Carnelian Woods

**CARNELIAN WOODS**
**MINUTES OF THE BOARD OF DIRECTORS' MEETING**
Held electronically via Google Meet on Thursday, August 14, 2025, at 4:00 p.m.

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## A. CALL TO ORDER
There being proper notice of meeting, Don Adams, presiding as Chair, duly called the meeting to order at 4:02 pm.

## ROLL CALL / QUORUM CHECK
**BOARD MEMBERS:**

| | | | |
|---|---|---|---|
| Don Adams | President *(Chair)* | Perry Fox | Director |
| Celia Barry | Vice-President | Lindsey Pho | Director |
| George Shaw | Treasurer | Dave Sullivan | Director (Absent) |
| Larry Nowels | Secretary (Absent) | Carlos Sanchez | Director (left prior to Item G.) |

**INVITEES PRESENT:**

| | |
|---|---|
| Nicholas Saadi | Community Association Manager (CAM), Alpenhof Management Services |
| Scott Hoffman | Facilities Manager (left at 5:11pm) |
| Janessa Visnyei | Office Assistant, Alpenhof Management Services (left at 5:27pm) |
| Tom O'Neil | Accounting, Alpenhof Management Services (left at 6:04pm) |

## B. OPEN FORUM
*During open forum, each attendee may address the board for up to three (3) minutes. A director or manager may briefly respond to statements made or questions posed. Speakers must observe rules of decorum and not engage in other disruptive behavior. If a speaker is in the middle of a sentence when time is called, he/she may finish their thought before sitting down. The time guidelines ensure that others will have an opportunity to speak. Speakers may not allot their time to others. All persons must follow the Meeting Rules listed at the bottom of this agenda.*

**An open forum was held, where members were given an opportunity to address the board**.

## C. REVIEW / APPROVE MEETING MINUTES
1. **Review / Approve July 17, 2025, Board Meeting Minutes**
   Don Adams provided requested amendments to the office.

   *On a motion made by Celia Barry, and seconded by Perry Fox, it was proposed to approve the minutes of the July 17, 2025, Board Meeting as amended. No objections, motion carried.*

## D. MANAGEMENT / FACILITIES UPDATE – Nicholas & Scott
1. **Swimming Pool**
   a. **Review/Approve Swimming Pool Closing Date & Fall Spa Hours**
      The existing Rules & Regulations do not specify a closing date for the swimming pool each season. Scott Hoffman proposed that the last day of swimming pool operations be Sunday, September 14. It was proposed that the hot tubs remain open daily (12pm – 8:45pm) during the fall.

      *On a motion made by George Shaw, and seconded by Don Adams, it was proposed to approve Sunday, September 14, 2025, as the last day of seasonal operation for the swimming pool.*

2. **Roofing Tune-Up**
   Jeff's Roofing has been on site since August 4, conducting the roofing "Tune-Up". They have completed work on Units 1-20 and are currently working on Units 21 – 32. Jeff's Roofing has not provided a specific schedule. Nicholas reported that Management met with Beam Consulting for a preliminary walkthrough of the property. George has been in contact with RMC to obtain numbers regarding material used, to determine what portion of the roofing has been recently replaced. Management is waiting on the proposal from Beam Consulting.

3. **Additional (not on the agenda)** – Scott will be meeting with Ramon from North Tahoe Fire to informally discuss defensible space needs throughout the property.

## E. FINANCIAL

1. **Review current (un-audited) Financial Reports as of June 30, 2025**
   Nicholas reviewed unaudited financial reports, including balances and variances. Don Adams inquired about the $100K borrowed from Reserves to Operating, noticing that the repayment to Reserves did not appear to be captured. This repayment is not captured in the June financials because repayment was not made until July; it will be captured in next month's financials. Don Adams requested a meeting be scheduled to review how wages on reserve projects are being captured and reconciled in bookkeeping.

2. **Review/Approve 2025-26 Fiscal Year Operating and Reserve Budgets**
   George Shaw reviewed. The Finance Committee has been trying to develop a budget that would not require a homeowner vote to approve, i.e., a budget that would not increase assessments more than 20% from the last year. However, this does not appear to be financially feasible. Alone, the $258K increase in insurance premiums is 20.9% of last year's budget. Therefore, the insurance premiums alone would totally consume a 20% increase in assessments, while also disregarding any needed changes to operational budget and contributions to reserve funding.

   Before the board is the proposed budget, which includes a 36.1% increase in assessments. Total assessments for last quarter (July 2025) were $3507; the proposed budget would increase regular quarterly assessments to $3569 (+$438 Special Assessment = $4007 per owner, per quarter total). If the board pursues/approves this budget, it would require a homeowner vote.

   There was discussion regarding items such as:
   - how to properly communicate the reason for budget increases to the homeowners,
   - how to extend the lifespan of reserve items or defer projects, to help reduce reserve spending,
   - the potential impact if reserves are underfunded,
   - how dues compare to similar properties in the Tahoe Basin,
   - possible outcomes if the budget increase was 20% or lower.

   *On a motion made by George Shaw, seconded by Celia Barry, it was proposed to approve the 2025-26 Operating and Reserve Budgets as discussed/presented (Regular Quarterly Dues, per owner, per quarter = $3,569).*

*Roll Call Vote:*

| ***Board Member:*** | ***In Favor:*** | ***Opposed:*** |
|---|---|---|
| *Lindsey Pho* | *X* | |
| *Carlos Sanchez* | *X* | |
| *Perry Fox* | *X* | |
| *Celia Barry* | *X* | |
| *George Shaw* | *X* | |
| *Don Adams* | *X* | |

*6-0, Motion carried.*

There was discussion regarding the balloting process and timeline. The homeowner ballot to approve/reject the assessment increase should be distributed no later than the end of next week (Aug 22). Billing for October 2025, usually distributed around September 1, can be delayed for election results.

## F. NEW BUSINESS

1. **Review/Approve Auto Insurance Renewal – Kemper**
   *On a motion made by Don Adams, and seconded by George Shaw, it was proposed to approve the renewal of commercial auto insurance through Kemper, as presented. No objections, motion carried.*

2. **Review/Approve TRPA Entitlement Verification Application(s)**
   Don Adams reviewed. Agan Consulting is pursuing TRPA Entitlement Verification, as a part of their entitlement research and documentation of the Association’s existing development rights.

   *On a motion made by Don Adams, and seconded by George Shaw, it was proposed to approve $9,073.50 to be paid to Agan Consulting Corporation, in connection with the TRPA Owner Authorization forms as presented.*

| ***Board Member:*** | ***In Favor:*** | ***Opposed:*** |
|---|---|---|
| *Lindsey Pho* | *X* | |
| *Carlos Sanchez* | *X* | |
| *Perry Fox* | *X* | |
| *Celia Barry* | *X* | |
| *George Shaw* | *X* | |
| *Don Adams* | *X* | |

*6-0, Motion carried.*

Management will assist in obtaining electronic signatures from the board. An invoice is needed prior to payment to Agan Consulting.

3. **Elections**
   a. **Review/Accept qualified candidates to be elected by acclamation**
   There were zero nominations for board candidates received by the deadline. If, in the future, a qualified individual is identified, they may be appointed to a board vacancy. If no vacancies are filled, there will be five remaining board members (sufficient to meet quorum).

   b. **Discuss Ballot Items – IRS Revenue Ruling 70-604**
   George Shaw reviewed. The IRS Revenue Ruling 70-604 allows for any excess dues collected to not be treated as profit. Rather the HOA can elect for excess dues to be either:
      - Refunded to homeowners
      - Applied against the dues for the following year

   An election must be made yearly. Usually, this election would be included in the Board of Directors Election ballot; however, as there are no candidates this year, there will be no BOD Election ballot. A separate ballot will be required, which could also be used as proxy to meet quorum for the Annual Membership Meeting. There was discussion about the ballot, Annual Disclosures, Annual Meeting Packet, and timelines for distribution.

4. **Additional (Not on the Agenda)– Alpenhof Management Services' Termination of Contract**
   Alpenhof Management Services will be terminating the management contract without cause in approximately 60 days. Alpenhof Management will conduct accounting services minimally through the end of the fiscal year, and will assist in the transition to new management.

   Don Adams reviewed the recent management structure/personnel history of the association. There was discussion regarding services/positions that will be needed to replace Alpenhof. Perry Fox will meet with the Facilities Manager to discuss what administrative support is needed. George Shaw will contact McClintock about the potential of resuming Accounting/Bookkeeping services. Don Adams requested the board members consider how they want to proceed, as this conversation will be ongoing.

## H. COMMITTEES

1. **Strategic Planning - Don**
   Don Adams advised that the association is currently filing IRS Form 1120. Per McClintock's advice, this is the desirable status (over 1120-H) in the tax year where any property or assets may be sold. To sell any asset requires a 75% membership approval. Legal counsel has advised that a ballot would need to propose specifically what would be sold, rather than contain any blanket statements approving the board to "sell up to X".

   Agan Consulting continues to work on surveying and entitlement research. This includes developing a plan for BMPs (Best Management Practices) throughout the property. BMPs are not complete, and would very likely be required if the association wishes to sell parcels or develop on-site. BMPs would likely be costly, but could potentially be paid for by a partnering developer. BMPs may not be necessary if only development rights are sold (to develop elsewhere). SagePoint's services were revisited; SagePoint would search for potential buyers and/or developers, and research the market on behalf of the association. The proposal suggests a four-month period of services.

   *On a motion made by Don Adams, seconded by Perry Fox, it was proposed to approve the proposal from SagePoint, in the amount of $25,000, as presented.*

*Roll Call Vote:*

| ***Board Member:*** | ***In Favor:*** | ***Opposed:*** |
|---|---|---|
| *Lindsey Pho* | *X* | |
| *Perry Fox* | *X* | |
| *Celia Barry* | *X* | |
| *George Shaw* | *X* | |
| *Don Adams* | *X* | |

*(Carlos Sanchez was absent.)*

*5-0, Motion carried.*

**H. FUTURE MEETING DATES**

1. Thursday, September 11, 2025, @ 4pm – Board Meeting
2. Saturday, October 25, 2025 @ 9am, Board Meeting
3. Saturday, October 25, 2025 @ 11am, Annual Membership Meeting
4. Saturday, October 25, 2025 (immediately following the Annual Meeting), Special Board Meeting

**I. ADJOURNMENT –** The meeting was adjourned at 6:30pm.

*Disclaimer: The meeting minutes, including confidential minutes or any other attached addendums, are the responsibility of the Condominium or Homeowners' Association, and it is the Board's responsibility to ensure the minutes are correct and complete prior to approving. The meeting minutes are a summary of the meeting discussion only.*

Larry Nowels
Larry Nowels (Sep 17, 2025 11:03:01 PDT)

Sept 17, 2025

Secretary or Director                                                                                Date