

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

Held Saturday, August 14, 2021, at 10:00 a.m.
Via Zoom Meeting due to COVID 19

Attendees:

Directors Present on Zoom:

Ron Case, President
Rosemary Gorz, Vice President
John Gray, Treasurer
Cindy Culcasi, Secretary
Bob Leichtner
Margaret Grahame

Rosemary Gorz called in late at 10:10 am due to phone issues
There is currently one open Director seat.

Call to Order

Ron Case called the meeting to order at 10:05 a.m.

Per Davis Stirling, the meeting is recorded to assist the Secretary with the minutes. The recording will be deleted once the minutes are approved.

Review and Approval of the Agenda

Upon motion duly made and seconded, the current agenda was approved by the Board 4-0 with 1 abstention (Margaret Grahame was absent at the previous meeting). Rosemary Gorz called in late.

Review and Approval of Previous Minutes

Upon motion duly made and seconded, the June 12, 2021, General Session Minutes were approved 4-0 with 1 abstention (Margaret Grahame was absent at the previous meeting). Rosemary Gorz called in late.

Community Report – Ron Case/Melany Collett

- Melany Collett announced that 9 escrows closed in the last 7 weeks.
- We are receiving a lot of emails and phone calls on a daily basis about Timber Cove. There is a lot of interest in Timber Cove.

- Scheduled routine maintenance for Water District. There will be a scheduled water shut off on Monday and Tuesday.
 - Monday
 - 8:00 am – 10:30 am – Trowbridge to Hwy 1, including the Timber Cove Inn.
 - 10:30 am – 1:30 pm - Hwy 1 thru all of Lee Drive
 - 1:30 pm – 3:30 pm - Hwy 1 to Kelly Court
 - Tuesday
 - 9:00 am – 11:30 am - Ninive
 - 12:00 pm – 2:30 pm - Hwy 1 to Pacific View

Public Comment

There was no public comment

Business Items

Treasurer's Report – John Gray

Mr. Gray delivered the Treasurer's Report for June and July. The PowerPoint presentations of the Report and Budgets are available on the timbercovehomes.org website.

Bills for June:

- Frontier Office phones \$137.42
- Intuit \$119.00
- Intuit \$ 70.00
- Intuit \$49.00
- HOA Election experts \$1824.84
- Reserve analysis \$900.00
- Payroll \$2,805.59

Total \$5,905.85

Bills for July:

- Frontier \$137.48
- Intuit \$119.00
- IRS (Payroll tax) \$1,419.33
- Return of construction deposit \$1,000.00 (to be transferred back to checking from construction account)
- Payroll \$3,897.92

Total \$6,573.73

Upon motion duly made and seconded, the Board approved paying the bills 6-0.

John Gray gave a budget update. The budget is located on the timbercovehomes.org website.

Highlights:

- **Treasurer's Report - Slide 16**
 - There are still currently multiple properties behind on assessments.
 - Total past dues assessments are at \$70,000
 - Allied Trust Services is our new collection agency.
 - Some liens have already been placed by the Agency and it is too late to square up with the HOA without paying collection agency fees.
 - Properties with unpaid dues and who are \$1,800 or more behind in payments, may be subject to foreclosure

A member asked if the budget reflects salaries paid. John Gray responded that yes, the amount is after paying salaries. She was happy to see our finances improving.

Margaret Grahame commented that we haven't spent much on our roads. She asked if we are spending money on the roads in the next couple of months, up to \$40,000. Mr. Gray explained the money in our Reserve Funds is for our roads. When we use money for roads, it comes out of the Reserve Funds and any amount left over goes back into the Reserve Funds. There is a substantial bill coming up for the Lee Drive Project of about \$40,000. The HOA is responsible for roads and architectural guidelines. Outside of legal, insurance and administration, the money should be going to the roads and architectural guidelines.

Continuing Business

Legal Update - Legal Committee

John Gray stated that there is one legal issue in progress that is confidential.

Roads Report - Roads Committee

Margaret Grahame asked about the money for the roads. Ron Case said that would be discussed under new business.

Update Tree Cutting Policy - Architectural Oversight

Ron Case said TCHA will continue the long-established process for removing dead or dangerous trees. Members will submit an application to cut trees and include what they plan to cut to TCHA. TCHA will review and give approval

Update from Sonoma Coast MAC Meeting/Local Coastal Plan - Cindy Culcasi/Margaret Grahame

Cindy Culcasi spoke about the Sonoma Coast Municipal Advisory Council (MAC) July Meeting. She noted that Margaret Grahame did a great job bringing up issues regarding the Local Coastal Plan (LCP) during the MAC Meeting.

Highlights:

- Bodega Bay Fire Department was fully funded by the County. They will be consolidating in 2 years with Sonoma County Fire. For the interim 2 years, they will be receiving emergency funds from the County until they consolidate.
- Supervisor Hopkins spoke to the fact that the County is looking to consolidate other fire districts. This includes CSA 40s (established to provide structural fire services to unincorporated areas not within a fire protection district). TCFPD is not a CSA40 fire department.
- The County is looking to allocate funding to support consolidation of CSA40s.
- Public Service Power Shutoff (PSPS) - PG&E has changed the criteria for power shutoffs. Now if there are any trees (called strike trees) that could fall on transmission lines, that criteria has been added to the existing process to determine if a power shut off is needed. Also, additional parts of the County have been added to the PSPS maps. This will most likely result in an increase in power shut offs going forward.

Ms. Culcasi also noted that Permit Sonoma closed the violation notice on their property. There are no fines and nothing more needs to be done. This is great news. Also, the County is looking at a broader programmatic solution to address fire abatement, with no permit needed when performing fire abatement.

Local Coastal Plan (LCP) - Margaret Grahame

- Marshal Thurgood (Calfire Chief) made a presentation on fires to the MAC. He spoke of the moisture content of the trees which currently have the low moisture level that normally occurs in September. The potential for fire is huge. There are many factors, e.g., temperature, winds, etc., that contribute to fire. Ms. Grahame asked that members do their fire abatement around their structures and on empty lots.
- The LCP is generally the general plan for how we live and how we zone for the next 20 years or so. It was presented again in the July MAC Meeting. Highlights:
 - Whether a coastal permit is needed for fire abatement
 - Determining if a permit is needed for short term rentals
 - What can be done to provide realistic short-term rentals?
 - Questions about the schools
 - The plan has gone to the Planning Commission for review
 - This is the first step to finalizing the plan. The review of the plan continues, and it impacts all of us. Decisions made will impact your property.

- If you have any questions, please contact Office Manager Melaney Collett and she will forward them to Ms. Grahame. Ms. Grahame noted that Timber Cove has found a voice and it is important we all speak up.

Ron Case thanked Margaret Grahame and Cindy Culcasi for all the hours they both put into this. He noted that the description of Timber Cove in the draft LCP was incorrect, but it has been corrected.

New Business

State of the Water District and John Howland's Letter – John Gray

Ron Case introduced the issue stating that there is some misinformation being circulated about the Water District that impacts the entire community. We want to set certain things straight to put people at ease. There is no danger in Timber Cove with the water.

Mr. Gray noted the Water District retained him as Treasurer last year to manage the process of getting their audits squared away because they were 5 years delinquent. Mr. Gray accepted the position in March of last year. He addressed a letter that went out from John Howland to the community.

- The letter was full of inaccuracies
- The letter talks about a bad water quality report. The consumer quality reports always work in arrears, that is, they do not necessarily reflect today's conditions. The report identified a previous problem that was an issue prior to fixes being put in place to correct a water mixing problem. The letter also failed to mention the facts that the Water Board, including John Howland, was notified on September 6, 2016, by Larry Nelson (employee) that he was responding to the state about the high level of THMs that were measured over 90 on Lee Drive. This was never addressed at that time until 2019 when Tanner Hiers was hired. He researched the issue and how to fix it. He presented a proposed fix to the Water Board in Open Session. The Board appropriated the money, purchased the equipment, and fixed the problem successfully. Since the infrastructure was fixed, the level is below the maximum allowed by the state.
- The Haloacetic Acids were an issue, but this has also been corrected and levels now are much better than the allowed tolerance. The new infrastructure keeps the water clean and flowing.
- Water Supply - The water supply is good, and the reservoir is currently filled close to the top. We are not in conservation mode yet.
- There was a comment about fire abatement and that we can't use sea water. John Gray noted he has seen Calfire use seawater to help put out a fire.
- Claimed neglect of fire abatement - Some of Mr. Gray's neighbors are cleaning up their lots. He knows of one person who was cited by the County to clean up his lot. There

were complaints about the prior \$10 monthly fire abatement charge. Mr. Gray knows of no other water district that charges \$10 a month for fire abatement. The policy didn't work to address fire abatement.

- Water Distribution - The letter cites that TCCWD does not meet water distribution standards. The claims are misleading. Because legally required annual audits had not been completed and submitted to the County, the Board was not in a position to plan and replace the old distribution lines or apply for grants. John Gray personally brought up all the delinquent audits up to date over the past year. The letter states that Amanita Court has leaks and contains asbestos. That line was tested numerous times by our staff, and it was also tested by California Rural Water Association (CRWA) and no leaks were found. The pipes are not made of asbestos, they are concrete wrapped externally with asbestos for strength. The water has been tested on Amanita multiple times and the result is always zero asbestos.
- Water Plant doing an inadequate job of filtering water and using excessive man hours to run the plant - This was true at one point but has been fixed. The answer to fixing the plant was replacing \$12,000 parts, not replacing the plant. This change reduced labor demands. The flushing cited in the letter was also addressed and corrected. It is no longer an issue. John Gray also spoke to some illegal management activity that went on in the past. There were employees who were sometimes working more than 70 hours a week and they were not paid overtime but promised comp time in the future, instead. That practice is illegal in California. John Gray challenged the General Manager and Mr. Howland about not paying overtime in compliance with the law in a public meeting in August of 2018. The issue was fixed after it was pointed out. In 2016, there was an email from Kris Kilgore suggesting that comp time, not overtime, be offered when an employee was taking a training class. John Howland agreed. This is a violation of the law since overtime premiums must be paid for excess hours worked.
- A representative of California Rural Water Agency (CRWA) toured the plant on July 27, 2020. John Gray was present. He told the representative about large expenditures paid for consulting for engineering a new plant (without public disclosure or Board approval) and she said that was like replacing your car when it just needed to be filled up with gas. Our system is sufficient for our needs.
- Financial Condition of the Water District - There were 5 years of neglected delinquent audits. The 2016 total expense noted as only \$266,700 was incorrect. Audits showed the total expenses actually were \$631,959. The General Manager's salary was coded as a "capital improvement", perhaps to avoid disclosing it as an expense. Employee compensation is not a capital improvement.
- The letter claimed that the \$1 million fund occurred when John Howland was on the Board. That was incorrect. At the end of 2018, the district had total cash assets of \$850,705. In 2019, Chris Feddersohn became the President and clamped down on unnecessary spending. The cash reserves increased to \$909,980. In 2020, the cash

reserves increased to \$1,061,790 for the first time. John Howland left the Board in 2019. In 2021, total cash reserves and operations reached \$1,105,790. Before 2019 financial information was unverifiable because there had been 5 years of delinquent audits. The only audits completed were 2013/2014 and that wasn't completed until January 2018. For 2016, there were no financial records found. Mr. Gray had to recreate all the records for 2016. Then 2017, 2018, 2019, and 2020 audits were completed. TCCWD is now completely current on their audits.

- TCCWD was headed for a disaster - Failure of prior Board Members, including Mr. Howland, to properly fulfill their fiscal responsibility and provide reasonable oversight, made it impossible to apply for a grant, bonds, or loans. The current Water Board was able recently to lower our water rates by 22%.
- The prior Board spent nearly \$300,000 without notifying the public. This was a violation of the Brown Act. Money needs to be appropriated publicly.

If anyone is interested in reading the detailed response from John Gray, please email him and he will send you a copy. The Water Board is in the best shape that it has been in for years. Mr. Gray thought it was important that there is a response to the John Howland letter since it is inaccurate, not responsible, and people don't need to panic.

A member complimented John Gray and Melany Collett on the good job they did on the audits.

A member asked if all member's email addresses are public. John Gray responded that the sender was a former Board Member, and John Howland probably got the entire mailing list when he was a Board Member. It wasn't released by the current Board or Melany Collett. Cindy Culcasi added that the email addresses are private. Members can request a copy of the list for legitimate non-political reasons, but the Board does not automatically approve these requests and there have been instances when the request was denied. We are currently working on a form that will include all the criteria for requesting the list. The form will be available soon.

Bob Leichtner thanked the Water Board for strengthening the Water District both financially and operationally. He also thanked John Gray for addressing this issue. The availability of safe drinking water is essential for the growth and survival of Timber Cove. Unfortunately, it harms the peace of mind of residents when misleading information is published giving inaccurate information about the water. This is harmful to the property values of the community when a letter is circulating wrongly asserting that there is inadequate water, and it is not safe to drink. The improvement in the transparency of finances and decision-making under the current board is dramatic. The multiyear failure to complete required audits could have resulted in the withdrawal of the TCCWD operations permit by the County. John Gray did a great job completing 5 years of audits in 1 year. Mr. Leichtner addressed the capital improvement

misinformation and the result of the expenses being shown as far less than they actually were. These items have been corrected by the current Board with lots of credit going to Chris Feddersohn and John Gray.

Annual Meeting Update - Cindy Culcasi

The Annual Meeting is coming up on September 11 and will be a Zoom Meeting. The ballots were mailed this past Thursday by HOA Election Experts (located in Southern California). All election material will be sent USPS by HOA Election Experts. We will not be sending any materials via email.

In about two weeks HOA Election Experts will be sending out a reminder letter to vote. We need a quorum of 108 of the 216 ballots to hold the meeting. Please vote since it will cost the Association if we need to schedule a second meeting. There have been questions regarding 3 openings and 3 people running and why we have to hold an election. It is a Davis Stirling requirement that we have a vote. Ms. Culcasi also thanked Melany Collett for the quick turnaround to update the latest membership list so we could send it to HOA Election Experts.

John Gray thanked Cindy Culcasi and Rosemary Gorz for running for another term and Richard Mogford for stepping up and running for the Board.

Bob Leichner reminded people to sign the ballot envelope. Cindy Culcasi also noted that members need to complete the address section of the outside envelope with their Timber Cove address.

Architectural Oversight – Ron Case

Ron Case stated that we get a number of questions from members regarding what they can and can't do. People need to go to the Architectural Guidelines from the CC&Rs, which are available on our website timbercovehomes.org , where they can review what the requirements are.

Roads Committee - Ron Case/John Gray

Mr. Gray noted the bid for Lee Drive from Hickey Earthworks was accepted. The contractor said he could come in October, however, John Gray will ask for an exact date and push, if possible, for a date that is sooner. It appears that the date will be mid-October. Most of the contractors are busy and their dates that are available are pushed out. Hickey Earthworks was substantially the best bid received. The next road work will be the road sweep after the first major storm.

Margaret Grahame asked for confirmation that the entire Lee Drive will be chip sealed. She also asked about the pampas grass that is encroaching the sides of the road. She weed wacked Lee Drive last year, but the grass has grown back. It is filling the culverts and there are

small shrubs growing up. In the past, TCHA has done various things to clear the sides of the roads. Is any attention being paid to the side of the roads?

Ron Case asked if clearing the sides of the roads is part of the bid. John Gray responded it is not, but he will be seeing Hickey when he does some work on his property and will ask about the additional cost and will walk Lee Drive with him. The Board will need to vote again on the contract if the criteria is changed. Margaret Grahame asked about the rest of the community. All of the roads have the same issue as Lee Drive. Ms. Grahame is also concerned about overhanging trees that would impede Fire Engines and other emergency vehicles.

Per John Gray, a year or so ago, a committee drove the roads. They came up with a priority list. We had to put off the work due to lack of funding. We still need to watch our pennies and without raising dues or using a special assessment, we have limited funds to do much more than currently planned. Ninive probably had the worst roads with encroaching weeds, etc. Ms. Grahame is very concerned about emergency vehicles not having the clearance to drive the roads. A member noted that years ago, the property owners were responsible for their culverts and overhanging trees. She believes that members don't know it is their responsibility. Bill Seymour used to keep the culverts cut, but some members did not want him to touch their property. The member asked how this Board would approach this issue. Melany Collette, Office Manager, asked the same question in reference to Lyons Court. Ron Case stated that we need to let members know what the guidelines are and what they are responsible for specific to their property.

A member asked about the Coastal Commission and their approach to herbicides. Do they have issues with herbicides? Cindy Culcasi responded that the LCP meetings have discussed the use of Round Up and possibly banning the use of it along the coast. It is definitely a hot discussion topic. John Gray suggested an interim solution of white vinegar, Dawn Dish Washing Soap, and Epson salts. It kills the weeds, but not the roots like Round Up does. The member added he works with herbicides all the time and he doesn't have the same concerns and stigma that others seem to have.

A member suggested that we send something out to members to let them know their responsibilities.

Trowbridge Road Work - Ron Case

Ron Case announced the Trowbridge road work has been completed.

Speed Bump – Ruoff (Off Timber Cove Road)

Ron asked for community feedback regarding the possibility of a speed bump on Ruoff near Timber Cove Road. Cindy Culcasi added a neighbor commented to Sal and her that some people drive quite fast on Ruoff. Ms. Culcasi said she and Sal were walking their dogs the other

day and a car was driving quite fast on Ruoff. They have also noticed that people speed around the corner from Timber Cove Road and Ruoff and if a pedestrian was near the corner, they could be hit. Ron Case said we need to do some research regarding the process and signage.

A member suggested a speed limit sign on the upper part of Ruoff.

Adjournment – Ron Case

A motion was made to adjourn the meeting. Ron Case adjourned the meeting at 11:25. The next meeting is the Annual Meeting on September 11 at 10:00 am

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Cindy Culcasi". The signature is fluid and cursive, with the first name "Cindy" and last name "Culcasi" clearly distinguishable.

Cindy Culcasi, Secretary

Sign-in/Participant List

Members on Zoom/Conference Call:

1. Anne Vernon
2. John Rea
3. Diane Feddersohn
4. Chris Feddersohn
5. Carolynn Abst
6. Sal Culcasi
7. Lane Wade
8. Keith Thompson
9. Melany Collett
10. Unidentified caller from area code 808 (Hawaii)
11. Unidentified Galaxy Tab phone