

Deer Creek Landowners, Inc.
Spring General Meeting Minutes
May 11, 2019

A. The meeting was called to order at 11:00 AM by President, Tys Sniffen. Meeting Notices were sent to DCLI and 845 Landowners as there were financial issues on the Agenda that impacted 845 Landowners. Spring 2019 DCLI and 845 Landowner Check-In sheets were used to identify meeting participants who signed into the meeting at the door. Since there were no competing candidates for Officers up for election, ballots for voting were not prepared. Handout ballots were available if they were needed for the election. If necessary, the Proxy Voting Eligibility spreadsheet would be used to distribute eligible ballots to Proxy assignees.

(Secretary's Note: 24 DCLI Members are required for a quorum at the General Meeting. 16 Members Checked-In at the meeting plus 9 proxies were counted as participants. This count was sufficient to constitute a quorum.)

B. President Comments:

1. Bruce Argyle interrupted the meeting for several minutes in a welcome attempt to resolve substantial amounts of unpaid Road Dues and billing uncertainties.
2. Tys gave greetings and Member introductions were waived due to the small group of familiar meeting attendees.
3. Tys will present a discussion of DCLI Operating Policies (including any administrative issues Members want to discuss) at the end of the meeting if anyone is interested.
4. This is a Membership driven organization. Even if we don't have a quorum according to the By Laws, we will make decisions necessary for the organization to function and Members forming a future quorum at a future meeting can dispute our proceedings.
5. President's Report:
 - a. We'll have a Report from each Officer and then Elections for President, Treasurer, Director #1 (Ginny), Director #3 (Mac), and Road Manager. Then we'll address the Budget issues and corresponding FY2019/20 Road Maintenance Fees. Questions at the end will conclude the official business.
 - b. DCLI and the roads are in the best position that we have been in for years. DCLI finances are in good shape based on substantial lien collections due to refinancing, and land sales are forecast. About 60% of Members are up-to-date on their Road Dues payments. Emergency Funds are again funded.
 - c. We are committed to paying for the Small Business Association Loan of \$251K for the next 30years at \$12.5K per year. Watsonville

Grading and Excavation (WGE) did an unsatisfactory job of completing the road repairs and we are currently in the process of defining the necessary remedial fixes.

d. Written correspondence from WGE states that they will fix the problems agreed upon and will provide a three-year guarantee of the work. Jeff: He doesn't think that the guarantee applies to Ramble and Hartman, but only to the main road.

e. Ginny comments: Neither Joey nor Ginny feel that WGE's response is specific enough to address the primary issues. Joey and his Dad have committed to spending enough time with WGE to make sure the issues are defined and addressed.

f. Tom: What were the issues defined in your correspondence with Joey, his Dad and WGE? Ginny: She thinks WGE's plan is too vague and would be difficult to prove that their repairs were not adequate in the event of problems with the repairs within the three-year period.

g. Tys: That is the status of the current effort with WGE and we will give the negotiators some leeway to resolve the issues.

h. Working on the extensive road repairs with WGE has been stressful enough for Dave such that he would like to be relieved of his duties of DCLI Road Manager. So, in addition to the four board Members up for re-election, we are looking for a new Road Manager.

i. DCLI's web site: DCLI.org has most of the corporation documents on the web site for Member review. We are working on collecting receipts and work orders issued and paid by DCLI by Road Section, so we can show Members where their Road Dues are being spent.

j. DCLI Board Meetings are currently being held at Tys' house and if a Member would like to attend, Tys would appreciate some advance notice.

C. Secretary's Report by Ron Chandik

1. Master List updates, work with realtors on changes in property ownership
2. Work on Liens and Releases
3. Prepare the Minutes for each meeting, ask the Board to review and approve the Minutes and give them to Tys to post on the DCLI web site.
4. Prepare mailings to Landowners and other correspondence as necessary and other documents such as Check-in Registers and Proxy tracking of meetings and elections. Proxies are especially important. 30% of all DCLI Landowners (currently 79) Paid up or not are required to initiate financial transactions. This gives DCLI the legal right to assess Road Maintenance Fees, to collect and utilize the funds for road maintenance, and to record Liens for non-payment. **If you can not attend a DCLI General (Spring and Fall) meeting, PLEASE give your proxy to a trusted friend and notify the DCLI Secretary** (see 7. Below).
5. Non-standard property sales including self-financing and loan defaults create additional administrative effort to collect unpaid past Road Assessments and to identify the correct owner of the land for lien purposes.

6. We need feedback from Residents who become aware of potential land sales. We also need feedback regarding the Residency status and additional people living on parcels. This is the only way we can bill fairly for road usage without an extensive monitoring system.
7. Monitor Secretary@dcli.org email correspondence.
8. I have attempted to promote the clear definition of exactly what repairs are required of WGE and exactly where they will be done on a DCLI Map. I do not agree with the suggestion of pursuing legal remedies. WGE seems to be responsive to our concerns and we need someone to work with them to define our reasonable expectations.
9. I also helped Dave with dealing with Marvin Chapman on five bridge certifications required every ten years by the State of California to evaluate the safety of the bridges for road users such as Landowners, Cal Fire, law enforcement, and emergency vehicles.
10. Tom: Make sure Cal Fire and Boulder Creek Fire get copies of the Bridge Certification documents. (Sec. Note: Copies of the documents were dropped off at the offices of Chris Walters, Cal Fire Deputy Fire Marshal, located at the Cal Fire Felton office, and Kevin McClish, Fire Chief of the Boulder Creek Volunteer Fire Station in Boulder Creek.)

D. Treasurer's Report by Jeff Schulken: (See attached Treasurer's Report)

1. Prior Balance in account Nov 10, 2018 is \$181,557.71 plus \$20,282.21 Road Dues received thru 5/9/19 less Total Expenses Paid of \$158,228.36 thru 5/9/19 leaves a 5/9/19 Account Balance of **\$43,611.56**.
2. Insurance payments pending are Directors' & Officers' and General Liability Insurance. SBA Loan Payment of \$13,500 is due shortly.

E. Road Manager's Report by Dave McGuire: The Road Manager has resigned and we are actively looking for another person to fill this critical position.

F. Budget and FY2019/20 Road Maintenance Fee Determination: Tys

1. Ginny: How much money from our billing do we expect to collect? Tys: About 60% of what is billed. Clark: FY2018/19 Budget was about \$42K and 60% of that is about \$25K.
2. Tys we will look at the tasks on the screen and determine if these are the desired projects and if the amounts to be spent are acceptable. The tasks listed currently add to \$42.2K. Based on our decisions, we will then have the amount to be included in billings.
3. Starting in on Budget Line Items:
 - a. 1. Front of road from the first bridge to the second bridge. **\$8K** est. Front services the greatest number of Landowners and enters into fire fighter's decision on how far to pursue a fire in the area. Maintenance (cleaning culverts and ditches) is a critical component of keeping the road smooth and clear. Road needs to be tapered. Riparian corridor laws regarding work on roads close to creeks limit activity.

- b. 2. Slide on Little Buck (DCLI maintains Little Buck to Mary' Gulch). \$700 est. Suggestion to reduce to **\$200** accepted.
- c. 3. 3rd bridge to Ramble by Jose's/Marco's where pipe spouts out water and mud into the middle of the road. Ginny: This needs 5 transfers of base rock, rip & regrade, add a small amount of base rock and water and roll it. **\$5K** est.
- d. 4. Upper Ramble smooth 4 deep holes. \$6K est. S curve requires 3 transfers and \$1-2K Joey tractor work. Revised est is **\$3K**.
- e. 5. Seal all pavement with Type 2 sealant. Although we are still in negotiations with WGE on road repairs, WGE suggests that we should annually seal all our paved areas with heavy duty sealant to help prevent the type of degradation we are seeing. **\$5K** est. Repairs to existing pavement should be done before sealing. Repairs to old pavement should have been included with new (\$251K work). Depending on negotiations with WGE, DCLI may have to do some cold patch work ourselves.
- f. 6. Upper Deer Creek. Tractor work, grading & smoothing, debris removal from culverts, ditching and slide removal. **\$3K** est.
- g. Tys announced that these projects with agreed changes add to **\$39.7**, including Tys listed \$12.5K SBA Loan payment (which is listed as \$13.5K according to Jeff's report) and \$3K Administrative costs.
- h. Moe: What, if anything, can we do about the Loccatelli slide area ? Tys: Plastic covering and seeding steep grade is all we can currently afford. Moe wants some "statement of awareness" in the Minutes of this meeting acknowledging this issue. This is it.
- i. Jay: He thinks an additional Maintenance line item should be included in the Budget in anticipation of contingencies in addition to the Emergency Fund.
- a. John: He wants a \$5K Maintenance line item to clean culverts and ditches and remove debris. Hire a person to contract with DCLI to do periodic maintenance work on the entire road system.
 - b. Tys: After much discussion of a vaguely defined person with a vaguely defined list of maintenance tasks, Tys agreed to add **\$2.5K** to the Budget without a vote.
- j. Tys: We now have is a line item Budget with seven items on it and two permanent (SBA Loan Payment and Admin Expenses) items for a total of **\$42,200.00**. The \$8K Front of the Road item will go on the 845 billing as well as the DCLI billing and the remaining items will go exclusively into the DCLI billings.
- k. Tys called for a hand vote on the Budget discussed. The vote was many hands FOR and one hand (Chandik) OPPOSED.

G. Election of Officers

1. President (currently Tys); No other nominations; Elected by acclamation.
2. Treasurer (currently Jeff); No other nominations; Elected by acclamation.
3. Director #1 (currently Ginny); No other nominations; Elected by acclamation.
4. Director #3 (currently Mac); No other nominations; Elected by acclamation.
5. Road Manager (currently Dave); Tom and Joey have declined. No other nominations. The rest of the Board Members must pick up the Road Manger's tasks and hire people to do the work.
6. Director #4 (an additional Board Member was suggested fill out the Board until a Road Manager could be found). Moe agreed to fill the position.

H. Other

1. Andrew: Fire season is now started and evacuation plans should be reviewed and finalized. LCCC homes burning on the ridge will splatter embers to the valley which further jeopardize DCLI Landowners. If you hear anything in threes (gun shots, horns, etc.), it means something really bad is going on and evacuation should be initiated.
2. Mac: He has a really big air horn that could be set up on a ridge as a warning. If anyone with a generator and compressor wants to set it up, they can have the horn.
3. Tom: A "Go" list to quickly pack a car when evacuation is eminent, is very useful. Defensible space is another important consideration.

I. Tys formally closed the meeting.

Respectfully Submitted by DCLI Secretary,

Ron Chandik

07Jul19