MEMO

To: Sudden Valley Community Association Board of Directors
From: Jo Anne Jensen, General Manager
Date: July 11, 2024
Subject: Clarification of Status of Non-Voting Board Members

Purpose

To inform the Board of the response made by Richard Davis, SVCA's attorney, to their inquiry about the status of non-voting board members.

Background

Earlier this year, the Board directed me to clarify with SVCA's attorney, Richard Davis, the status of non-voting members of the Board, specifically, the elected chairs of the Nominations & Elections Committee and the Architectural Control Committee.

Question

Director Voldt has asserted, several times, that non-voting members of the Board of Directors (the elected chairs of the ACC and N&E committee) are not "real" directors and cannot be either the chair or the second director on an adhoc committee. Is this true?

Response of Richard Davis

My view of the bylaws is that the two non-voting directors are directors in all respects, except for voting. Article III, A, Section 2 states that the Board consists of 9 voting directors and 2 non-voting directors. The two non-voting directors are elected by the members, as are the other 9 directors; the only difference is that these two individuals are elected to their respective positions on the ACC and N&E Committee. By becoming the chair of their respective committees, they become ex officio members of the Board. The members of SVCA approved the Bylaws which provide for these two individuals to be non-voting members of the Board. The bylaws do not restrict their participation in any way except for voting. They can participate in all discussions, including closed sessions. They are covered by SVCA's D&O insurance. In short, it appears to me that the members of SVCA—through the bylaws—have conferred the same powers on these two individuals as all other directors, except for the right to vote.



**Sudden Valley Community Association
NOTICE OF ANNUAL GENERAL MEETING
November 2, 2024 - 1:00 PM**

Notice is hereby given that the Annual General Meeting of the Sudden Valley Community Association hereinafter referred to as the SVCA, will be held in the Dance Barn within Sudden Valley on Saturday, the 2nd of November, 2024 at 1:00 PM, the purpose of which shall be to conduct Association business.

AGENDA

- I. Call to Order
- II. Introduction of Parliamentarian
- III. Certificate of Quorum
- IV. Proof of Notice of Annual Meeting
- V. Approval of the 2023 AGM Minutes
- VI. Introduction of the Board of Directors Candidates
- VII. Introduction of the N&E Committee Candidates
- VIII. Introduction of the ACC Committee Candidates
- IX. New Business:
- X. Measure 1:
Shall the SVCA's 2025 Annual Consolidated Budget of \$0,000,000 be approved or rejected?
 - a. Presentation of Budget by the Treasurer
 - b. Discussion*
 - c. Voting
- XI. Bylaw Measures
Measure 1: Amendment to
Measure 2: Amendment to
- XII. Committee Reports
 - a. Architectural Control
 - b. Document Review
 - c. Long Range Planning
 - d. Safety
- XIII. President's Report

- XIV. Treasurer's Report
- XV. General Manager's Report
- XVI. Property Owner Comments
- XVII. Election Results/Announcements
- XVIII. Adjournment

**All members are invited to attend the Annual General Meeting.
Members must be present in-person to participate and count towards a quorum.**

*In order to give all members who wish to speak an opportunity to do so, individual comments may be limited by the Presiding Officer to 2-3 minutes in duration.

Article II Section 7(a) of the SVCA Bylaws:

- (a) A member shall be entitled to one (1) vote for each lot which he/she owns as prescribed in paragraph (b) below.
- (b) At duly constituted Annual or Special General Meetings, each member in good standing may vote for candidates for the Board, candidates for the Nominations and Elections Committee and the Architectural Control Committee, and any other issues as determined by the Board. This vote shall be by ballot or in person at the meeting based on the number of lots owned.

All members, including those who are not in good standing, may vote on the proposed budget in person or by ballot. All members may vote in person on procedural issues raised at any meeting.

Article I Section 2(a)

- (a) A member "in good standing" is any person who is current in the payment of all annual dues and assessments and all special assessments, and any charges associated therewith for each lot owned, including any and all use fees and monetary fines or penalties established pursuant to these Bylaws. A member is "current in the payment" if such member has
 - (i) made payment in full, or
 - (ii) has entered into a written payment plan authorized by the Board of Directors (hereinafter referred to as the "Board") and is not in default thereof.

The 2024 Sudden Valley Community Association Annual General Meeting may be viewed live on SVCA's YouTube Channel at:

<https:// need link info from staff>

Bylaw Measure 2

Bylaw Amendment to Revise Section 7. Leasing.

Ballot: Shall Article VI, Section 7. Leasing be amended to provide for fines for owners who fail to comply with required governmental regulations and SVCA Bylaws pertaining to the leasing or rental of their property in Sudden Valley.

Explanation/Purpose: The current Bylaw language lacks penalties for members or owners who lease their properties without notifying the Association~~leasing or renting their properties~~. Although many properties are being leased, there are many such properties, compliance with the Bylaws ~~to provide in providing necessary~~ information to the Association is not occurring. This information is critical for the Association to respond to complaints and to monitor usage of facilities. Short Term Rentals provide an even greater opportunity for owners to rent their properties without notifying the Association. In addition, there are County and State regulations regarding short term rentals that owners must comply with to lease or rent their properties. ~~To better understand the number of such leased or rented properties this amendment is being proposed for approval. This amendment is intended to enhance members' compliance with the Bylaws and applicable laws.~~

Detailed Changes:

{Text as added or as ~~deleted~~.}

Section 7. Leasing. A member or owner may lease or otherwise transfer use or occupancy of any lot for residential purposes only. The term "tenant" as used herein is defined as a person(s) to whom a member(s) has extended use of his/her lot as evidenced by a written lease or rental agreement. The lease or rental agreement, and the name of the property manager (if different from the owner), a copy of which shall be filed with the Association prior to the commencement of each rental period. Failure to provide supply a copy to the Association with a copy of each lease or rental agreement or the name of the property manager will result in a fine to the owner of the property. Neither the lease nor the rental agreement shall relieve or release owners from obligations and responsibilities incidental to their membership, including the personal obligation to pay annual dues and assessments, special assessments, fines, or charges associated therewith. If an owner rents to another member in good standing, then the owner need not assign his membership rights and privileges.

Only one (1) couple with their dependents, or not more than three (3) unrelated adults, are permitted in any one (1) single family dwelling unit and are considered tenants for amenity use purposes.

A member in good standing who leases his/her residential unit may assign membership privileges to the tenant; provided, however, that the tenant shall have no right to vote or right to notice of any regular or special meeting of the Association. Privileges shall be reinstated automatically upon expiration of the lease.

Any member or owner leasing property for less than thirty (30) days shall be considered a Short Term Rental (STR) under Washington law and shall be required to meet all County and State regulations applicable to STR's for such activity. Failure to meet all Short Term Rental regulations shall result in a fine against the property owner. Currently vacation rentals STR's WCC 20.51.075 are a required conditional use in the Lake Whatcom Watershed pursuant to WCC 20.51.075. All owners providing such lodgings shall possess a valid conditional use permit. Owners of a Short Term Rental (STR) shall be required to supply information to the Association with the address of the property and any contact information for said property. Failure to do so will result in a fine for the owner of the property. A member in good standing who leases or rents his/her residential unit may not assign membership privileges to the transient tenants renting on a short term basis as assigning membership privileges requires the names of the tenants assigned the privilege.

All occupants of any such lot, by occupying the lot, agree to abide by, and be subject to, all provisions of the Restrictive Covenants, these Bylaws and the Rules and Regulations of the Association, use restrictions, fines, penalties, or injunctive relief promulgated pursuant thereto by the Association or the Board, which govern the conduct of owners and which provide for sanctions against owners, notwithstanding the absence of any such agreement of the tenant set forth in such tenant's lease agreement.

~~If the Association agrees, the Lessor may delegate and assign to the Association the authority to evict the tenant on behalf of and for the benefit of the owner. In the event the Association proceeds to evict the tenant, any costs, including attorneys' fees and court costs, associated with the eviction shall be specially assessed against the owner, and shall be a personal obligation of the owner. Once membership rights are assigned by an owner, the owner shall not have privileges to use the amenities or facilities unless otherwise provided by resolution of the Board.~~

Commented [RD1]:
This does not make sense to me.

Measure 3
Bylaw Amendment to Amend Election and Term Office

Ballot: Shall Article III, Section 4,(3)(b) Be amended to remove inconsistent descriptions of a director's term of office.

Explanation/Purpose: ARTICLE III. Section 4, (3)(b)) currently allows any elected director to serve until their respective successor is elected or any appointed director to serve until the conclusion of the following Annual General Meeting and until a successor is elected. The process SVCA follows regarding Board directors is at the end of the three (3) year term in November they have completed their elected term. Any appointed directors to serve only until the following AGM. Any additional vacancies following the AGM are filled by the vacancy process of the Bylaws.

Detailed Changes:
{Text as added, or as deleted.}

Article III, Section 4(3) Election and Term of Office. Directors shall be elected and hold office as follows:

(a) All eligible members of the Association shall be entitled to vote in the manner set forth in these Bylaws for all directors to be elected, and the candidate(s) receiving a plurality vote shall be elected. No more than three (3) directors shall be elected each year, except when additional directors are necessary to fill vacancies otherwise existing on the Board.

(b) The term of office of each director shall be three (3) years, ~~or until their respective successors have been elected by the Association,~~ or the length of the remaining term of the additional director vacancy. However, a director who has been appointed to fill a vacancy replaced a director by appointment shall serve until the conclusion of the following Annual General Meeting. ~~and until a successor is elected.~~ In the election of two (2) or more directors, the candidates receiving the most votes shall be awarded the longest available term. Newly elected directors shall take office immediately following the Annual General Meeting.

Commented [RD1]: Two comments:

1. The language was a little wonky. I tried to improve on that.
2. As provided in RCW 64.38.025(2), the appointment can be for the unexpired term, not just until the next AGM. Depending on when the vacancy occurs (e.g. if only a few months before the election), the board might have difficulty finding someone to serve such a short duration. A change could be considered to say that appointed directors will serve the remainder of the unexpired portion of a term.