

North Henrys Lake Homeowners Association
2024 Annual Meeting Minutes
July 13, 2024

OPENING:

The meeting was opened by President Richard Hodge at 10:12 AM. A quorum was established by proxy and in-person attendance representing 56 lots 45% of 125.5 lots). Board members in attendance included Richard Hodge, Alex Watson, Janet Ulrey and Mary VanFleet. Rees Rumsey and Richard Zimmerman were absent.

PRESIDENT'S WELCOME

Richard Hodge welcomed everyone and reminded everyone how fortunate we all are to live in such a natural paradise surrounded with such thoughtful and helpful neighbors. The year has not been one without challenges. The year was one with a difficult water tank liner installation, taking three attempts to successfully complete the job, an unexpected lightning strike damaging the pumping electronics, and one pump needed replacing after burning out. He thanked Richard Zimmerman for his hard work and the system is working well now.

In addition to high, unexpected expenses with the water system, we experienced heavy expenses of time and money with a legal dispute with a single homeowner. As most know, this homeowner is challenging our CCRs regarding his ability to offer short-term rentals. Lawyers are expensive and we did not have a favorable decision from the district court judge. The ruling was in favor of Mr. Norton. Richard went on to explain to the Association members why he feels so strongly about this issue. Living here 35 years, he has served as President 6 terms. He has worked with over 30 neighbors; many are lifelong friends. There is beauty in the shared community which makes this place so special. The bonds between neighbors, the shared sense of community, the friends you make, the sense of trust and safety in our community all weave together to create a community that short-term rentals (STRs) cannot provide. Our community spoke through our CCRs and our right to self-govern when we amended our CCRs with over two-thirds approval. We will continue to honor the rights of the owners in all of our divisions. More legal discussion later in the meeting.

A quorum is present, lets begin the meeting with minutes approval.

2023 MINUTES APPROVAL:

Richard Hodge summarized the 2023 minutes. Full minutes were mailed to the membership. Rachel Wilde moved, and Maribel Montanez seconded; minutes were approved by a majority of members.

INTRODUCTION OF NEW MEMBERS:

Amy (present) and Ryan Schutte purchased a home in Division 1 and were welcomed to the community.

OLD BUSINESS:

ROADS:

Rees was not present, but sent a summary read by Richard. Roads were dust busted this year and shaped in sections of the community. No major roads issues were encountered. Tracy Reynolds (our snow removal contractor) has notified us that 2024-2025 will be his last year we will be working for us. Snow removal was less demanding than budgeted.

WATER:

Richard Zimmerman was not present, but his report was read by Richard Hodge. The system's tanks are watertight system is running well. With 6.3 M gallons from the spring, 2.4 M were used in May 2024. Replacing the heater in the pump house needs to be done this year. Reminder to still be water-wise, watering lawns after 5pm or before 10am.

Not in the report, but discussion on our previous discussion about researching the possibility of drilling a well as a backup water source. We were stalled by a moratorium on all new water wells or applications. Bill Hall reminded everyone that since we would be transferring a water right on Pittsburg Creek and not applying for a new water right, that perhaps our application could be resubmitted.

Another question about the remote monitoring system was discussed. Cost is about \$10K and would last about 5 years before portions of it might need replacing. There was definite interest in updating the monitoring to remote. It had been stalled by the legal expenses. No action taken at this time.

Richard committed to have our new Board water director follow up on the water well application and to have us remind authorities we are trading an existing right.

LEGAL UPDATE:

Richard Hodge provided a review. We received results of the hearing at district court and the official ruling in the summary judgement action between NHLHA and Mr. Norton and his LLC regarding STR restrictions in our official CCRs. On the one key issue the judge ruled on, the judge ruled in favor of Mr. Norton. The point in the legislation had to do with whether a homeowner of a property at the time of the amending the CCRs did not vote for the amendment. The ruling states that the right to do short-term rental of that property was not only retained by the homeowner at the time but also by all subsequent homeowners who purchase that property in perpetuity. Mr. Norton bought the property from two subsequent owners then moved it to an LLC, which changed ownership again. All homeowners who voted for the amendment to restrict STRs and/or any owners who waived their right in writing at that time or later, do not have the right to do STRs. The implication is that in Divisions 2,3,4, and 5 there are 22 property owners who either did not vote or did not vote in favor of the STR amendment. So, in addition to Div 1 current and future STRs, there are up to 22 additional properties that can legally do STRs if the ruling stands.

The Board considered our options. Appealing the decision to the Idaho Supreme Court was one of the options. The ruling has significant potential impact on all Idaho homeowner associations, from the tracking of any and all property owner's voting records at the time of any amendment to reversing other homeowner CCR restrictions on property owners who either didn't vote for an amendment or voted against them.

As a Board, representing all of you, the homeowners, we are charged with making this decision and representing your best interests. We scheduled a Board meeting where you were all invited in order to hear from the Board and our attorney. We conducted an anonymous poll to assess homeowner sentiments following the meeting. That meeting was Monday June 3 at 6pm Mountain time. Various homeowners spoke, shared opinions, asked questions and the meeting was adjourned on schedule.

That meeting was followed by the electronic survey and made available to all homeowners at their listed digital contact email. We waited two weeks for responses. 62% were in favor of proceeding with the appeal if funded by an interest group of volunteer homeowners, and 38% of the voting homeowners were not in favor of proceeding with an appeal. Again, it's the Board's responsibility to make the final decision.

The Board met and filed an appeal to the Idaho Supreme Court. This may take a while. The court needs to decide if they will hear the case or push it down to a lower court. Dockets are full so it takes time for the court to hear our appeal. We believe this issue is important enough to us, and to every homeowner association in the state, that the court will want to hear it.

Finally, if anyone wants to join the 11 volunteers that are funding the cost of this next leg of the appeal, contact Richard Hodge. The list is anonymous. We will keep all homeowners informed.

There were questions from the attendees.

1. Of the 22 properties that potentially could be STRs, have any owners started actions to do so? The answer is no, not to our knowledge.
2. What is the cost of this appeal, and how much do we have pledged? The cost ranges from \$20-30 thousand and we have raised \$33 thousand in pledges.

FINANCIAL SUMMARY, NEW BUDGET and SPECIAL ASSESSMENT:

Alex Watson reviewed the proposed budget and answered questions about allocations to various categories. The budget for 2024-2025, if approved would result in a dues assessment of \$334 per lot. We took out a loan for \$30K last year because of large overages in legal and water expenses which will need to be paid back in November. This loan, and \$15K in additional legal expenses already incurred necessitate a special assessment of \$366 per lot. After discussion, the budget and special assessments were approved unanimously. The motion for approval was made by Maribel Montanez and seconded by Rachel Wilde.

NEW BUSINESS:

BOAT LAUNCH:

Janet Ulrey discussed the boat launch area and the need for the homeowners or their guests who use the boat launch need to observe the "No Trespassing" signs posted on the west side of the area nearest the Lake. The Board will take responsibility for determining our property line along the boat launch driveway and for making arrangement to have some repair to the launch itself by some rock moving. We will attempt to have the rock work done as late in the summer as possible to take advantage of the lowest lake level for the season.

NOMINATIONS and ELECTIONS

There were no new nominations from the floor. Richard Hodge explained that Richard Zimmerman would be ending his tenure on the Board but would remain as the water manager if Mike Wilson could be elected to the Board to take the water responsibilities and work with Richard Zimmerman. They have developed a good working relationship over the last year or two and together they have done an excellent job on the water system. He also explained that he had not served a full term, but that he had been appointed to the Board shortly after the 2023 Annual Meeting. This was the result of Rachel Wilde submitting her resignation due to work requirements. Richard Hodge offered to run for a Board seat at this time.

Richard Hodge nominated Mike Wilson for election to the Board, Alex Watson nominated Richard Hodge for election, and Mary VanFleet nominated Maribel Montanez for election. Considering no nominations from the floor, Maribeth Alder moved we close the nominations and vote for the three candidates for the three open positions. Mary VanFleet seconded. The three nominated members were voted in unanimously.

COMMENTS:

Maribeth Alder mentioned she had seen a large black bear coming down from the property above her (Pittsburg Creek canyon head) and commented that there are more bears in the community. We all need to secure our trash and to not leave attractants out in our yards, including bird feeders.

ENDING:

Richard adjourned the meeting at 12 noon and invited everyone to attend a Bar-B-Que lunch.