

# **DOCUMENTS FOR PINE FOREST OWNERS MEETING**

**May 26, 2018**

**Sun Mountain Lodge 2PM**

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## **ITEM ONE - AGENDA**

### **AGENDA - PINE FOREST ANNUAL MEETING**

**MAY 26, 2018**

**2 PM – Sun Mountain Lodge**

Introduction – Anne Fox (15 minutes)

- Welcoming Remarks
- Owner Introduction: Name and House (or Lot) Number
- Welcome New Owners
- Trivia “Contest”!!

Approval of Minutes of 2017 Annual Meeting – Jim Wurzer (10 minutes)

- Motion to Approve Minutes
- Discussion, if any
- Vote

2017-2018 Highlights – Anne Fox (10 minutes)

- Highlights of Board Business Since 2017 Annual Meeting
- Call for updated information for the PF directory and billing records

Board Candidate Vote – Anne Fox (10 minutes)

- Call for nominations from the floor
- Owner vote and submittal of vote

Budget 2018-2019 (30 minutes)

- Review of 2017 Budget
- 2018 – 2019 Budget Presentation
- Owner questions & discussion
- Member vote on budget

By-Law Amendment – Jim Harrison (30 minutes)

- By-Law Amendment Presentation
- Owner questions & Discussion
- Vote

Forest Health Project – Heather Dean (20 minutes)

- Project Summary and Status Update
- Owner questions and discussion

Committees – Anne Fox (5 minutes)

- Request for Owner Participation

Pine Forest Manager Position – Anne Fox (10 minutes)

- Update
- Owner questions & Discussion

Open Floor Discussion – Anne Fox (15 minutes)

- Member Questions/Comments

Announcement of 2019 Annual Meeting

- May 25, 2019 – Saturday of Memorial Day Weekend
- Brief Board Meeting – Officer Election and Setting Next Board Meeting Date

Adjournment

## **ITEM TWO – MEETING MINUTES 2017 ANNUAL MEETING**

### **Pine Forest Homeowners Association Minutes—Annual Meeting May 27, 2017, 2:30pm-4:30pm**

#### **Agenda**

- President's Welcome
- Introduction of Board Candidates/Call for write-ins/Voting
- Call for Updates to the Owners Directory
- Forest Health Proposal
- 2017/2018 Budget/Proposals

#### **President's Welcome**

Kim Walter, outgoing Board President, introduced Board members (Heather Dean, Jim Wurzer, Anne Fox, Robin Jeffers) and the Pine Forest Manager (Brad Sawtell), then explained that other than electing new board members this meeting would not include decision-making. Instead it would be devoted to getting member feedback on the two proposals (the Forest Health timber thinning project and the 2017 Budget).

#### **Board Elections**

4 PFOA members ran for election, there were no write-in candidates, and the 4 were elected.

The new board is

- Heather Dean
- Jim Wurzer
- Anne Fox
- Bill Ellis
- James Harrison

Bill Ellis noted that 4 members are being elected/re-elected at the same time and their terms (current board policy is 2-year term) will expire at the same time. Anne Fox said this would be a topic for board discussion.

## Website Maintenance

Deb Dahrling has volunteered to help maintain the PFOA website. Thanks, Deb!

## Forest Health

Because a Forest Health proposal was sent to members prior to the meeting, discussion began immediately.

A request was made that the Firewise certificate be scanned and sent to all members, who can then forward the document to their homeowners insurance agent. This will be done.

Comments (loosely paraphrased)

*Georgette Menth* asked, in regard to the option of thinning only along the roads, how “thinning” is being defined. Heather responded: probably cutting marked trees and trees that have just died.

*Anne Andersen* spoke in favor of the most aggressive harvest plan, pointing out that the safety of those who live at the top of PF depends on everyone else. One option would be to make owners responsible for removing small trees—and who has PF used in the past for this? (Anne Fox recommends Saul—ask her for contact information.) Can creating firebreaks be made a priority?

Anne Fox noted that we need to attend to dead and dying trees right away.

Anne A also commented that missing from the discussion is emergency measures: evacuation plan, drills and maybe a siren. Please note that evacuation routes can be found on the PF website, under Firewise. Jim Wurzer spoke of the need for signs that lead to the evacuation routes.

*Chris Bellas* spoke of her commitment to getting the whole forest thinning job done.

*Lyn Frisch* pointed out that many of what appear to be live trees are actually already dead and asked whether there could be a forestry person to help us ID these standing dead trees.

Brad Sawtell has the forestry degree and that ability.

Kent Hitch pointed out that our trees have been more vulnerable to the beetles because we've been in drought the last couple of years.

*Mark Schuetz* noted that trees are losing their markings and would like to see the marketable trees harvested first. Heather pointed out that while we could do that, we would lose \$\$ because of having constantly to re-deploy equipment to new locations.

When *Kent Hitch* pointed out that 1988 aerial photographs of PF show far less forest cover, Heather drew members' attention to the canopy cover handout, explaining that while the preferred cover is 15-25 trees/acre, the dark red areas have about 600/acre. Cheryl Wolfe pointed out that the handout makes it hard to determine the canopy cover on any given lot and

there's also no way to tell whether the trees are conifer or aspen. Heather replied that it's a gradient map and imprecise, and also reminded us that aspen will burn too; two of our previous plans specifically recommended cutting in the "decadent and thicker" aspen\

Heather also explained the problem with cutting trees that are within 250 ft of a structure: insurance goes up for the logging operation.

Heather also pointed out that just as last year's harvest began we lost our firewood buyer. That person wants fir, for which we're merchantable, we get the best \$\$\$. A lot of our non-merchantable timber is pine.

*Larry French* asked how the harvest can be speeded up, pointing out that over time we lose both marking on trees and some of the trees to beetles. Could we stick to the original plan? Heather responded that cutting only marketable trees will speed it up—last year the harvest included both marketable trees and ladder fuel. *Jim Wurzer* pointed out that last year we sent 13.5 truckloads to the mill, which were worth an average of \$1700/load. *Deb Dahrling* questioned why we're restricted to harvesting only October to pass closure and wondered whether spring harvest is possible. Heather responded that in spring the land is too wet—damage to land and roads would be much greater and our current logger is available only in the fall. When, a couple years earlier we weren't able to begin the harvest because fires had greatly reduced the cost per tree that we could get at mills, our logger took a 5-year contract with the Forest Service, which keeps him and his crew unavailable to us earlier in the year.

*Pam Kulin* asked whether, when we vote on various options for the forest harvest, we will be given cost of each option—if less than 7 years what will that cost compared to a 7-year harvest. Heather responded that the board will do its best to provide that information.

*Bob Hutchins* said that he's concerned about PF roads and water—that yes, fire is priority, but so is PF infrastructure. He wants to make sure that the board looks at the PF big picture. *Kim Walter* reported that we've just spent \$4000 on Spring road upkeep and will be spending \$6000 to clean the water tanks.

*Chris Hopkins* questioned whether the covenants allow the board to assess all members for forest health activities. He pointed out that local loggers could do the work on individual lots and thus have owners pay for their own work. Heather responded by referencing the language of the by-laws (as opposed to the covenants), in terms of promoting the common interests and welfare of PF owners, both currently and in the past. *Jim Wurzer* also pointed out that the forest is an ecosystem and attacking its health lot by lot doesn't work. Loggers also want scale and size—they need bigger opportunities because mobilization and demobilization of the logging equipment is so costly.

*Rick Gray* reiterated the importance of the harvest as a community project. He also said that it doesn't make sense to first take out marketable trees, then come in later to remove ladder fuel. Heather pointed out the need to get the dead trees out before they lose their value, which they

do one year after dying, or sooner if the weather is unusually dry. And, as mentioned earlier, revisiting properties multiple times has an added cost related to the inefficiency of moving equipment back and forth.

*Bob Hutchins* suggested that owners limb up their trees now and clear their own lots—maybe make our Firewise Day one for limbing trees.

*Pete Lewicki* thanked Heather for the huge amount of work she's done on this project. He also wonders whether we know how much marketable timber there is in PF. Heather responded that there's an estimated 200,000 board feet. He wondered whether we should continue being as light on the land or accelerate the harvest and get more done.

*Kent Hitch* talked about what it's like to watch a 100 ft wall of flames come over the south ridge and how close we came to having fire invade PF—Heather showed the piece of fire-retardant rock she got ¼ mile away from the PF border. Kent also pointed out that some people have had to pay higher rates for their fire insurance. He said that in 40 years of watching PF efforts at maintaining a healthy forest, he's seen lots of inventive options and they don't work.

Bill Ellis asked what we should do with slash. Heather replied that mechanical stack and burn is a lot cheaper than what we did last year. Bill suggested that we could log twice as much as we did last year and the land would heal.

*Chris Hopkins* reported his own experience of having his house with its defensible space sitting on an un-treed lot survive the Carlton burn, while his brother's house—un-treed lot, no defensible space—burned down. He said that brush is the biggest problem. Heather replied that there are no guarantees that we won't have a fire in PF, but we're improving the odds that it won't be a catastrophic one.

*Jim Denovan* reminded members that in 2001 we burned big piles of slash and some standing trees caught on fire. Jim favors chipping instead of burning slash.

*Jim Wurzer* spoke to the value of this community effort. He pointed out the money the Forest Service has spent invested up on Thompson Ridge Road in controlled burns, work that protects PF, and that 3 men died and one was horribly injured fighting the Twisp River fire to prevent it getting to PF. Jim asked folks to think about whether we should ask more firefighters to risk their lives for us if we aren't doing our part. He said the board will figure out the best way to proceed.

*Chris Bellas* addressed the cost of chipping vs. burning. She suggested letting owners take care of their own slash

## **Budget**

*Kim Walter* focused the discussion for members: the issues are how much we want to spend and how fast.

*Anne Fox*, who created 7 documents related to the budget for members to read before the meeting, spoke of taking a new perspective on budgeting—addressing the overall needs of PF, now and in the future. She pointed out that we ended 2016 with no reserves because of the cost of the timber thinning and an unexpected \$14,000 water tax penalty. For 2017 she and the rest of the board will come back to the membership with budget that members will then have the opportunity to ratify or reject, per the laws in the Revised Code of Washington.

*Lyn Frisch* asked about getting a loan for the forest health work. Anne pointed out that we're already in debt and paying off a loan for the water system. Kim Walter commented that he had called the bank inquiring about a loan and never received a call back.

*Julie Joyce* asked whether owners will be paying an additional fee this year, and if so, how much. Anne responded that we won't know the precise figure until toward the end of the year. She's estimated it at \$125/lot, but the amount could be less.

*Anne Fox* told members that we need a capital improvements allocation in the budget to address forest health, water and road improvements. In addition to that allocation, she explained, we also need to replenish the now gone reserve fund.

*Don Simonson* asked whether the \$125 additional payment is one-time or ongoing. Anne replied that it's one-time.

*Anne* also pointed out that the board will propose a dues increase for 2018 in order to :

1. go into the first quarter of every year with cash on hand.
2. build the reserve.

Anne also said that we may need to shift the budget year from chronological to fiscal to fit the cash flow needs of the community. Mark Schuetz pointed out that if we do that, there will be a point where we pay ½ year dues. Anne agreed.

*Rick Gray* asked the board to think of forest health as ongoing and get a line item in the budget for it. Anne agreed that this is needed

*Chris Hopkins* questioned what the Pine Forest manager does to earn his salary. Find the official job description at the end of the minutes.

*Mark Schuetz* said the board's job is to make sure Brad does his job and the pay is appropriate. To this end, our manager, Brad Sawtell, reports to the board at each meeting how much time he's spent each month and what he did. He has also researched and presented to the board salaries of other managers in the upper Methow Valley.

*Rick Gray* asked whether the \$\$ for water dues equals the % of Brad's salary/time devoted to taking care of our water system. Heather pointed out that we are limited in the amount we can charge for water before the water tax kicks in.

*Bob Hutchins* asked Brad to speak to the health of the water system. Brad reported that we continue to pass all our water tests while other water systems in the area haven't always and some now have to treat their water. Ours remains untreated. He also described the condition of the three pumphouses, the transfer station and the water piping. Brad also, always, keeps the board aware of these conditions.

#### *Function*

- South station: it works consistently. While it would be good to be able to hook generator in when power goes out, the whole wiring panel needs to be replaced before that can be done.
- Mid-station: it works. Wiring is unlabeled and uses colors incorrectly.

#### *Structures*

- The lower pump house was re-done 4-5 years ago. It's not yet a fire-retardant bldg..
- The Mid Station needs a new structure, roof, etc. The electrical pump panel could use rewiring.
- The Transfer pump house on Nighthawk needs a new structure, roof, etc.
- The South Pump house needs fire resistant siding and the electrical panel, though functional, it needs to be redone to bring it to code in order to have a generator switch installed.

*Jan Sodt* asked what dues will be in 2017 and 2018. Anne replied that a reserve allocation in 2018 could be, as an estimate, 5% of revenues. She cannot say at this point what the 2018 dues will be.

*Bill Ellis* asked about the snowplowing costs. Kim explained that he agreed to allow Andy to change from a fixed cost to a cost plus basis prior to last winter. See budgets in packet you were sent before meeting for exact figures.

### **Adjournment**

The meeting adjourned at 4:30.

### **Pine Forest Manager**

#### **Description of Responsibilities**

##### *Water System*

- Assure adequate availability of water.
- Maintain WA state DOH Water Management Certification license, including required continuing education.
- Comply with all WA DOH regulatory requirements, including required water sample testing (monthly and quarterly), water use (annual) and Consumer Confidence Reports (annually).

- Maintain the Pine Forest water system manual, updating as needed.
- Perform or contract for and supervise all improvements and maintenance to water system structures, pipes, and storage tanks. Obtain prior Board approval for any costs in excess of \$1,000.
- Contract for water storage tank cleaning in accordance with legally mandated schedule.
- Arrange for 24/7 backup response to water issues when the manager is away from Pine Forest.
- Supervise all new connections to the Pine Forest water system.

#### *Lot Construction Activities*

- Assist Architecture Committee in decision-making and advise on upcoming projects.
- Coordinate with Architectural Committee on construction projects.
- Respond to complaints about the conditions in new construction sites.
- Observe new connections to the community water system in person, to ensure proper installation (i.e., procedures and materials) and restoration of disturbed areas, including roads and areas of potential erosion.
- Determine whether refund of construction deposit can be made by comparing exterior of building and landscape to plans approved by Architecture Committee.

#### *Garbage/Recycling*

- Contract for and supervise timely pickup and disposal of garbage and schedule additional pickups in anticipation of busy times (Memorial Day, July 4, Labor Day, Christmas/New Year's week, President's Day weekend)
- Provide comprehensive management of Pine Forest garbage, including clean up around dumpsters and signage to encourage appropriate use of dumpsters.

#### *Firewise Community/Forest Health/Fire Safety*

- Serve on the Firewise Committee.
- Support projects initiated by the Firewise Committee
- Advise Board and Firewise Committee on long-range planning
- Advise community of current fire protection policies and burn bans and monitor adherence thereto.
- Test fire standpipes annually

#### *Enforcement of Covenants*

- Communicate new covenant violations to Board

#### *Relations with Pine Forest Board*

- Submit monthly reports to the Board Secretary that describe work done by Pine Forest manager, including hours worked. The secretary will provide a template for the report, then archive and distribute the reports. One use of these reports will be to create a more accurate contract.
- Get approval from Pine Forest Board for expenditures over \$1000.
- Attend Board meetings.
- Be available to report to members at annual meeting.
- In performance of all manager duties abide by Pine Forest covenants, by-laws and architectural guidelines.

## **ITEM THREE – BOARD CANDIDATE STATEMENTS**

### **JIM WURZER:**

2018 Pine Forest Board Election: Statement of Jim Wurzer

In the two years that I have been on the PF Board I think there has been a steady improvement in the performance of the PF Board. When I ran for the Board the first time I stated that I would work to make the actions of the Board more transparent. I also said at the time that I was committed to helping PF improve forest health and the chance for PF to survive a catastrophic fire.

There remains much work to be done. The Board today is made up of fine people who respect each other and work very hard and well together. I have learned a lot about the business of the PFHOA. With your support I would like to apply that experience by continuing to serve on the Board.

### **ANNE FOX**

#### **Candidate Statement for Anne Fox – May 2018**

I was voted onto the Pine Forest HOA board in May of 2017, after having been appointed in the fall of 2016 to fill a board vacancy. Because the Board terms were not staggered in a way to prevent all terms ending in the same year, I am running again in 2018 to move the date of the end of my term of service to May of 2020.

My goal in serving as a board member, and as Board President May 2017-2018, is to maintain open communications with owners and with other board members and to help develop a management structure to insure both financial and oversight stability over the long term for the PFHOA.

Looking ahead, my goal is to continue to work on those priorities in the following ways:  
a) continue to pursue and develop infrastructure improvements, particularly water, roads and forest health; b) develop financial statements to accurately reflect the financial standing of Pine Forest; c) continue work on development of a reserve and clear identification of needed infrastructure maintenance and improvements; d;) increase owner participation in PF business by way of creating working committees; d) continue work on development of basic record keeping and historic documentation of past and present PF business and communications.

Thank you for this opportunity to offer my service as a volunteer on the Pine Forest HOA board.

## **ITEM FOUR – BUDGET**

Click on the link to review proposed PF Budget for 2018-19 and the Actual Budget for 2017/First Half of 2018

<https://bit.ly/2s3qEfp>

## **ITEM FOUR: BY-LAW AMENDMENT**

### **Proposed By-Law Amendment – Annual Meeting May 26, 2018**

This amendment will be voted on at the Annual Meeting. In addition, any proxies received by the meeting date will be included in the vote count.

Should Article X of the by-laws of the Pine Forest Homeowners' Association be amended by replacing the existing language with the following:

#### **ARTICLE X – Amendments**

New by-laws may be adopted, or these by-laws may be amended or repealed, by the vote of a 60% majority of the Board of Directors of the Association. This Amendment shall not apply to the adoption of new by-laws or the amendment or repeal of by-laws regarding the financial obligations of the members. The amendment or repeal of any provision of the by-laws regarding the financial obligations of the members must be approved by a vote of a majority of the members present at the annual meeting.

## ITEM FIVE: COMMITTEES

### Pine Forest Working Committees May 2018

At the Annual Meeting we will ask owners to consider volunteering to serve on a committee. The committee sign-ups will include information about the goals of each committee and the anticipated tasks. Most committees will include a board member. Committees will be asked to do business in support of PFOA goals and to provide input to the board regarding needed updates/maintenance/new procedures and/or policies/etc. Please consider volunteering!!

Thanks.

Anne Fox, Board President

#### **Committees:**

Administrative  
Architecture  
Communications  
Finance  
Forest Health and FireWise  
Governance  
Roads  
Trails and Recreation  
Water