

Minutes of a Meeting of the Board of Timber Cove Homes Association In General Session

Held Saturday, August 10, 2019 at 10:00 a.m.
At the Fort Ross School

Attendees:

Directors Present:

Ron Case, President
Russell Wells, Vice President
John Gray, Treasurer
Cindy Culcasi, Secretary
Bob Leichtner
Margaret Grahame

John Gray called into the meeting
Rosemary Gorz was absent
Office Manager Melany Collett was absent

Call to Order

Mr. Case called the meeting to order at 10:10 a.m.

Review and Approval of the Agenda

Upon motion duly made and seconded, the Agenda was approved by the Board 6-0.

Review and Approval of Previous Minutes

Upon motion duly made and seconded, the July 13, 2019 minutes were approved 6-0.

President's Report

During the Closed Executive Session, the election was discussed, and the Board approved contracting Brett Chairez to serve as the election overseer. Reviewing and approving the amended and restated bylaws was also discussed to prepare for the vote at the Annual Meeting.

Upon motion duly made and seconded, the Board approved 6-0 Brett Chairez, CPA, as the election overseer for the September 21 Annual Meeting.

Office Manager's Report - Melany Collett

Ms. Collett was absent.

Public Comment

A member suggested that the Association cut back on the number of times they meet during the year after the Annual Meeting since most things are now under control. Sea Ranch meets every other month and other HOAs meet quarterly. The member suggested that TCHA contact Sea Ranch to ask how they pay the bills since they do not meet monthly. A Board member stated he didn't believe it to be an issue if there was not a monthly meeting to approve paying the bills since a special meeting could be called if needed. Routine bills could be paid monthly.

A Director responded and noted there were some things to pay attention to that required expediency, so we needed to meet more often. We are getting close to resolving many of the issues now.

Treasurer's Report - Cindy Culcasi on behalf of John Gray

Cindy Culcasi presented the report for Mr. Gray since he was out of town and called into the meeting.

The August Treasurer's Report will be posted on timbercovehomes.org under the Board Meetings tab.

Bills paid in July

Frontier office phones - \$211.21

Office Depot \$25.00 - (auto withdrawal for ink)

Payroll - \$2,215.69

Brett Chairez, CPA - \$975.00 for membership vote on proposal to increase dues.

Timber Cove excavating - \$2,500.00 (Road sweep)

Timber Cove excavating - \$3,715.54 (emergency repairs)

National Partners (Insurance) - \$2,053.65 (July installment)

National Partners (Insurance) - \$2,053.65 (August installment)

Walls Law - \$1,680.00 (Bylaws research and drafting)

• Total - \$15,429.74

Upon motion duly made and seconded, the Board approved 6-0 payment of the July bills presented.

Report Highlights:

1. A number of members who have not paid the special assessment have also not paid their regular dues (slide 9).
2. August 1, 2019 is the record date to vote in the September election (slide 10). Members not current as of the record date will not be eligible to vote.
3. Mr. Leichtner added that there has been a discussion with Peter Walls regarding using small claims court vs. Pro Solutions to collect for delinquent accounts (slide 10). There were other pressing issues, so no decision was made, but we'll take up the conversation again soon since the bylaws have been completed. The Board needs to do some due diligence and work with our HOA Attorney since it appears the collections process and the contractual arrangements with Pro Solutions have not been analyzed for many years.

Legal Report - Legal Committee

Mr. Leichtner gave the report. He stated that the Legal Committee consists of Cindy Culcasi, John Gray, and Bob Leichtner. The Legal Committee has been working with outside Counsel to update the bylaws. The 2003 bylaws have been used for a number of years but are invalid since the previous valid bylaws required that the full membership must vote to approve amendments of the bylaws, and it appears that the 2003 bylaws were never approved by a vote of the Association. There was another set of bylaws that were used briefly, also without the required membership vote. The Boards have been mistaken in their assumption they were using valid bylaws. Additionally, the 2003 bylaws refer to sections of the CCRs that don't exist, making some of the important sections incomprehensible. Now that it is apparent that the 2003 bylaws are not valid, the Board needs to move forward and correct the situation. It is our understanding that prior acts undertaken by Boards mistakenly relying on invalid bylaws were not necessarily therefore invalid. The Boards were acting in good faith to comply with the 2003 bylaws. It just means we can't continue using invalid bylaws but must move forward and correct the situation.

Peter Walls (HOA attorney) is drafting the new bylaws. He represents numerous HOAs and is knowledgeable about Davis Stirling. The Legal Committee is working with Mr. Walls to discuss recommended provisions to be included in the amended and restated bylaws. Mr. Walls has read the CCRs and the Board have shared the broad spectrum of concerns expressed by members of the community over recent years. Mr. Leichtner noted that care is being taken to ensure that the amended bylaws align with and feature the primary principles set forth in the CCRs including preservation and protection of our unique, unspoiled natural environment,, a community reserved for private residences, architectural oversight to harmonize homes with the natural environment and limited annual operating expenses. Mr. Walls is correcting the errors in the past bylaws and ensuring they comply with good practice under current laws. We have tried to upgrade the amended bylaws to clarify and highlight the most essential functions to be managed/voted upon by the Board. Discretionary initiatives that are not essential under the CCR's or Davis Stirling will be allocated for approval by a vote of the Association membership. This shifts more power directly to the community. The aim is to enable the Board to focus on taking care of essential business as good managers and to prioritize serving the primary needs of the entire community efficiently and transparently.

In the hope of reducing damaging litigation and threats of lawsuits, Mr. Walls has added provisions that promote alternate dispute resolution. Mr. Leichtner noted that Peter Walls came highly recommended. The legal committee has found him to be a good listener, thoughtful in his responses, objective in his advice, and careful to attend to applicable laws.

Additionally, separately, but in coordination with the Bylaws, the Board has created a code of conduct and other policies that must be signed by the Board Members as a precondition of their service on the Board. Also, a checklist of essential annual tasks, e.g. taxes, insurance, etc., is being created to help guide and hold the Board accountable to requirements. The bylaws will be sent to the community in the ballot packets to be voted on along with the vote for new Directors. Given timing constraints, the Board will schedule a special meeting to approve the final draft of the Bylaws for inclusion on the ballot to be voted upon in the Annual Meeting. The bylaws can be amended at any time in the future by a member vote. Five percent of the members can call a meeting if they believe further modifications are needed.

A Board member asked if members could go directly to our HOA Attorney if they had concerns. Mr. Leichter explained that although the attorney represents the entire Association as his client, its only designated representative is the elected board, and he can only respond to the Board, not individual members. 5% of the membership could petition the Board to schedule a special meeting of the Association which could conceivably direct the Board to raise certain questions with the attorney.

A Board member asked if the Whistleblower Policy could be used to address Board issues. The written Whistleblower Policy describes how to call suspected misconduct to the attention of the Board for investigation. The policy will be referenced in the new bylaws.

One possible benefit of the new bylaws is that when insurers set a premium, having a new set of bylaws and oversight policies in place, may make a positive difference in the availability and cost of insurance at some point in the near future.

A member asked if we can block a member running for the Board if they have served in the past and didn't do their fiduciary responsibilities. The answer is, not to our knowledge. It is up to the members to vote keeping these issues in mind.

Mr. Case reminded members that they need to show up in the meetings and speak up.

Upon motion duly made and seconded, the Board approved 6-0, scheduling a special meeting on Wednesday, August 14, at 6:00 p.m. A notice will be posted on the community bulletin boards. The meeting agenda is to review and approve the restated and amended bylaws of 2019 that will be placed on the ballot and voted upon by the membership in the Annual Meeting.

Architectural Review – Ron Case

Mr. Case reviewed and approved the home to be built on Frost Ct. Timber Cove Resort is always looking for affordable housing for their staff. They are building this single-family home for that purpose. The executive chef and his family will live in the home. It is a prefab home made by a company in Seattle. Ms. Grahame showed the plans to the Board and Members and answered any questions.

Upon motion duly made and seconded, the plans were approved 4-0-2. Ms. Grahame abstained since she is the project manager for the project. Mr. Gray abstained since he was on the phone and could not see the plans/presentation.

Continuing Business

Independent Member's Committee Update - Anne Vernon

Ms. Vernon thanked the Board for taking the steps to amend the bylaws. 11% of Association members originally joined the committee to discuss making changes for the community; they have deferred their proposals while awaiting preparation and review of the Amended Bylaws. This is an example of a member committee pushing for change.

Fire Abatement – Chris Feddersohn/John Rea

Mr. Feddersohn - This Board prefers not to respond to Yammer comments, but there were misleading comments regarding the Water Board Fire Abatement Program that the Water Board would like to address. The original program was based on a bill the California Governor signed regarding water conservation, not fire abatement. The Water Board at that time was creative and the program was based upon clearing trees and bushes to save water if a forest fire occurred. The water in our reservoir is not the only resource when fighting a fire because there are many other water sources on the ridge and nearby that are available. Most likely ocean water (an endless supply) would be dumped via plane or helicopter if needed. There is enough water to fight a fire. The TCCWD Fire Abatement program also worried about the water shed (Timber Cove Road south) which only includes about 10% of Timber Cove.

The previous Fire Abatement Program allowed anyone checking properties to trespass on raw land and look over the property. It is illegal to trespass on raw land. The front door to raw land is the lot line. No one can step on anyone's land if there is not a house on it. The current fire abatement program allows the TC Fire Department to come to the front door on a lot with a home and walk around the property. Their primary function is to save lives first and save homes when possible. They always have good guidance and generally find additional items to clean up on most homes.

The only time that empty lots can be mandated to clean up is if there is dangerous debris apparent, e.g. tires, nuclear waste, etc., otherwise, there isn't much that can be done. The guideline of the new ordinance is the strictest in the state. The new fire abatement policy has requirements of a 10-foot clearance for bare land around the perimeter and next to a road. Combustible materials must be cleared. Grass is the most combustible material and the number one fuse for all fires. If an owner has piles of dead trees and grass, the fire department will probably recommend that members get rid of these things.

The current fire abatement program was reviewed by a water district attorney. If there was no fire department in Timber Cove, a fire district could be created for Timber Cove. Because Timber Cove has a fire department, a new fire district is not needed. When the TCCWD attorney looked at the previous fire abatement program, he said we could be sued for that program. It was not legal and not enforceable. We were asked to rescind that program. Chris Feddersohn and John Rea went to numerous meetings to discuss plans for the fire abatement program and how best to work to implement it legally. The new government backed program could have been implemented in other places, but it was first implemented in the Timber Cove area. If members are unhappy with the program, they need to contact the TC fire department if they have issues. Margaret Grahame added there will be a meeting between the Coastal MAC and Cazadero MAC next Thursday at the Cazadero Fire Station. Members should plan to attend. Their voices will be heard.

<https://sonomacounty.ca.gov/Coastal-Municipal-Advisory-Council/Calendar/Lower-Russian-River-Coast-MAC-Joint-Meeting-August-15/>

Featured Speakers:

A. Informational Items/Presentations

1. Senator Mike McGuire.
 - a. Legislative Update.
 - b. State update on Emergency Power Shutdowns, alert notification systems, and 911 upgrades.
 - c. Questions and Conversation
2. Mark Bramfitt – Executive Director, Local Agency Formation Commission (LAFCO).
 1. Fire Consolidation effort – rationale.
 2. Issues/concerns impeding consolidation efforts.
 3. Benefits of consolidation.
3. Caerleon Safford – Fire Safe Sonoma
 0. Basics of Residential Vegetation Management in Rural Areas.

A member asked about the chipper program. John Rea explained that the county is overwhelmed currently and has purchased another chipper. Members should schedule the chipper with a group for efficiency. It will take a while to get here.

The fire inspections are broken into three groups. The volunteer Fire Department is doing the entire fire district and not just Timber Cove. The state and county parks are not included in the inspections. This year about half of the inspections are done so far. The start was Ocean Cove Store and the inspection moved south on Hwy 1. As soon as Hwy 1 is done, they'll move up Timber Cove Road and the roads to the south. This will complete 2019 work. Next year, they'll work their way up to the ridge and the rest of the subdivision. The ridge will be completed on year 3. The fire department has only entered residential properties so far.

The edge of the road is where most fires start. There have been 2 roadside fires recently. They were controlled since the grass was cut on the edge of the road. Cutting grass also allows the fire trucks to get through the area safely when there is a fire.

A fire truck won't go into dangerous areas. Clearing Koftinow will allow the fire trucks to get up the road. The County is going to expand the inspections. There are 3 people performing the fire inspections 2 at a time. PRMD will eventually do the inspections. Currently a resident is given at least 30 days to address any issues before the inspection is redone.

Confirmation of Plans for Annual Meeting


The Annual Meeting starts at 11:00 a.m. on September 21. Members have a right to vote on the day of the meeting so long as they deliver their ballot to the election inspector by 10:55 a.m. Ballots that are mailed must be received by the Inspector of Elections by September 18, 2019. Melany Collett will have ballots available if needed. The vote includes a vote for two new Directors and the Amended and Restated Bylaws.

Adjournment

The President adjourned the meeting at 12:04 p.m.

Respectfully submitted

Cindy Culcasi, Secretary

A handwritten signature in black ink, appearing to read "Cindy Culcasi", is written over the typed name.