

DCLI Board Meeting

Thursday, January 11, 2018 @ 7:00 PM at Tys' House

Members Present: Ron Chandik, Simon Field (via Zoom), Mac Marshall (via Zoom), Dave McGuire, and Tys Sniffen, Members Absent: Jay McClelland; and Ginny Stone

Visitor(s): None

Preliminary Discussion: (Tys, Simon & Ron)

1. We need to be careful to utilize SBA loan funds for capital projects.
2. We also need to fix deteriorating infrastructure like paved areas.
3. How to inform DCLI Members that DCLI Received a \$251K SBA loan ? Rumors regarding the disposition of the funds are surfacing in local conversations.
4. SBA requirement: No more than 20% of the loan can be used for "improvements". We need to structure the projects so that road preparation like grading and ditching and rock and compacting are paid for with SBA funds and actual paving is funded from DCLI Road Maintenance Fees. We need to request periodic project status billings that we can later decide how to fund.

A. Tys' Comments

1. Benigno Sanchez (Map #12) did not sell his land as the title company suggested, but refinanced it. The title company paid the \$7,409 balance due including interest and penalties.
2. Tys will take 20 additional FY2017/18 liens and 3 Releases to the Santa Cruz Records office to be recorded tomorrow. (Because of drastically increased filing fees, DCLI is not Releasing and Re-filing prior year liens as was done for FY2016/17).

B. Road Manager's Report:

1. Tys: We now have **\$18,825.84** in the Liberty Bank account. What do you plan to do with it ? Dave: The money should be allocated to the Ramble project and he will get to it whenever we have a two week break in the weather. Board agrees with the Road Managers priorities.
2. A lot of vehicle damage was done on Hartman by the fire crews and we need to consider using SBA funds to fix it.
3. Dave: He wants to try one small project first to see how the SBA responds to our process and documentation before initiating more activity.

C. Treasurer's Report

1. Ron: Are there any pending payments due to contractors or anyone else ? Mac: No. There are no pending payments from our account.
2. Tys: He spent \$360 on a Notary for the Liens & Releases.
3. Tys: He has a \$300 payment from Mike Brown and a payment from Dennis Smith and a payment to the Secretary for \$94 mailings. Prior Recording fees have not been given to Mac yet. He will submit a bill. Ron: I need copies of new Liens and Releases to record on the Master List.

D. Secretary's Report

1. No Dec 13, 2017 DCLI Board Meeting Minutes are submitted for approval, due to the absence of attendees at that meeting..
2. No correspondence was received in the Secretary@DCLI.org mail box.
3. Reviewed Tys' Benigno Sanchez (Map #12) Balance Due including interest and penalties on his land refinance. The title company paid the \$7,409.
4. Review of the Liberty Bank account Balance as of today, 11Jan18, is **\$18,825.84.**
5. Received DCLI \$93.99 reimbursement check for 04Nov17 General Meeting and 3rd Balances Due Solicitation mailings and postage.
6. I brought the Oct 31, 2017 DCLI Board Meeting Minutes to the Dec 13, 2017 DCLI Board meeting for official approval, but since only three people showed up, no approval was received. Tys requested one change to the Minutes, which I made and sent a copy to all Board Members. Can I now have approval of the Oct 31, 2017 DCLI Board Meeting Minutes ? Minutes were approved by Members present.
7. Minutes for the 04Nov17 DCLI Fall General Meeting are in process. The meeting was long, contentious, and difficult to transcribe, but contained important discussions which should be carefully considered by the Board.
8. I brought a printed copy of Lien documents required by our JMA per Tys' request for DCLI Officers' signatures.

E. Establish Meeting Dates

1. Thursday February 15 @ 7:00 PM @ Tys house.

F. Old Business

1. Dave and Tys have an ongoing discussion with the paving contractors.
2. Dave: We need to have a discussion about how we want to spread out the use of the SBA funds and what priorities we want to assign to the various projects.
3. Tys included on today's Agenda the FY2017/18 road projects that were NOT initiated yet due to the lack of funds. Highest priority project is Ramble from Deer Creek to Deer Creek Heights, which we probably won't be able to do with the allotted \$18K. Dave: He will talk to JC to see how close to Deer Creek Heights we can get. Work is contingent on JC getting a large roller to do the work.
4. Ron: Are we agreed that now that we have the SBA loan approval, we are not concerned about holding an Emergency Reserve ? Dave: He has no problem with drawing funds from the SBA loan if another "natural disaster" should occur. Tys: It is his understanding that we would be able to draw funds for road repairs immediately, if we had to.
5. Tys in response to Mac: We are discussing how to spend the existing (and unexpected due to the Sanchez title company payment and the SBA loan approval having been received) \$18K on the next highest priority project on our FY2017/18 Budget Project list. The budgeted price for the Ramble project was \$11K, but is now \$16-18K. Dave: He had not gotten the bids from Walters or JC before the budget had to be set and he guessed low. Board agreed to Dave's proposal to use JC for a larger section of Ramble at \$18K rather than Walters doing a smaller section (but probably done better and with more rock) for \$45K.
6. Tys: Last year for FY2016/17 we initiated a new Lien process whereby we Released all prior Liens and replaced them with a single new Lien for each

Landowner containing all past and current balances due plus interest and penalties. This year Tys, Mac and Ron went to the Santa Cruz County Recorders Office to do Releases and Liens for FY2017/18. We stopped at the Recorders office to get their agreement on what we planned to do, spent 2 ½ hours at the Notary signing notarized forms (This year there was two types of Notary forms; we choose to most inclusive one at the same price), and returned to the Recorders Office where they told us that we used the wrong Notary form and would have to redo all the signed documents. We spent \$1K getting 21 Liens and 21 Releases. The County informed us that next year (2018) the price of liens will increase from \$13 to \$75. Because of this cost increase, we decided not to Release all previous Liens, but to just add new Liens for the current year to the existing Liens for prior years. We will Release only PAID liens (three this year). The new process will cost us \$360 in Notary fees plus \$75 per Lien or

Release. We will add these fees to the Lien Balance Due.

7. Our JMA says that all DCLI Officers must agree to the Liens. Tys distributed a FY2017/18 Lien spreadsheet to be signed by each Officer.

8. Dave: Rumor has it that Michael Foraker Map #43, APN: 089-021-11, who has a Lien due to DCLI for **\$24,133.09**, is deceased. DCLI needs to be aware of any title transfer.

9. Ron: We need to remember that under our revised Lien process, we will create a new Lien for each year. The total balance due to DCLI will be the SUM of all Prior Years' Balances Due PLUS the current year's Balance Due. The annual 10% interest and 10% penalty is applied to the Total Balance Due to DCLI.

10. Bear Creek Road Association has proposed that we consolidate our Liability insurance (this does not include the separate Directors & Officers policy) together. They contend that adding our 7 miles of road with their 3 miles will result in a less expensive 10 mile policy, which would reduce both BCCA's and DCLI's liability insurance cost. Our current Liability Insurance cost is \$900 per year and it would reduce to \$335 with consolidation. Tom and Manuela want our agreement to proceed with the Liability Insurance consolidation. Our insurance renews in July 2018. The new policy would go into effect at that time. The Board agreed to the proposal.

11. Tys: We need to recruit new Board Members. Current Members have been in their position for awhile and would like some relief. Jeff Schulken (Map #49) is a person that Dave and Tys would like to see on the Board. Any other suggestions should be given to Tys.

G. New Business

1. Tys: SBA Issues

a. Tys proposal is to NOT spend any SBA Loan proceeds until DCLI's next fiscal year (FY2018/19). Dave: Paving contractors will not work in Deer Creek until Spring.

b. The only way we will use SBA funds before May 2018 will be if we have an emergency, like a slide across Palm Cutoff.

c. SBA will give us the funds whenever we want. The annual payments start July 1 but it is not clear if the SBA will charge us for the entire funds available (\$251K) or only charge us for the funds we actually withdraw. \$11K is the maximum annual payment which occurs if we are charged on the entire \$251K. **Tys needs to clarify this issue.**

2. Contractor Discussion

- a. Dave: We need to solidify our thinking on what paving projects to pursue. Do we want to pave a section of Ramble. If so, which one ?
 - i. On Deer Creek from the 3rd Bridge to Marco's (Map #65).
 - ii. Bad Spots on Hartman.
 - iii. 2nd bridge to Palm Cut-off
 - b. Once the pavers start, how long will the road be closed and how long will it take ? How much will they be able to work around traffic ?
 - c. Dave thinks we should talk with more contractors to get a better feel for what the problems might be.
 - d. General practice is to put down one 3" application of rock or two applications of 2" of rock. You can't put down more than 4". 16 feet wide. Ditching and culvert placement is not included in current bids. Also includes occasional turnouts.
 - e. There is still a real danger of Cal Fire bringing in treaded equipment over the paved surface.
3. Tys: We could also take \$24K from the SBA Loan for the emergency repairs we already paid for. That money now belongs to DCLI and we can use it however we please, including paving.
 4. Tys wants to keep all receipts in digital format on-line.
 5. Abandoned cars: Mac filled out paper work to the DMV to have abandoned cars' titles transferred to Tys. DMV returned the paper work for correction and Mac will file again. It takes 30 days for the DMV to respond.

H. Tys formally closed the meeting.

Submitted

February 13, 2018

Ron Chandik, DCLI Secretary