

CREPOA 2015 Annual General Meeting
Saturday Feb 28, 2015
At Chuck Bean's Residence

President Jim O'Malley called the meeting to order at 9:00 AM, members were welcomed and introductions were made.

The question of our having a quorum was asked with those present and the proxies. 23 lots were represented which gave us a quorum. Present were:

Crystal Apple	Vi Kono	Steve Steinert
Chuck Bean	James Miller	Laura Steinert
Darrel Harmon	Lorra Miller	John Wallace
Kristie Higgins	Kristie Moore	Ken Stinson
Dan Kern	Jim O'Malley	Jay Todd
Don Kono	Meg Steed	

Proxies held were: Harmon for Miles Ulrich & John Spertus

O'Malley for Olson, Davis, & Loukusa

Treasurers Report - Chuck Bean gave the Treasurers Report - See attached A

A correction was made by Meg Steed. Bottom line - should say \$3000 not \$2000.

Routt continues to not pay his dues. In 2014 he paid \$3500 as part of the logging operation. He still owes about \$13,000 which includes interest and fees. We currently have a lien on his property and a new lien will be filed in March.

In November the Association was short on funds and several members paid their dues in advance to keep the organization solvent and to provide for the completion of the chip seal. Those who paid were Bean, Wallace, and O'Malley for a total of \$2400.

Minutes of the 2014 General Meeting - Jim asked for a motion to approve the minutes from the last annual meeting. He asked if there were any corrections or changes. One year after the meeting there was some confusion over what was in the minutes. This situation confirmed the need to get the minutes onto the website shortly after the meeting so corrections or additions can be made while fresh in everybody's memory. One sentence was struck from the minutes. The minutes were not approved.

2014 Board Report

Web Site - Don Kono created a web site for the organization. It is intended to be a repository for the official documents of the organization. It contains Board minutes, Annual Meeting minutes, Resolutions of the Board, By-Laws, CC&Rs, membership information, and special reports to the membership. The web site address is www.cherryridgeowner.org.

Meg asked that emails which are official business be posted on the web site.

A draft of the minutes of the 2015 Annual Meeting will be posted so corrections can be made. After the minutes are corrected and approved, the draft will be replaced with the corrected version.

Road Work - A review was done of the 2014 road work including chip seal and road repairs due to logging.

Vanhulle and Cherry Valley Logging have been difficult to contact. Mike Wold did our original chip seal in 2006 at a good price and the Board chose to go with him in 2014. He did not keep in touch with CREPOA. No set specs were set for the project. Too large rock was used for the chip coat. The rock did not adhere well to the asphalt oil and the larger rock has been causing flat tires. He went out of business 1 month after completing our project. In the future we will get multiple bids, have set specifications, (not county specs.), size of rock, oil, clean rock, and a warrantee of work done. John Wallace suggested we consider using Dolittle for chip seal for future work, and that we start the process early in the year to insure that we get the correct size rock of ½ inch. Four companies across the state generate this clean ½ inch rock only once during the year.

Our bid for all of the chip seal on existing roads is based on last years oil prices. The next project may vary based on current oil prices. See attached document B for Road Maintenance & Improvement Draft Plan. This document was researched and prepared by Jim O'Malley and John Wallace with assistance by other Board members.

Heavy Road Use - It was clarified that the property owner and the logger need to maintain the roads. Currently the road is soft at several locations. Larger rock needs to be put down, rolled and topped with smaller rock. Steve Steinert proposed we talk to road experts for recommendations on the best way to address our gravel roads. Jim O'Malley will contact Perry Monroe and Jim Olsen for their recommendations. Chuck Bean said that after all logging is done, the best combination of gravel will be put on the road.

- It was discussed that a bond should be established which is high enough to cover all repairs on the road. Because repairs to chip coat are more expensive, gravel roads should be used if possible.
- Meg Steed pointed out that CVL put down gravel but later grading of the road pushed much of the gravel into the ditches.
- John Wallace added that the seven day freeze followed by a seven day thaw allows for safe travel on the roads. If there is heavy truck traffic on the road before the thaw cycle is complete with the road bed stabilized, damage to the road results.
- After Bean is through logging, roads will be shaped, ditched and CVL funds will be used for the top coat.
- The poor condition of the lower road was discussed - soft spots, deep ruts, course rock on the top.
- Darrel Harmon brought up the use of "fly ash" from Canada to use on the steep slope to solidify the road surface.
- This year, all roads will be brought up to standard. It was pointed out that our roads were originally logging roads built by Weyrhauser and road bases were not well done, so decomposing stumps and rusted out culverts will continue to cause degradation of our roads. Prior to further chip coat these issues will need to be addressed.
- John Wallace pointed out that log prices maybe down in summer but still may be the best time to have logging done, so very expensive road repairs can be avoided by the property owners and loggers, as a result of winter logging.
- Jim O'Malley was thanked for the major job of road repairs this last year. Also property owners were thanked for their voluntary clearing of downed trees, and repairs done.

General Discussion -

- Kenn Stinson asked about the possibility of a second gate being installed. It was pointed out that because of the difficulty for deliveries, guests, propane delivery, garbage pickup, etc. this idea was rejected in the recent past.
- Kristie Moore pointed out that 911 can find us within 20 minutes.

Long Range Road Plan - Don Kono addressed the proposed Long Range Road Plan. It is a cost effective plan to bring all roads up to a common standard using annual dues, not a special assessment. No schedule exists, but it establishes the priority of needed tasks. The price of asphalt and other materials will vary over time so it is not possible to come up with projected dates for the various tasks needing to be done. Money will be set aside each year to finance the improvements.

- Don Kono was thanked by many for the great job he has done preparing this plan.
- Steinert credited Don with his fine work, a good plan but questioned the time period involved to accomplish what is needed and to implement the Long Range Road Plan with current funding.
- It was discussed that perhaps we should consider a one time assessment, or raise the annual dues, to accelerate the completion of the plan.
- Note: This plan was emailed to all owners and is available on www.cherryridgeowner.org.

General Discussion - Jim O'Malley brought up the question of asphaltting all roads, or chip coating the rest of the roads. The original chip coat was done in 2006. At that time it was recommended that it be redone in 5-6 years. Our roads are beginning to break up, "alligatoring" when the surface start coming apart, to be followed by breaking up and out, leaving holes in the chip coat. To preserve the integrity of our existing chip coat, a preservation coat needs to be applied as soon as possible.

In 2014, 33,000 square feet of chip coat was done. Currently 148,000 square feet of chip seal is needed. The bid is \$60,000. The roads need to be pre-swept, rolled, and chip coat put down. \$2,050 per lot assessment would pay for the 148,000 square feet. Some areas need repair to the road bed and may require two coats.

John Wallace pointed out that we need to do it or we will lose what we already have. He suggested May or June to redo chip coat. No logging can be done until the chip coat has cured for two weeks.

It was proposed that if we raise dues, that perhaps we could avoid future special assessments by allowing us to set aside enough money for the next chip coat in another five years.

We have many things to consider before our members can vote on what is to be done.

- 1) The Long Range Road Plan
- 2) New chip seal for our original chip coated areas (148,000 square feet) to be funded by a special assessment of \$ 2,050 per lot
- 3) Asphalt on all roads
- 4) Raise annual dues effective 2016 to sufficiently cover ongoing maintenance

With so much to consider, a motion was made and seconded to hold a special meeting for our membership on the 28th of March 2015 at 9:00 AM. Motion passed.

In the meantime, under the auspices of the new board:

- Property owners will be apprised of the many options
- Costs for improvements will be firmed up
- The timing of assessments established
- The annual budget for 2015 will be prepared (as justification for the raised dues)
- Dolittle will be asked to give us a firm bid based on specifications, square feet, and materials
- We will find out if this can be financed.

If decisions can be made within the month, we can get on the work scheduled for repairs, and obtain the correct gravel size.

Meg made a motion for a special meeting to determine what the membership would like to do. John seconded the motion. It was passed.

Ken asked about the possibility of financing our repairs. Chuck will talk to the bank about this option.

John made a motion to adopt the Long Range Road Plan, and for the money to be set aside each year to finance road repairs in the future; and further that if extenuating circumstances arise, that a vote of four of the five board members may make use of this money in an emergency. It was seconded and passed with 17 yes votes.

The budget for 2015 was discussed. Income from dues is approximately \$13,000, with advanced dues already spent, we have approximately \$10, 600 left for 2015.

- **New Business** - John brought up the financial advantage of all property owners who use propane, to consider using the same supplier for a better rate. Members currently use Pacer, Northern, Genisee and Suburban. It was pointed out that further savings can be made by filling tanks in June or July when rates are the lowest.
- Miles reported on the mailboxes. There have been no break-ins in the new mailboxes. Sixteen boxes are available, ten are filled, with six empty. They cost \$200 each. We now have a positive balance in our account.
- John proposed a committee be formed to more clearly define bonding regulations as they relate to specifics with established criteria, and to establish the process. The committee will be comprised of John Wallace, Chuck Bean, Meg Steed, Miles Ulrich, and Jim O'Malley. Others who would like to participate should contact John.
- John pointed out that all turnouts are very muddy and proposed that the board budget money for gravel on the turn outs. This decision will be made by the new Board.
- Chuck noted that his new ductless heat pump is very cost effective with his heating bill significantly reduced.
- The election of new Board Members and President for 2015, was held. Ken Stinson and Dan Kern were elected to the board. Don Kono was unanimously voted in as president.

The meeting was adjourned at 11:00. Respectfully submitted by Vi Kono - Secretary

CREPOA Financial Report 2014

1/1/2014 Balance	\$ 559.00	\$ 559.00
Annual Maintenance Fees Collected	\$ 12,800.00	per US Bank
Routt Arrears Payment	\$ 3,488.31	<i>still owe 577 ?</i>
VanHulle - Timber Harvest Damage Deposit used	\$ 920.00	
Steed - Road Damage Deposit used	\$ 1,000.00	
Interest	\$ 9.13	
Amount Available	\$ 18,776.44	

Corporation Filing Fee (WA Sec'y State)	\$ 30.00
Road Materials - Gravel (Cadman)	\$ 343.29
Chip Seal (Wold)	\$13,415.27
Road Repair Patch & Labor (Wallace)	\$ 606.74
Road Repair Patch, Labor, Sand, Ice Melt (O'Malley)	\$ 805.92
Road Repair Patch & Labor (Moore)	\$ 704.35
Road Repair Patch & Labor (Maldonado)	\$ 250.00
Roadside Mowing & Spray (Wallace)	\$ 1,610.00
South Gate - Electric & Lube (PSE & Steed)	\$ 187.91
PO Box Fee (USPS)	\$ 100.00
Expense Total	\$18,053.48

12/31/2014 Balance for 2014 FY *final 4/20* **\$ 722.96**

Wallace - 2015 Advance Maintenance Fee Payments	\$ 1,200.00
O'Malley - 2015 Advance Maintenance Fee Payment	\$ 400.00
Bean - 2015 Advance Maintenance Fee Payments	\$ 800.00
Steed - Road Deposit owed	\$ (1,000.00)
VanHulle - Timber Deposit Balance	\$ 1,580.00
	\$ 2,980.00

12/31/2014 Total Checking Balance Available **\$ 3,702.96** **\$ 3,702.96**
per US Bank

Timber Harvest & other Damage Deposits as of 12/31/14

Todd	\$ 1,250.00	Check
VanHulle	\$ 1,580.00	Checking
Bean	\$ 5,000.00	Sep. Acct.
Moore	\$ 1,500.00	Check
Kern	\$ 2,500.00	Sep. Acct.
Steed	\$ 2,000.00	CD

Attachment B

2015 Cherry Ridge Estates Property Owners Association Annual Meeting

Road Maintenance & Improvement Draft Plan (for discussion).

Background

The Association has 60 foot wide easements and maintains approximately 27,500 linear feet (LF) of 10 to 12 foot wide roads. Of that 27,500, approximately:

- 18,000 linear feet of road way was chip sealed in 2006. The 2006 chip seal cost was approximately \$85,000 for the 18,000 LF of road surface completed. The life expectancy for chip seal is about 5-6 years and we are already about 4-5 years beyond when it should have been recoated. We risk the road returning to a gravel surface if an additional chip seal coat is not applied soon. The 2006 cost included a considerable amount of gravel placement as part of the project.
- 9,500 linear feet is gravel surfaces; and
- 1,400 linear feet is asphalt overlay.

Given 2015 prices, we can reasonably predict the near future cost for asphalt paving to be \$1.50 per square foot (SF) and Chip Sealing range of \$.35 to \$.50 per square foot.

Options

1. If we were to consider asphalt overlay of the entire current chip sealed surfaces the cost would compute as follows:

18,000 LF of chip seal minus 1,400 LF = 16,600 LF. This times 10 feet wide equals 166,000 SF

166,000 SF times \$1.50 per SF is \$249,000. With 33 lots in the Association, the cost per lot is \$7,545.
2. If all road surfaces were to be asphalted (including chip seal and gravel surfaces) the costs would compute to be:

27,500 LF total minus 1,400 LF = 26,100 LF. This times 10 feet wide equals 261,000 SF.
261,000 SF times \$1.50 per SF is \$391,500. With 33 lots in the Association, the cost per lot is \$11,864.
3. As an alternative to asphaltting the Association roads, the Board secured a proposal from Doolittle, Bellevue WA for new chip seal over the old chip seal areas. Some areas would be double chip sealed as needed. This chip seal proposal would cover approximately 148,000 SF and some additional gravel work on soft areas. With 33 lots in the Association, the cost per lot is approximately \$2,050.

Each of the above options would require a special assessment passed by a majority of the owners since the annual dues of \$400 only covers maintenance. Also with a new proposal to set aside a portion of the future annual income to cover improvement to the lower road it could take many years to accumulate the required funds for any option listed above.

Since the options above require a special assessment, after discussion at the Annual Meeting, the members present may vote to accept an option listed above or options not included in this Draft Plan or a special meeting may need to be called to vote on the special assessment.

CREPOA Chipseal Needs - 148,800 sq.ft. - Oct. 2014

<u>Road Segment</u>	<u>Length</u>	<u>Width</u>	<u>Sq.Ft.</u>	<u>Price/ Sq.Ft.</u>	<u>75,000 @ 3/8" Cost</u>	<u>Price/ Sq.Ft.</u>	<u>148,800 @ 3/8" Cost</u>	<u>Price/ Sq.Ft.</u>	<u>148,800 @ 1/2" Cost</u>	<u>Price/ Sq.Ft.</u>	<u>148,800 @ 3/4" Cost</u>
Kerr/ Moore Spur	3,485	10	34,850	\$ 0.35	\$ 12,198	\$ 0.303	\$ 10,560	\$ 0.380	\$ 13,243	\$ 0.3414	\$ 11,898
Main Rd. (1st S.B to Wallace)	1,297	12	15,564	\$ 0.35	\$ 5,447	\$ 0.303	\$ 4,716	\$ 0.380	\$ 5,914	\$ 0.3414	\$ 5,314
Main Rd. (Wallace W. to S.B)	2,904	12	34,848	\$ 0.35	\$ 12,197	\$ 0.303	\$ 10,559	\$ 0.380	\$ 13,242	\$ 0.3414	\$ 11,897
Main Rd. (Leone to Connector Rd)	581	12	6,972	\$ 0.35	\$ 2,440	\$ 0.303	\$ 2,113	\$ 0.380	\$ 2,649	\$ 0.3414	\$ 2,380
Main Rd. (Leone to Connector Rd)	94	12	1,128	\$ 0.35	\$ 395	\$ 0.303	\$ 342	\$ 0.380	\$ 429	\$ 0.3414	\$ 385
Main Rd. (Connector Rd to Stinson)	686	12	8,232	\$ 0.35	\$ 2,881	\$ 0.303	\$ 2,494	\$ 0.380	\$ 3,128	\$ 0.3414	\$ 2,810
Main Rd. (Apple to Harmon)	792	12	9,504	\$ 0.35	\$ 3,326	\$ 0.303	\$ 2,880	\$ 0.380	\$ 3,612	\$ 0.3414	\$ 3,245
Wallace/ Higgins Spur	385	10	3,850	\$ 0.35	\$ 1,348	\$ 0.303	\$ 1,167	\$ 0.380	\$ 1,463	\$ 0.3414	\$ 1,314
Wallace/ Higgins Spur	348	10	3,480	\$ 0.35	\$ 1,218	\$ 0.303	\$ 1,054	\$ 0.380	\$ 1,322	\$ 0.3414	\$ 1,188
Bean Spur	1,056	10	10,560	\$ 0.35	\$ 3,696	\$ 0.303	\$ 3,200	\$ 0.380	\$ 4,013	\$ 0.3414	\$ 3,605
Bowman Spur	634	10	6,340	\$ 0.35	\$ 2,219	\$ 0.303	\$ 1,921	\$ 0.380	\$ 2,409	\$ 0.3414	\$ 2,164
Connector Rd.	226	10	2,260	\$ 0.35	\$ 791	\$ 0.303	\$ 685	\$ 0.380	\$ 859	\$ 0.3414	\$ 772
Connector Rd.	213	10	2,130	\$ 0.35	\$ 746	\$ 0.303	\$ 645	\$ 0.380	\$ 809	\$ 0.3414	\$ 727
Connector Rd.	328	10	3,280	\$ 0.35	\$ 1,148	\$ 0.303	\$ 994	\$ 0.380	\$ 1,246	\$ 0.3414	\$ 1,120
Connector Rd.	581	10	5,810	\$ 0.35	\$ 2,034	\$ 0.303	\$ 1,760	\$ 0.380	\$ 2,208	\$ 0.3414	\$ 1,984
Totals	13,610		148,808	\$ 0.35	\$ 52,083	\$ 0.303	\$ 45,089	\$ 0.380	\$ 56,547	\$ 0.3414	\$ 50,803