

Pine Forest board Meeting of November 11, 2017

Meeting time: 9:00 AM

Place of meeting: Conference Room of Harrison Benis Law Firm in Seattle

In Attendance:

Board Members Present: Bill Ellis, Anne Fox, Jim Harrison, and Jim Wurzer

Present by Phone: Heather Dean and Manager Brad Sawtell

Owners Present: Harry Burkholder and Erin Ellis

Anne Fox chaired the meeting.

Approval of Sept 12th meeting minutes.

Minutes from the previous meeting were reviewed. It was pointed out there had been no action to obtain a bid from Midstate Electrical regarding replacement of the electrical panel at the mid-station pump house.

Acton item: Obtain bid for electrical work

Motion to approve the minutes by Jim Wurzer and seconded by Bill Ellis

Minutes approved 4-0 with one abstention who did not review the minutes

MANAGER'S REPORT (Brad Sawtell):

Water System:

The fall meter readings are complete and will be turned into the State. The radio batteries have been changed.

The water leak Brad was monitoring on lower N Blackjack dried up so it was probably a natural spring that may have been disturbed due to excavation. Brad has corrected all of the recommendations from the sanitary survey.

Garbage:

We own the large dumpster which is in need of some repairs (discussed below). The smaller dumpster, with the plastic lid, belongs to WasteWise Methow. We only pay if it is full. Normally this is just a back-up for holiday weekends. More recently, both dumpsters are full 3 out of 4 weeks. There

was discussion around the fact that many inappropriate items are dumped into the dumpsters, particularly large items like lawn chairs, some construction debris, and large cardboard boxes. We wondered whether non-owners were dumping waste in our dumpsters. The consensus was that, other than some garbage from trailhead users in the summer, this was not really an issue. We did discuss going back to the old system of locked dumpsters and keys. We also considered video surveillance of the dumpsters, but viewed that as impractical in the short run.

Action Item - Education:

- Placement of a sign indicating that what is appropriate for the dumpsters.
- A memo to members indicating the budget impact of excess garbage, a summary of appropriate waste disposal, a list of local recycling sites, and a reminder to use the Twisp Transfer Station for larger items.

New Construction:

The Guftafson project did not complete the exterior within the time frame set by the Architectural Committee and will forfeit the refundable portion of their building fee deposit.

All other projects are going well.

Architecture Committee – no report.

It was pointed out that the committee should review whether or not we really should require a certificate of occupancy.

BUDGET REVIEW (Heather Dean and Anne Fox):

Generally we are fairly close to budget in most areas. We have an additional \$3000 in income from building fees not previously noted in the budget. As discussed above we are approximately \$1100 over budget for our garbage budget. We are about \$1300 over budget for bookkeeping expenses. Part of this can be attributed to more use of the Bookkeeper as the new board has been working to get us out of our precarious financial situation with very low reserves.

We had a discussion of the reserves. We did not bill a special reserve fund assessment this year as originally planned, as there were already revenue

deficit fees and forest health fees requested from the owners. We had some discussion on the appropriate level of our reserves. We don't have clear guidance as to what this amount should be. We are different from the typical condo HOA. Our primary infrastructures are the water system and the roads. The water system in particular has intermittent significant expenses related to maintenance and repair. We have variable plowing expenses each year depending on the amount and timing of snowfall. Our CPA, Bart Bradshaw, did not have specific recommendations for reserve amounts. Bill Ellis felt we should strive for 6 months of operating expenses in reserve, which would be in the neighborhood of \$100,000. In the current budget, outside of monies set aside for the Forest Health and Timber Thinning project, our monies going into 2018 will be approximately \$35,000. About \$14,000 of this will be used to pay the second billing for plowing costs.

There was discussion regarding hiring our accountant Bart Bradshaw at a cost of approximately \$300 per month to handle more of our accounting and budgeting tasks currently being handled by the Treasurer and the bookkeeper. Advantages to this approach would include better continuity in the event of board and treasurer transitions and being able to delete the requirement that the Treasurer live locally to collect the mail and interact with the bank. There was general support for this idea depending on the costs involved.

Action Item:

Heather Dean and Anne Fox will look into how much this would impact the currently budgeted amounts of \$1,300 for accounting and \$1700 for bookkeeping.

There was discussion regarding the roads and plowing. Currently we budget \$10,000 for road maintenance. There is another \$43,000 budgeted for plowing and snow removal. This is broken down into approximately \$14,500 X 2 for plowing and a budgeted amount of \$14,000 for additional work including sanding. This year we have spent \$8000 in additional work. This item will be reviewed in the 2018 budget.

There have been several snow and ice related accidents on Summer Road in the past few years. There are also complaints from a few owners that the winter road conditions are poor. The board felt that some of these expectations were unreasonable. Within reason we maintain the roads as best we can. Owners of property in the mountains should not expect to be able to access the property in 2 wheel drive vehicles with summer tires in place.

Action item – Education:

- Road signs will be placed on Summer Road to close the road depending on conditions.
- Our Facebook page will include seasonal updates on the roads
- There used to be a sign at the entrance stating these are primitive roads and 4WD recommended. Brad has the sign and will replace it at the entrance.

FOREST THINNING AND FUEL BREAKS PROJECT (Heather Dean):

The project began on October 30th. This year we are using a local team with Saul Labanauskas of Brothers Construction. There has been a bit of a learning curve for Saul. While he and his crew have a good deal of experience cutting down trees, Saul has limited experience with commercial logging. Heather took some time off of work to be out onsite during the first few days, to help get things underway. As the guys get up to speed on the requirements, this should be less of an issue.

The project has also been hampered by they early snowfall which closed the pass. We get a better price for the logs in Darrington than in Cle Elum. So far we have created fuel breaks in 8-9 acres in the Southwest corner of Pine Forest, primarily along Longleaf and Lodgepole. We did not thin where owners opted out and did not sign consents, unless we could confirm the location of the common area boundary. Due to concerns regarding snow and road conditions, the plan is to move to lower South Blackjack once the previously decked logs are loaded until we are forced to quit for the winter. The project will then resume in the spring.

Costs to date have been \$21K and appear to be running about a third less than last year, although we don't have timber receipt data to compare.

Some of this is attributed to lower slash handling costs. Special thanks to many volunteers who have helped move slash. Clearly we are improving at cost control as we get more experience with this project.

We have also had an issue with communication with the log haulers from Palm Construction. We had 2 no-shows and had to divert between 2 and 4 loads of logs from Darrington to Cle Elum after the pass closed. Right now the haulers are in high demand and we don't have many options. We do have a couple of other haulers who could help out if we get behind.

We are able to send logs as small as 6 inches to Colville. We are looking into whether it is cost effective to remove small trees now or do it later as part of a 50:50 cost share project with DNR.

WEBSITE UPDATE (Anne Fox)

The new website platform is working well. Deb Darling is able to add to the website as needed and is easily able to add updates. Given the difficulty in getting the website operational some of the information posted is outdated or we are missing needed information.

ASSIGN RESOURCE LEADERS

The Board has assigned specific resource areas of responsibility to each board member. The goal in making these assignments is to provide a key contact to report to the board about specific issues and concerns related to their assigned area of responsibility. We look forward to including owners to help advise and work with board members in a particular assigned area that might be of interest.

Roads/Snow – Jim Wurzer with Steve Meyers as resident liaison

Water – Bill Ellis with Brad Sawtell and with Jan Sordt and Paul Allen as
resident back-up assistants

Forest Health – Heather Dean

Firewise – Jim Wurzer

Architecture Committee – Robin Jeffers

Governance – Jim Harrison with Robin Jeffers

Communications – Anne Fox

Input from Owners:

Harry pointed out that there was an incident of illegal garbage dumping on his property south of Pine Forest. He was able to identify the perpetrator as a resident of Twisp by looking through the garbage. He reported her to the Sheriff. She was asked to properly dispose of the garbage. Harry is also planning a large slash burn after Thanksgiving once there is enough snow on the ground.

The meeting was adjourned at 10:50 into Executive Session.