

The North Woods Association, Inc.
Annual Meeting
Tuesday, November 10, 2015
Vancouver Water & Resource Education Center, Vancouver WA

Directors present: Ken Docekal, Denise Firth, Carrie Lewellen, Gib Masters, John Nicholson, and Cindy Gaines
Present: Caretaker Jim West
Director absent: Dan Brady

In total there were 84 cabins represented at the 2015 annual meeting, either in person or by proxy.

The meeting was called to order at 7:05 pm and Ken Docekal welcomed the members and thanked them for attending.

Ken asked if there were any changes to the 2014 annual meeting minutes. Cabin #92 stated that he did not want the 2014 Annual Meeting minutes approved as submitted to the membership in the packet. He requested that the language regarding the audit be changed from "...audit report...was unavailable at tonight's meeting" to reflect: "It was not done as of tonight's meeting". Cabin #112 seconded the change. A motion to approve the 2014 minutes with the requested change was made by cabin #1 and seconded by #89. A majority vote approved the minutes as modified.

President's Report:

Ken noted that it had been a great year...except for the reservoir water level all summer. The low water levels were felt across multiple states. Ken noted that we are going to get a plan together, but will address in a later part of the meeting. The Association replaced the swim area docks this spring for continued safe enjoyment by children and families. He also noted that Jim and Willy have done a great job as caretakers for the Association.

Treasurer's Report:

Denise presented the budget report and asked if any of the cabin owners had any questions on the budget.

#88 asked for clarification about the funding source(s) for the new swim area docks. Denise replied that the Board had allotted approximately \$15,500 from the water system assessment, as approved by the membership at the 2014 Annual Meeting, but that amount had fallen short of the actual replacement cost, which was approximately \$51,000. Additional funds to cover the cost were received from the sale of the bulldozer, collection of past due cabin owner assessments that were never expected to be received, miscellaneous monies from the 2015 operating budget, and carryover from previous years' operating budgets. There is no specific breakdown for these figures but the \$12,000 "miscellaneous (contingency)" was the pooled monies from the sources previous noted.

#112 asked how much did the bulldozer sell for? It was sold for \$2000. Cabin #92 said that we had asked \$6500 for it on the Craigslist post, had purchased it for \$6500 and spent \$1500 on

maintenance, but had never used it in 5 years, and asked to whom was it sold. Jim West responded to this. He stated that it has been used when the snow was very deep on the roads one winter and despite being started a couple of times a year, the engine was in need of servicing and this was reflected in offers received; at least one potential buyer wanted TNWA to service the engine prior to selling. It was sold to a fellow in Washington who offered \$2000 as is.

#89 asked if the bull dozer would be replaced. Jim replied that it would not; any work needing to be done that couldn't be done with the backhoe will be hired out.

#192 noted the 5% increase in health care costs, but the line items in the budget show the same amount next year. Denise replied that there was a 5% increase in health care costs and the 2016 value is an error.

#78 asked for verification that there are 91 slips available and that they are all full. Denise replied yes to both questions. The \$4500 line item in the 2016 Marina Fund is the 91 slips x \$50 annual maintenance fee.

#27 moved that the budget be approved and #192 seconded the motion. The budget was called for a vote and was approved by a majority vote of the membership.

Committee Reports:

Rules and Regulations:

Gib Masters commented that it had been a quiet year and that most of the issues brought to him regarding rules and regulations pertained to people doing capital improvements to their cabins and had been resolved easily. There is one outstanding permitting issue which is still open and that he will follow up on. No fines were issued this year.

Marina:

Ken presented for Dan Brady, who was absent. New docks were installed in the swim area. We are looking for some replacement logs for booms. We have contacted PacifiCorp and are hoping that they will sell us some to replace those that are no longer serviceable. A member of TNWA is working on the JARPA permitting process so that we can, one day, do the work needed to repair log booms.

Common Area:

Jim reported that the common area restrooms had been painted inside and out as requested at last year's meeting. There was a lot of cleanup done in the spring around the common area. Everything is in really good shape.

Water System:

Cindy Gaines reported that Jim and Willy are doing an amazing job with the water system. All water quality tests required by the State have come back clean. We had a Sanitary Survey conducted with the Washington Department of Health (DOH) as required by state administrative code. Overall, the survey went very well. There were 3 minor items that we must correct and we are working to complete those items in the required timeframe. Other items were noted as suggestions to continue to improve the water system; these are not required. The surveyor from DOH commented that we must take down in writing all of the information in Jim's head because he has a wealth of information about the system. She was very impressed with Jim and his knowledge about, and maintenance of, the system.

#145 asked about the sampling frequency. We submit coliform tests monthly to the lab and a nitrate sample annually, as required by the state administrative code.

Roads:

Jim reported that the roads are in good condition overall. With the lack of rain this year, the roads are in really good shape. With hunting season though, there are a few potholes that need to be filled in, but he needs to fix the backhoe first, once he has approval from the Board for the repair expenses.

Caretaker:

Jim commented that it has been a great year with good people. No citations were issued this year.

Investment Account Status:

Cindy Gaines read the report prepared by Michael Gaines since he was unable to attend the meeting. The overall report showed an increase in the total investment. The total value of investments was \$160,507 on 1/1/2014, and the value grew to \$163,865 as of 12/31/2014. The strategy is to continue with an investment posture which will preserve principal and provide for modest growth over time in the value of the trust assets.

Water Level Discussion:

Ken opened this discussion by informing the membership that we all know it was a bad year for the water level in the reservoir. He continued by stating that we have been contacted by Swift Forest Camp (SFC) and they would like us to work together in approaching PacifiCorp with the hopes of a better outcome for next summer and years to come. SFC is looking for their original lease from PacifiCorp to see what it says, specifically, regarding summer water levels. Ken stated that Mr. Travis from cabin #1 will help us work on getting the lease agreements, and possibly give the agreements to an attorney to see if there is any action we can take. He then opened the floor for discussion.

#197 commented that he had been on the Board during the last FERC relicensing and that we should have those documents on file; they might note regulations pertaining to regulatory water levels. He stated that we “don’t have a leg to stand on” because river levels are the most important item: more important than recreational uses. Fish have more rights than we do. He stated that we may be spinning our wheels and spending money that we do not need to spend. He said it is nobody’s fault about the water levels; it is an act of God. He also asked for discussion from the membership about boat slip fees for 2015 (maintenance and usage fees) and inquired whether or not the Board had considered crediting the usage fee in 2016 since the docks had been essentially useless for 2015.

#17 stated that he had had conversations with PacifiCorp, Fish and Wildlife and DNR about the 2015 water level in Swift. PacifiCorp told him that Swift is nothing more than a holding pond for Yale and Merwin. Each reservoir has minimum levels for recreation. Merwin was never taken more than 12 feet down and Yale, 15 feet, despite the 25-30 feet drawdown at which they are not useable for recreation. Swift, on the other hand, was drawn down to a level below its useful recreation level. He was told by PacifiCorp that drawing down Merwin would lose PacifiCorp many hydro related revenue dollars. The drawdown at Swift was totally driven by their profit margins. They admitted that they could have changed their plan to draw down Swift, but it would have affected their bottom line. He also commented that Fish & Wildlife was concerned

with the effect of the rapid drawdown on fish in the reservoir. He asked the entire North Woods community to actively work with PacifiCorp (not attack them) to facilitate a different outcome in years to come. He suggested drafting a letter of concern and perhaps a petition drive for all of the communities in Swift to sign. He also suggested that Maria Cantwell has a good environmental track record and that we should consider reaching out to her for assistance. Normally we don't even have water during the summer between Memorial and Labor Days, so he doesn't think we'll have water in the future. He also stated that he had been told by PacifiCorp that they serve recreation uses off of the I-5 corridor and that Merwin and Yale are closer than Swift; he commented that there are many people who come to Swift for recreational purposes.

Ken stated that PacifiCorp isn't counting boat launches on Swift accurately that reflect the number of users because North Woods and SFC residents moor their 100+ boats versus launch them daily as at Yale and Merwin. He also noted that we have had PacifiCorp's Todd Olsen up and taken him out on the lake to personally see the effects of a 7-8 ft drawdown at our end of the reservoir. Cabin #197 encouraged the whole association to do more.

#98 asked if the presumption was correct that we had a water right to draw water from the reservoir (for drinking water). This is incorrect; our water system uses wells/groundwater. He then suggested that we might consider applying for a water right but noted that this would not be an easy process.

#197 agreed that we might consider applying for a water right and asked that the discussion be brought back to his original topic: crediting 2015 marina usage fees in 2016. He specifically asked the Board if they had discussed this. Ken replied that we had discussed it and opted to charge people as usual. It was also noted that the fee is in the budget and the budget had been approved/passed.

#89 moved to credit marina dock usage charge for 2016 and #125 seconded the motion.

#197 restated that the maintenance fee is OK, only the usage fee should be credited.

#1 and Carrie Lewellen both stated that the budget had been approved; if the change were made, the budget would need to be reworked and resubmitted for approval. #54 said the budget cannot be rescinded if it was approved. The amendment would need to take place as part of the 2017 budget, not the 2016 budget. If the amendment was made however, it wouldn't cover the costs of future maintenance.

#5 stated that they don't have a marina dock lease and asked if a member doesn't have a boat dock lease does the credited fee have any effect of them/others without a dock lease? No, there is no effect on them.

#18 stated that they have their own dock and asked what precedent approving this motion would set for future years?

Gib stated that the fees collected are intended to continue to increase the marina fund so that the boat docks may be replaced in the future; he also noted that if you elect to not use your cabin, you must still pay the lease. He also stated that this sets a bad precedent. The leases for the boat slips are force majeure, and there is nothing in the lease that allows for refunds.

#173 supported Gib's statements.

#197 noted that the water level discussion was scheduled on the agenda at the end of the meeting and the budget approval earlier in the meeting. This was a bad idea; it was stated at the beginning of the meeting that the water level discussion would be at the end but had he known how the process would work out, he would have brought it up during the budget discussion, prior to its approval.

#1 moved to table the discussion and #167 seconded the motion. #6 commented that you can't table a discussion but it can be ended. The motion to table the discussion was voted on, and passed by a majority of the cabin owners.

#6 then stated that he had been a Cowlitz County Commissioner during the previous FERC relicensing and had also served on TNWA Board. We are the third reservoir and recreation is third on the list behind fish and power generation. He offered to help the group in the discussion with PacifiCorp as the process moves forward. This received a positive response from all.

Election for Open Board Positions:

The Nomination Committee counted the votes, and presented the results of the election to Ken. Ken continued the meeting to present the names of the newly elected Board members: Collin Farrell and Rebecca Martinez Griffin. It was noted that Rebecca was not present but Collin briefly addressed the group. He thanked them for electing him, thanked both the exiting and current Board members and also the caretakers for doing such a great job.

New Business:

Ken opened this section by stating that Erik Gunderson from cabin #173, representing the signage committee, would give a 5 minute presentation about signage at North Woods. He also noted that all of the comments about the new signs made and installed this past year had been very positive.

Erik's presentation covered 3 phases of signage modification at North Woods. Phase 1 is almost complete: all but one road sign have been installed and the new map signs have been installed. Erik expressed thanks for the work done by Jim and the other members of the Road Committee. Phase 2 as proposed would create new cabin number signs at a cost of \$10-12 per sign before painting. The committee found a man in the Woodland area who can make the signs. He noted that some cabin number signs are missing, others are in poor condition and they are currently inconsistent. Phase 3 as proposed would create new exit signs as the current ones are inconsistent in style and some are overgrown with moss and are hard to see. The committee also suggested updating the speed signs; he suggested that kids today don't realize that 9 1/2 mph is not a joke. The committee also proposed updating the much deteriorated signs at the common area, including Fire Lane and Call 911 signs. Erik proposed to allow the Road Committee to knock on doors and ask for money.

#206 commented that the new road signs are not visible at night and while she knows her way around North Woods her guests don't and can't see the signs if they come in at night. She asked about adding reflective tape or somehow making them visible in the dark. Erik replied that they had not made them reflective based on the opinion of the membership expressed at the 2014 Annual Meeting regarding painting the rocks at the common area with reflective paint. That suggestion was rejected at last year's meeting. Reflective paint does not fit in with the natural area.

#125 made 2 comments: first that people put up paper plates with names/arrows for guests and asked that if this is done, that people then take down the signs after the weekend. He also commented that as full-time residents of North Woods they have had positive comments on the installation of road signs from utilities and service providers (e.g., UPS). He asked what the signs will look like. Eric responded that anybody is welcome to join the Road Committee and provide feedback for the design of the signs.

Jim commented that the committee might have gone a little overboard with Phase 2, cabin number signs. This idea has been proposed in the past and rejected. He commented that people should be able to have their own signs. Also, the Fire Department had requested the red/white reflective Fire Lane and Call 911 signs. He stated that he thought it was the Board's understanding from last year's meeting that Phase 1 was it. He stated that 15 years ago they changed from wood to plastic, because people cannot see the wood signs after they have aged. He also noted that many of the old, wooden signs have deteriorated and that it is his job to remove and replace them once instructed to do so.

Erik replied that the committee would delete Phase 2 and proposed the Phase 3 replacement of old, deteriorated signage.

#112 thought cabin number signs are a good idea, and there should be an option for each cabin owner to replace their signs if they want to.

#5 suggested that the committee email the membership and if cabin owners want new cabin number signs, they could order one. The Board offered to send this email via the Constant Contact email blast system. #1 followed by stating that before sending this email the committee and the Board should discuss and agree upon what constitutes an "acceptable" cabin number sign. Someone commented that everyone has a different idea regarding "acceptable".

#10 commented that cabin number signs are an expression of a person's personality and that if they want to they should be able to have their own cabin number signs. She, for one, likes the original sign at her cabin.

#185 stated that he believes that once you enter a driveway, it's personal property and cabin owners should be able to have their own, individualized signs if they want.

Eric stated the intent is to only replace signs for cabin owners that request it. He said if anyone wants a new sign to contact him.

#197 moved to adjourn the meeting. #207 seconded. Meeting adjourned at 8:10pm.

Respectively submitted by:
Cindy Gaines, Director and Carrie Lewellen, Secretary