

Pine Forest Board Meeting – February 16, 2019

Meeting at Sun Mountain Lodge

Board Members In Attendance: Heather Dean, Robin Jeffers, Bill Ellis and by phone Jim Wurzer

Community Liaison Steve Meyers present

Documents appended to Minutes

Special Meeting

Preceding the board meeting, a special meeting took place to seek approval of this budget proposal: "Include an expense line item of \$16,875 (\$125 per lot) in the 2019/2020 budget (*to be covered out of regular dues revenue*) to fund continuing the common areas component of the PF shaded fuel breaks thinning project."

The special meeting started around 3pm and concluded about 15 minutes later. It took place at Sun Mountain to accommodate a possibly larger than usual member turnout

PF Owners attending special meeting: Emmet Kinkade, Helm and Karen Theimer, Ken and Julie Joyce, Stephen Noland, Lindsey and Rusty Dodge, Paul Allen and Jan Sodt, Kent Hitch. Many owners had emailed or regular-mailed their ballots before the meeting.

Final vote tally: Yes-69, no-0

Board Meeting Minutes

The board meeting began around 3:30. PF owners present were Jan Sodt and Paul Allen, and Kent Hitch.

The minutes from the December PF Board meeting were approved after minor revisions.

Board Secretary duties moved from Jim Wurzer, who was thanked for serving, to Robin Jeffers.

Future Meetings

Trying to keep board meetings to 2 hours, the Board will now meet every 2 months. Upcoming meeting dates are April 27, June 22, August 24, October 26, December 7 (a day that will live in infamy).

To facilitate the shorter meeting time, member comment will be limited to 15 minutes at the beginning of the meeting. Those who wish to address the board will sign up and the length of their speaking time will be determined by dividing 15 minutes by the number of speakers.

Owner/Residence/Property changes

New renters at 37A Yellowleaf: Juan and Katrina Bautista

Crosby Carpenter, 23 Whitebark, is the incoming Principal of Liberty Bell High School, looking forward to taking up those duties on July 1.

The Board unanimously approved splitting Lot 154 and combining 1/2 of the lot with Lot 153 and the other half with Lot 155.

Executive Summary

NOTE: Complete committee reports including the Community Liaison's report will be appear with meeting minutes on the PF website/Governance/Minutes/Board Meetings.

Action Items/Committee Reports

Community Liaison:

During the recent cold snap Steve regularly checked pumphouse interior temperatures. Temperatures did not go below freezing.

Architecture (AC):

The AC will submit a budget request for replacing the PF entrance sign, accompanied by a recommendation on whether the work needs to be done this year.

Water:

Bill Ellis listed the work that the committee thinks needs to be done.

Replacing the 2" pipe on Summer Road below Charlie's Way. This was an action item some years ago, but there is no evidence in Board records that ithe work was completed.

Fireproofing and cutting grass around the pumphouses

Identifying a reliable pump contractor so that PF is prepared when work on pumps needs to be done

Roads Jim Wurzer reported the following work that the committee thinks needs to be done:

Renewal of snowplowing contract: Jim and Steve Meyers will be discussing/negotiating the contract with Andy. Board members favor a 5-year contract.

Replacing the 2" water pipe on Summer Road below Charlie's Way. Andy will ballpark the cost for us.

Widening the section of Summer Road just below Charlie's Way (this is the place cars keep going off the road in winter).

Improving visibility at the intersection of Whitebark and Summer Road to avoid collisions.

If these projects can be undertaken at the same time, then dirt from the Whitebark intersection can be used to widen Summer.

The PF speed limit and appropriate traffic signage (speed limit and yield signs) will be discussed at the annual meeting. The Board thanks Kent Hitch for the suggestion. Jim will provide sign examples for Board consideration.

The Board also discussed sanding and snow pushback, considering whether to make this a contract separate from the plowing one. Currently, Andy's contract does not include pushback and he was unable to sand roads during the December freeze/ice event.

Plowers ask that if part-timers are in residence during a big snowstorm, they turn on an outside light to alert plowers that they need a plow-out since driveway plows occur at night to avoid traffic. The plowing order is roads, full-time residents who work, other FT residents, part-time residents.

Finance: Heather reports that there will likely be a 20K surplus this year.

Firewise

Chris Solomon has researched the system insurance companies use for rating fire-risk and found it to be opaque. It appears that only distance from fire station determines the rating (if Winthrop Fire Station moves, the PF rating may go down from its current 9 of a possible 10). Good news is that more insurance companies are doing their own rating and the PF Firewise and forest thinning work could improve our ratings.

Committee To Do list: Pursue getting legislature to have insurance companies recognize Firewise designation

Trails and Recreation

Jan Sodt reports that naturalist Mary Kesaw is willing to offer (for a fee) seasonal tours of our greenbelts and ponds. Group size would be limited to 10-12, and “outsiders” could be included. Next step is for Mary to make a proposal to the Board.

Unfinished Business

Forest Thinning

Forest thinning will continue in 2019. The special ballot vote approved “an expense line item of \$16,875 (\$125 per lot) in the 2019/2020 budget (*to be covered out of regular dues revenue*) to fund continuing the common areas component of the PF shaded fuel breaks thinning project.”

PFOA members who have not yet participated in thinning should contact Heather Dean for details on how to participate.

The board discussed how to increase participation among the owners who haven’t yet had their property thinned. Jim Wurzer committed the Firewise Committee to discussing with those owners the community problems related to non-participation.

Lot Merger: The Board unanimously approved dividing lot 154 in half and merging one half with lot 153 and the other with lot 155.

New Business

2019-20 Budget Development: Budget proposals are due to the board by April 15.

Fee Policies

Regarding liens on properties, the board needs to create policy for

- Late fee for non/late payment of dues
- When to move from late fees to putting a lien on property
- Responsibility for paying the lien legal costs

The board also needs to discuss whether to bill owners for dues more than once a year, with an appropriate additional small charge for the cost of multiple billings.

The Architectural Committee needs to justify fees for construction and other work on private property.

Insurance Policies

Jon Fox is researching PFOA insurance current and future. The Board voted unanimously to switch insurance business to Melbourne/Melinda Bourne. Jon will work with Melinda to present options for kinds of insurance to the Board. The Board thanks Jon for this work on the community's behalf.

Need for audit of PFOA Finances: whether to audit finances will be put to a vote at the upcoming 2019 annual meeting.

Finished Business and Events Since Last Board Meeting

The small claims court judge decided in favor of PFOA in the small claim brought by Chris Hopkins. Links to the claim, judge's findings and ruling documents are posted on the front page of the PFOA website, "In the News" section. [Click here](#) and scroll down to "Court case settled."

Apple Maggot Quarantine: Vegetable matter from outside the Methow Valley can be put into garbage bins. Vegetable matter from inside the Valley has to stay in the Valley. There are designated containers at the Twisp transfer station. Here's a link to the WSDA information page: <https://agr.wa.gov/plantsinsects/insectpests/applemaggot/okanogan.aspx>.

The meeting adjourned at 4:30PM
Minutes submitted by Robin Jeffers, Secretary

Appendix

Pine Forest Treasurer's Report for 16 February 2019 Board Meeting

Budget Update through 31 January attached.

Items of note:

- Owner Payments: All owners now fully paid on 2018/2019 dues & water fees
- Items Under Budget • State Non-Profit License: We have not received an invoice from the state for renewal; I will need to check whether there is a problem
- Other Administrative expenses substantially (~70%) under budget, including Website expenses, thanks to the efforts of volunteer web master Deb Dahrling
- General Management expenses significantly (>80%) under budget, due to changing to volunteer community liaison (Steve Meyers)
- Insurance Expenses incorrectly under budget, due to company's failure to deposit our payment from last July
- Non-winter Road Maintenance, since we did not grade last autumn
- Sanding & Snow Pushback likely to be under budget, as well
- Water Maintenance & Repairs nearly 80% under budget, since we have not yet done tank cleaning & have not rewired mid-station electric panel
- Items Over Budget • Legal expenses substantially over budget due to
- Preparation of lien for overdue dues & water that were paid immediately prior to lien filing
- Consultation on defense against small claims court filing

- Consultation on governing documents & fees
 - Common Area Timber Thinning due primarily to thinning much more area than anticipated. (Note: Shortfall shown on budget document is an artifact of the timing of budget periods. Overall common area thinning shortfall currently only \$3,800 & projected to be only \$200.)
 - Water Utility Tax wasn't included in budget, but shifting fiscal year start to 1 July nearly doubled water fee income, putting us over the threshold (was \$20,000 & now \$24,000) for no payment. The only deductible expenses are those for capital improvements (not including loan repayment).
 - Projection: Currently project a surplus of about \$20,000
- Cash On Hand as of 31 January: \$116,000
- \$92,000 general funds
 - \$24,000 restricted use funds
 - \$12,000 timber thinning funds
 - \$10,000 reserve fund
 - \$2,000 building deposits

Other Items

- I shared the budget update & checking account register (available upon request) with the Finance Committee on 7 February & have received no comments.
- I am working on reconciling QuickBooks account names (expenditures & revenue) to match our budget categories, so that we can use QuickBooks to produce financial

Architectural Committee Report

2019 Feb 5
RJeffers

Current Building and Site Change Projects

AC Approval Date	Action	Address/Lot#	Owners	Contractor	Project Start Date	Project Status
7/2015 (approx)	Extend garage construction deposit refund deadline to Sept 30, 2017	14 N Blackjack	Elaine/Layne Gustafson	Gustafson	7/2015 (approx)	Incomplete* forfeited refund
5/21/18	Ancillary structure: shed	Lot 158	O'Farrell	AC did not receive this information	AC did not receive this information	Incomplete
5/27/18	Site change: road, bldg. pad, trenches for septic, power and water line	Lot 48	Hopkins	owner	5/25/2018	Incomplete
AC was notified. Approval was not sought.	Remove two trees: 12" and 18"	Lot 17C	Olezko			Incomplete? Inquiry email bounced
9/25/18	Driveway improvement	Lot 38	Fox			Incomplete
2.10/19	Add driveway	Lot 11	Dillon			Incomplete

10/3/18	Exterior remodel: add roof to porch	Lot 187	Scott	owner		Incomplete— needs trim and staining
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*Red indicates a problem.

Recently Completed Projects

AC Approval Date	Action	Address/Lot#	Owners	Contractor	Project Start Date	Project Status
4/5/2018	Add room to primary residence	62 Nighthawk	Chappelle	unknown	7/11/18	Complete

Outstanding requests for approval

None

Apple Maggot Quarantine Requirements – February 2019

The communications from the County have been less than helpful regarding what to sort and keep separate from the garbage in order to follow the requirements of the Apple Maggot Quarantine. A couple of owners have reported back with information they received when they visited WasteWise in Twisp to dump their garbage and “greens”. The explanation they received from the WasteWise employees is the easiest to understand.

If the fruit vegetable material is from commercially purchased items (not from local gardens or local orchards) they are deposited with normal garbage and not segregated.

Or, to put it in different words with the same meaning...

If it grew inside the quarantine area, the waste needs to be composted inside the area as well. This includes food waste, and yard waste, including weeds. However, if it was grown outside the quarantine area but was consumed here, it can be disposed of in your garbage. Thus an avocado from Mexico that you bought at Hank's does not need to receive it's last rights in the quarantine segregated area of the transfer station.

Insurance Coverage Review

Insurance Coverage Status with Recommendations At the present time PF has two insurance policies: Directors & Officers (D&O), and General Business Liability (covering PF from all sorts of liability that might occur in the development). We do not have any kind of crime coverage (say, for example, an employee absconded with funds) and we do not have property insurance. Except for property coverage the other policies are straightforward to get. Currently our D&O and General Business Liability policies are with an insurance agent in Twisp. That agent's performance and response to PF needs is less than adequate. We found in Winthrop another agent, Melinda Bourn, who is terrific. She comes well recommended. If PF fills out a “Brokering Over” form we can easily change our policies to be under the oversight of Melinda. In addition, as discussed below, Melinda can cover property insurance, if we qualify

for it, as well. By way of explanation, the policies for the PF insurance are held by the same companies. Agents compete against each other to represent those policies for homeowners, businesses, associations, etc. So, if PF switches to Melinda as our agent, our policies remain in place. We would ask her to review our policies to be sure the coverage is adequate or not excessive for our needs. We would also discuss with her a policy for theft. Excepting the water system, PF has little property which would need to be replaced in the event of a catastrophic fire. The pumps and pump houses are bigger ticket items, the sign comes to mind, one garbage dumpster and street/road signs. Coverage for road repair is an unknown. It does not appear that any coverage is available for underground structures: pipes/storage tanks/meters (not sure on this one). Due to fire hazard, property coverage is of no interest to underwriters. Several brokers have uniformly reported back this result and despite my attempts to get them to quote us on the basis of a limited liability or very high deductible, no one bit. Our Water Manager, Doug Hale, suggested we contact Douglas Insurance in Seattle who offers a policy adapted to the unique needs of water utilities. This policy was developed with Evergreen Rural Water of Washington expressly for these purposes and along with property coverage offers insurance against contamination (ask Annie about that mouse!), operator errors, equipment malfunctions, pollution, and so on. This is the policy I am working to obtain. Having had further conversations with Melinda it appears we may be able to get that same policy using her as the agent. We would prefer to have all PF policies with one agent. To even qualify for review for property insurance we will need a full suite of PF information as part of the application: (Thank you Heather for being so quick and thorough with this information!). 1. Latest tax return. I have a recent one and if a newer one turns up I will use it. 2

Update on Shaded Fuel Breaks/Timber Thinning Project 25 January 2019

Continued improvement! The spring commencement coupled with a relatively late start to the fire season allowed thinning to go on for much longer than in the previous two years. Saul Labanauskas and his hard-working Brothers Fire crew, along with his partners from Tunk Creek Logging, worked for 16 weeks, mostly from mid-April to mid-July. This year's project was a hybrid of the previous two years' work, with the crew continuing to create shaded fuel breaks along Pine Forest roads and also thinning beyond the fuel breaks for owners who were willing to pay more for the additional work. Altogether, the crew thinned nearly 55 acres of Pine Forest in 2018: 16 acres of common area, 26.2 acres of fuel breaks on a total of 39 private lots, and 12.3 acres of additional thinning on private lots. In all, 46 lots and 7 greenbelts had thinning and another 5 lots had individual trees removed. We sent 43 truck loads of logs—more than 177,000 board feet (MBF)—to mills in Cle Elum and Oroville, with uncounted pick-up truck and trailer loads leaving or getting cut up as firewood. The crew also eliminated or converted slash and non-merchantable log fuels with more than 250 hours of chipping and more than 550 burn piles.

The map on the next page shows the extent of thinning over the last two and a half years of the project. The 2018 thinning is the darkest blue, with the 2017 and 2016 work being medium and light blue respectively. (Please note that the property boundaries shown on the map are from the Okanogan County website and are not properly aligned with their background photo.) In that time the project has thinned overcrowded, diseased, insect-infested, and otherwise dangerous or unhealthy trees in more than 77 acres of the neighborhood and sent more than 250 MBF (66 truck loads) of merchantable fuels to mills. ^[1]_{SEP} Bottom line on finances: the third time was the charm. Beginning with a December 2017 debriefing, Saul and crew spent the winter and early spring ruminating on possible improvements in their operation, and those efficiencies, such as cutting the logs to mill length before skidding them and color coding them to destination, were evident when watching them in action this year. We also benefitted from better log prices and a closer mill for our smaller logs (Zosel, in Oroville), as well as from switching to Tunk Creek, who provided more reliable and cost-effective log loading (Big Bertha!) and hauling. Altogether, the merchantable logs produced \$82,211 to help defray project costs. As has been the case, a hale and hearty crew of neighbors also volunteered manual labor, including the tough job of hauling slash, which continued to help keep costs down. (Everyone say "thank you"!)

While we still have expenses and income outstanding—including opt-in payments from a couple of owners—we now know all of the amounts. That means we can report that the overall net cost for the 2017/2018 should be \$157,620 and that the cost per acre dropped another \$54 to \$2,672. Amazingly, after cycling through more than \$600,000 in expenses, timber earnings, and owner payments, both the private and common area components of the shaded fuel breaks project ended up pretty close to projected net costs. Common area thinning increased significantly this year, up to 16.0 acres, compared to only 3.5 acres in 2017. As a result, common area costs were more than anticipated. Since we received some grant funding for chipping of ladder fuels and creation of the Summer Road log landing made for a turn-out sufficient for emergency purposes, the Board redirected the \$8,000 previously earmarked for those projects toward the common area thinning, which left that part of the project with only a \$577 shortfall. The private lots component of the fuel breaks thinning, meanwhile, stands at \$3,287 in the black, with a net cost per opt-in lot of \$2022, or approximately \$78 per lot less than estimated. Once all or most of the outstanding income is in—\$21,650.35 from Zosel, \$2,800 from opt-in owners, and \$10,297.48 from owners who thinned beyond the fuel breaks— we will consult with 2017/2018 opt-in owners about disposition of the per-lot surplus.

The bottom lines above do not take into account the \$14,125 generously donated to date by 13 of our Pine Forest neighbors. Once we know the outcome of this year's efforts, we will consult with the donors about how to use their funds in Pine Forest's continued forest health/Firewise efforts

Pine Forest Water Report – February, 2019 Prepared by Alpine Environmental

Water Testing

- Coliform tests are being collected at four sites in the system (one site per month) o Barber – 43 Sugar Pine Rd, frost-free beside cabin o Meyers – 38B Summer Rd, frost-free at bottom of steps o Andersen – 35 Nighthawk Ridge Rd, frost-free near meter o Harris – 19 Yellowleaf Rd, frost-free southwest of cabin
- Coliform monitoring plan will be completed for the management plan using these sites as official locations
- All tests have been negative since start of service (July, 2018) • Frost-free taps offer the only sampling opportunity in the winter
- Association bears some liability if problems arise with the taps (breakage, freezing, stuck)

Water Production & Use

- No abnormalities observed since start of service Month Gallons Per Day Gallons Per Connection Per Day August 25,142 265 September 20,029 211 October 13,804 145 November 14,627 154 December 14,353 151 January 11,933 126 February 11,614 122
- Numbers are within expected range for full-time residences but seem high for vacation homes
- Service meters read in September; will read again in May and look for evidence of leaks

Cross-Connection Control Program

- Association currently has no cross-connection program to prevent backflow contamination
- Will be developing this as part of the management plan
- Board needs to decide if there will be mandatory protection on all services at the meters (premises isolation) or if each lot will complete a survey every five years and install protection as needed (in-premises isolation)
- Second option requires a significant amount of time and enforcement from the Board

Management Items & Issues

New items

- Completed full inventory of service meters in September

Water Infrastructure Repairs Recommendation Draft

WATER INFRASTRUCTURE FEBRUARY 2019

Current Infrastructure Needs:

1. Replacement of the 2" line on upper Summer road.
2. Fireproofing North Blackjack wells and pump house.
Need to keep grass down around the pump house.
Possibly could be mowed when they cut the hay in the fields?
Metal siding was recommended.
3. Mid station pump house.
Rebuild structure?
Metal Siding?
Does the Electrical panel need to be rebuilt?
4. South Pump house
Fireproofing
5. Transfer building
Eventually needs to be rebuilt.

Other Issues:

1. Need to review the fee structure for new hook-ups.
Checking with Andy to determine our costs.
2. Inventory
Doug Hale is starting
3. Routine Service
Need to identify reliable pump and electrical contractors.