

Deer Creek Landowners, Inc. Spring General Meeting

May 12, 2018

A. The meeting was called to order at 11:00 AM by President, Tys Sniffen. Separate Spring 2018 DCLI Landowner and 845 Landowner Check-In sheets were used to identify meeting participants who signed into the meeting at the door. Ballots for voting had also been prepared but were not distributed until 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: 23 DCLI Members are required for a quorum at the General Meeting. 19 Members plus proxies were counted as participants. This count was insufficient to constitute a quorum.)

B. President Comments:

1. Tys gave greetings and asked those present to introduce themselves.
2. This is a Membership driven organization. All DCLI Landowners will get to vote on the budget issues raised today. 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.
3. President's Report:
 - a. Board meets monthly unless extenuating circumstances occur.
 - b. We worked mostly on securing a Small Business Association Loan to repair the extensive road damage done during storms in 2016 & 2017.
 - c. We are working on getting rid of abandoned cars, which due to county and state regulations, is much more difficult to accomplish than you might think.

C. Road Manager's Report by Dave McGuire:

1. Most years we invoice Landowners for a Member approved budget but this year as in past years we did not collect the entire amount billed.
2. With the money we did collect we did maintenance on Ramble. We spent about \$16K from Deer Creek about up to Deer Creek Heights. Also, work was done on Hartman, but was greatly disrupted by fire crews during the Bear Fire. And Jim Walters did a rough smoothing of the main Deer Creek Roadway.
3. For the coming fiscal year (FY2018/19) we look forward to receiving the SBA Loan and beginning major repair projects.
4. Our intention with the Loan is to be able to bill Landowners less this year but to use the loan proceeds to make more permanent improvements.
5. We have a proposal for this years projects and will discuss them shortly, but you need to know that about \$12K per year for the next 30 years will need to be paid to the SBA for principal and interest on the loan, and we will try to collect about \$45K to cover the loan cost and to work on our regular general maintenance. Our proposals for "normal" maintenance include:
 - a. Additional projects to repair and upgrade upper (Spadaccini and above) Hartman for about \$14K.

- b. Little Buck needs about \$8K of improvements from the gate at Brown's to Mary's Gulch at the creek.
- c. We may be able to add a little pavement on our own, if the SBA projects proceed as expected, so we want to spend about \$5K to remove brush and prepare ditches in anticipation of this work.
- d. The first bridge is not in danger of collapsing, but it does need repairs and safety upgrades. At least \$1K will be required to repair the chain link fence. Next year we need to look at a project to paint the under side of the first bridge for corrosion protection. The Deer Creek side of the 1st bridge has a large concrete base holding up the side away from Bear Creek Road. This concrete base was protected by a log wall that has mostly washed away and will need to be replaced at some point in the future. It would be better to address the issue before the county decides to close the road for safety reasons.
- e. One comment before Tys gets into the SBA projects, is that we had originally planned to do paving from the third bridge to Ramble and also some on Hartman. The issue with the 3rd bridge to Ramble is that it is in the Riparian Corridor and can not be worked on without extensive permits from the county. We can not use the SBA loan to do work without permits where they are clearly required. Our input from the county and from contractors is that the permit process will be very expensive. An alternative would be to repair the existing paved sections after the 1st bridge to Ramble for about \$140K. We might also be able to do some paving between Little Buck and Mike Brown's for about \$72K and then repair the lower section of Hartman from Deer Creek to Haagenson's driveway for about \$30K. Dave wants to decrease the main road paving by about \$40K and use those funds to connect the pavement from above Palm Cut-off to past Ron's Road. He proposes to connect the paved sections through the dirt road at Van Slooten's.
- f. Because of the permit issues he had to change the original paving plan to this proposal.
- g. Tys: The plan for this meeting is to go through the officer reports (President, Road Manager, Treasurer and Secretary) and THEN to address the SBA issues, Line Item Regular Budget for FY2018/19, and Elections. That should conclude the meeting. Dave got a little ahead of the plan.
- h. John: Has anyone looked at the second bridge for previously reported bolt tightening issues? Dave: I checked it two years ago and tightened the bolts. I'll check them again.

D. Treasurer's Report by Mac Marshall:

1. He handed out two reports: a. a Balances Due spreadsheet that he did not discuss, but asked for questions regarding the report. b. a list of checks starting with the beginning of last year for expenses paid by DCLI.
2. "A few" checks were lost and some amounts are too high.
3. Comments on Liens: It's amazing how much money we are charging. We are charging 20% (10% Interest and 10% Penalties), which will double the amount

due in about five years. County, Notary, and state fees are increasing and are being added to the Lien.

4. Manuela: She questioned the amount of DCLI insurance payments. Tys: The payments are for two purposes: a. Directors and Officers Liability and b. Liability insurance on road usage. We are going to partner with Bear Creek Canyon next year to reduce insurance costs to both organizations.

E. Secretary's Report by Ron Chandik

1. I do Master List updates, work with realtors on changes in property ownership, Tys did the Liens and Releases due to increased Notary cost for additional signatures this year. I also 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. I also prepare mailings to Landowners and other correspondence as necessary and other documents such as Check-in Registers and Proxy tracking of meetings and elections. Tys: DCLI previously required four Board Members to sign Notary documents at substantial cost per signee. Rather than have four members sign each Notary Form, DCLI decided to prepare a list of all Liens and Releases and to have all Board Members sign the list giving their concurrence to the listed Liens and Releases. (There was extensive discussions regarding the legitimacy of replacing the four signatures per lien with a single spreadsheet signed by Board Members authorizing the liens. The discussion was inconclusive.)

2. Tys: 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.

3. 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.

F. SBA Loan Discussion: Tys

1. DCLI qualified for SBA Loan funds because of the storm of 2017 and we are going to use the funds to repair storm damage and restore the roads for Landowner use. This is a LOAN (NOT a GRANT) and the interest rate is 2.5% over 30 years.

2. DCLI has produced a plan and it was approved by the SBA for \$250K.

3. Once we start taking the funds, we must pay back the funds plus interest at the rate of about \$12K per year for 30 years.

4. The major objective of the Board was to use the loan money on projects that will last for 30 years.

5. Tys: We have not received any funds from the SBA yet. There are still additional requirements the SBA is asking DCLI to meet including any necessary "building permits".

6. Dave: It is important to understand that the county has assured us that we do not need any permits so long as we do not get within the Riparian Corridor (within 50 feet of the center of a creek).

7. Jeff: If we don't get the loan money, is there any contingency plan to cover the road projects being discussed? Tys: We will discuss the regular DCLI Annual

Road Maintenance Budget in a few minutes, but we can not proceed with our major road improvement projects without the loan funds.

8. John: Who is guaranteeing the loan repayment to the SBA ? Tys: DCLI agrees to pay back the loan and will do so by billing DCLI Landowners under our currently existing process.

9. Tys answered a question regarding whether or not 845 landowners are involved in the SBA loan. Per Tys they are not. Only DCLI landowners are contracting with the SBA and only DCLI landowners are responsible for paying back the funds.

10. John: What are the SBA requirements for the contractor(s) doing the work ? Tys: They must be licensed contractors capable of doing the work involved. Currently K & M Asphalt Repair is our general contractor. The SBA currently has K & M's bid to DCLI and has not rejected it.

11. John: Are we going to get a list of the projects for which the SBA loan will be used ? Tys: Yes, eventually, but we are still evaluating the Riparian Corridor issue and it must be resolved before a final list can be known. Dave & Tys: We are currently re-distributing the projects, but 20% of SBA funds can be used for improvements.

G. Discussion of Regular Annual DCLI Road Maintenance Budget: Tys

1. Dave has proposed the following six line item projects to be included in the DCLI FY2018/19 Annual Budget and Road Assessment Billing:

- a. \$12K Annual payment for SBA loan.
- b. \$5K Emergency Fund replenishment.
- c. \$14K Road Repairs on upper Hartman.
- d. \$8K Road improvements on Little Buck.
- e. \$5K for Mud slide clean-up and ditch repair and improvement.
- f. \$1K to repair 1st bridge fencing.

\$45K Total

2. Tys: Are there any additions or changes ?

3. Last year we billed out \$62K total.

4. We need to add another item for Administrative Expenses: \$3K

5. Tys called for a vote to approve a budget of \$48K: Motion was made and seconded. Vote in favor via voice was substantial; Vote opposed was silent. Motion carried.

H. Election of Officers

1. President (currently Tys); No other nominations; Elected by acclamation.

2. Treasurer (currently Mac); Jeff Schulken nominated by Tys. No other nominations; Elected by acclamation.

3. Director #1 (currently Ginny); No other nominations; Elected by acclamation.

4. Director #3 (currently Jay); Mac was nominated by Tys. No other nominations; Elected by acclamation.

5. Jay: Thanked all Board Members and volunteers.

I. Other

1. Road Work Party: Dave: Reserve June 23 and/or June 30 pending SBA projects are confirmed. He also needs to meet with Hartman members to define what work is most in need of completion.
2. Abandoned Cars: Tys: We have to write to the DMV and ask them to provide a pink slip for the car. Mac: He provided this information twice to the DMV, but there continues to be delays.
3. Gate at Bear Creek Rd: Andrew: He thinks there is so much controversy and complications to do a gate there that he is abandoning his efforts.
4. Pot Hole Issues on Deer Creek: John: Can we get some temporary fixes to control vehicle damage ? Dave: We are so close to having extensive road improvements done, I'd like to hold off any additional action until that time. July 1 is our objective. If something happens with that deadline, we'll try to incorporate pot hole repairs into a work party.
5. Squatting: Dave: There are multiple issues of people occupying vacant properties. Please talk with your neighbors and identify people who are not familiar.
6. CERT: Andrew: Boulder Creek CERT (Community Emergency Response Teams). Check with Andrew or Kevin Foster for web site and meet at the Boulder Creek Fire Station on the first Thursday of every month. They are working on coordinating with other CERT teams in the area.
7. Fire: Tom: Use every bit of your defensible space (100 ft recommended). That was the only thing that saved our house.

J. Tys formally closed the meeting.

Respectfully Submitted by DCLI Secretary,

Ron Chandik

16Jun18