

DCLI Board Meeting

Thursday, February 15, 2018 @ 7:00 PM at Tys' House

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

Visitor(s): None

Preliminary Discussion: (Tys, Dave, Mac, Ginny & Ron)

1. Ramble road work was not well received by Dave and others.
2. Dave: Only remedy is to lay more base rock and smooth with a grader.
3. JC is not doing the quality of work that Walters would do and Joey doesn't have the necessary equipment.

A. President's Report

1. 2017/18 Liens were filed. 3 Lien Releases and 19 Liens. Cost was \$95/Lien. Total Cost was \$2,231.00.
2. Last year we Released ALL Liens and then re-filed Liens for the total amount individual Landowners owed DCLI.
3. Because of a huge increase in Lien fee charges this year, we decided to NOT Release current Liens which have not been paid and to do an additional add-on Lien for FY2017/18 Balances Due. To get the total Lien Amount Due to DCLI for each Landowner, you need to add up all of the existing unpaid Liens. Tys added an additional \$200 to each Lien for \$180 Release Fee and \$20 Notary Fee.
4. We are passing all costs on to the properties Liened, but we won't recover these costs until the Liens are settled in the (maybe distant) future.
5. Tys thinks that the current economic situation will create additional lands sales and earlier than expected Lien recovery.
6. Foraker and Favorito lands are potentially near to sale.
7. Jeff Schulken has agreed to join the Board and to become Treasurer.

B. Treasurer's Report:

1. Tys: We now have **\$14,629** in the Liberty Bank account.
2. Tys signed the Liens himself to save Notary Fees for multiple signees.
3. JMA says that Board Members must sign-off on all DCLI Liens. A listing of FY2017/18 Liens was passed around for each Member to sign.
4. Mac has down loaded all DCLI checks since 2016. Tys would like them stored on Google Docs.
5. \$23K-24K was spent during the big 2017 storm. Mac says he needs to sit down with Dave to figure out where the funds were spent, so we can look at assessing the 845 Landowners for repairs done to the front of the road.
6. The intention is to divide the total spent on the front of the road by 100 DCLI + 845 Landowners to get a per Landowner Emergency Repair Surcharge. Since DCLI funds were already used to make the repairs, only 845s will be billed the surcharge. It was proposed that this amount be calculated and added to each FY2018/19 Road Maintenance Fee billing.

C. Road Manager's Report:

1. Ramble is our next scheduled road project, but no funds were available. With the collection of Benigno Sanchez' Lien funds becoming available, Dave initiated the project with JC. Originally the project was proposed from Deer Creek to Deer Creek Heights. The project was cut back to go only as far as Mike Brown's in hopes of getting more rock put down on that section and improve the quality of the roadway. Dave is not satisfied with the quality of JC's work and proposes to not initiate additional projects with JC. Dave's difficult choice was to have Walters do it for \$45K or go with JC's proposal of \$18K, which didn't work out well.
2. Part of this section of Ramble is scheduled to be paved in the spring.
3. Dave wants to talk with the paving company and get them started on the existing paving repair first.
4. SBA wants to talk with the general contractor who is overseeing the DCLI road work. Hammer would work with Walters, but is not willing to oversee for other contractors. SBA wants a new approval form for a new project overseer. K&M Paving will repair existing asphalt, grade the roadway and remove debris.
5. The \$24K attributable to the storm damage, which DCLI has already paid for, should be available from the SBA funds to use for any project that DCLI chooses.
6. Dave insists that he has all of the receipts for the \$24K storm damage repairs that DCLI paid for.
7. Dave is still struggling with the timing of the SBA work due to the necessity that any contractor will want to bring in equipment only once and not deal with doing smaller jobs and bringing in equipment for each project. He wants to focus mainly on Deer Creek, because that benefits the most people, and additional projects later. He does NOT want to spend the entire \$250K at once.
8. Dave needs to build a relationship with K&M such that they separate all costs of laying down asphalt from all road preparation, including grading, base preparation, debris removal, ditches, culverts, and landscaping.
9. Jay: There are some really bad patches on Hartman that need repair. Cal Fire created a lot of damage to the roadway and Jay is looking for some sort of coordination between himself and DCLI to pay for repairs. Dave would prefer to wait for the next billing cycle and do the repairs with DCLI funds rather than involve the SBA. Tys: He thinks that the SBA money should be used to create a long-term solution to the five or six major problem areas in DCLI. This will cost DCLI about \$11K per year to pay back the SBA Loan. Any funds DCLI collects above the SBA loan cost can be used for whatever projects the membership agrees to fund.
10. Jay: There was a proposal to do a fund-raising event for Cal Fire in thanks for the work they did on the Bear Fire. What is the status of this project? Tys: There is not going to be a DCLI sponsored Fund-Raising event for Cal Fire.

D. Secretary's Report

1. Minutes of the Nov 4, 2017 DCLI Fall General Meeting were submitted for approval.
2. Minutes of the Jan 11, 2018 DCLI Board Meeting were submitted for approval.
3. Both meeting Minutes were approved by the Board.
4. No correspondence was received in the Secretary@DCLI.org mail box.

5. Ron requested the name and address of the new owner of Map # 92, APN: 088-141-67 formerly owned by Sajiv Soni. (Sec. Note: The information has been received.)
6. The process for assessing 845 members for their portion to the Storm Damage Repairs paid for by DCLI was discussed and it was agreed to include a surcharge assessment in the 845s' FY2018/19 DCLI Road Maintenance billing.
7. It was agreed that the 845s would be invited to the May, 2018 DCLI Spring General Meeting, which includes budgeting for FY2018/19 road projects.
8. Does DCLI intend to use SBA funds to pave any of Deer Creek Road between Bear Creek Road and the Yellow DCLI Boundary gate ? How do we justify that ?
Dave: We have considered paving the 1st bridge to the washout. Ron: I think we should agree that the 845s will be billed their proportionate share on any project (SBA Loan funded or not) between Bear Creek Road and the Yellow Gate. Much discussion followed.
9. What is the status of our search for additional paving contractors ? Dave: He hasn't done it yet, but if the Board thinks it is worth doing, he will do it. Tys: Please do make an effort to find additional creditable local contractors whose references can be checked.

E. Establish Meeting Dates: No time/date was discussed at this meeting.

F. Old Business: No Old Business was discussed at this meeting.

G. New Business

1. Tys: SBA Issues

- a. From 11Jan18 meeting: 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.**
- b. Tys clarification: If we have not taken any money by July 1, we don't have to pay the \$11K. If we take any money, the \$11K per year payments start and continue to completion in 30 years.
- c. A discussion ensued regarding the feasibility of taking all of the \$251K from the SBA and depositing it into Treasury Bills in the existing DCLI account. Tys will talk with the SBA to see if this is an acceptable option.
- d. A second clarification regarding additional SBA requirements for paper work from DCLI was addressed: SBA wants proof of **not** needing a building permit from the county for work done. Tys is talking with Robin Musitelli from Bruce McPherson's (our Santa Cruz County Supervisor) office to see what can be given to the SBA. The SBA wants a written statement from the county. Tys says that the county waived the building permit fees for Bear Creek Canyon and that maybe Robin can help us get a waiver too. There may be additional State, Federal, Fish & Game, etc. fees and requirements in the range of \$600. Tys will pursue the permit/fees issue with the county.

- e. A third issue is the certification of K&M to act as supervising contractor to replace Hammer, who agreed to perform this role for the SBA Loan application, but who does not want to be involved with K&M, a company with whom he does not have a business relationship. Dave will try to get K&M to perform the general contractor role required by the SBA.
2. Lost Valley Gate
 - a. School Bus Mike can weld and has offered to re-build the gate. Greg Haagenson has the front-of-the-road gate on his property. School Bus Mike wants to take the gate from Greg and install it at the top of Hartman to again block off Lost Valley. DCLI would pay Mike \$700 to install the gate.
 - b. A discussion ensued regarding the necessity for the gate. Dave gave a persuasive argument in favor of the gate and it was agreed that the gate is necessary and would include a Cal Fire access lock.
 - c. Tys has discussed a new location for the gate with Mike and the Board agreed to have Mike do the job with a provision for maintaining the gate as necessary.
 3. Dave: JC was paid \$6K as an advance on his Ramble Road work to purchase roller sufficient to do the Ramble work. Dave plans to give JC an additional \$4K for labor on Ramble and there is a bill for \$6K due to Walters. Are there sufficient funds in our bank account to cover these expenditures ? Mac says we have \$14K in the account after paying the \$6K advance to JC.
 4. Tys is proceeding with the merging of Liability Insurance with Bear Creek Canyon Road Association to reduce both DCLI's and BCCA's insurance cost. This will happen in July, 2018 when the policy is up for renewal.

H. Tys formally closed the meeting.

Submitted

March 13, 2018

Ron Chandik, DCLI Secretary