CREPOA Respectfully submitted by Jeanine Kern

Special Meeting

May 7, 2016

In attendance: President Dan Kern, BOD members John Wallace, Don Kono, Ken Stinson, Jim O’Malley. Association Members Chuck Bean, Kristi Moore, Steve Steinert, James Loukusa, Jeff Apple, Jeanine Kern, Kathy Ulrich, Miles Ulrich, Fiona Leonie, Jay Todd, Meg Steed, Laura Miller, and Peter Davis representing lots 35, 9, 16, 2, 19, 20, 37, 17, 8, 25, 27, 24, 13, 14, 36, 15, 33, 26, 12, 34, 7, 21, 23, 29, 30, 31, 10/11, 22 including proxies from absent members.

The meeting was called to order at 9:08 AM by President Dan Kern. A quorum was established. Dan Kern gave an overview of the state of the roads, recommended maintenance by chip seal contractor Doolittle Construction, the need to maintain the investment in the previous chip seal, and the lack of volunteers to do maintenance.

Discussion around original chip seal approved in 2006 done in 2007:

Jeff Apple: Cost per year is/was negligible over the 10 years.

Don Kono: Dues should be $600-700k based on inflation and increase in property values. $75k original purchase price vs $250k average current property values.

Kristi Moore would like to see the return of work parties. Jim O’Malley indicated a need for a roller and hot mix to make repairs sufficient to keep the road surface at the current quality. Previous work party work was not of quality to be a sufficient repair to chip seal surfaces.

John Wallace pointed out that dues have not been raised in 10 plus years, volunteer labor and equipment availability have dropped off. Suggested raising dues and earmarking a portion for capital improvements to mitigate the need for special assessments. Capital improvement set aside is $11,600. John proposed raising dues to $800 annually. John indicated he would continue to patch potholes on his spur, but the repairs needed on 230th, the S curves and the lower road need more than pothole patching. In addition, cold patch is not a long term repair solution and is not optimal for future chip seal surface. John addressed a comment from Miles’ survey about just patching. Doolittle indicated that the patch was needed immediately prior to chip sealing, the patch is not sufficient if chip sealing would be delayed to a future date.

John Wallace gave an overview of chip seal project if broken down over 3 years: First year from Lake Kayak entrance to 214th, second year Bean spur up to O’Malley Y, third year 230th, Wallace spur, and the portion of the connector road currently chip sealed. Phase one approximately 9000 sq yards, requiring a $1325.28 assessment for phase one/year one, including tax but no contingency. Additional work would be required by a contractor such as M&M, such as a culvert on Wallace spur at approximately $1700.

Discussion continued on maintenance needed: Moss spray, patching and rolling, removing fir needles off road, repair of sinkhole on Wallace spur which requires a culvert replacement. Would need actual footage to get an accurate estimate, several “guestimates” offered of $3000-5000 per year for each of the three years, or $10,000 all at once.

Dan Kern reminded membership of the pothole patching days where someone braking on a newly patched pothole will blow the material out. Jim O’Malley added that hot patch requires two people, and it’s not efficient to have a one hour work party for immediate needs, and waiting until there are many potholes means they become very large.

Peter asked about turning over roads to the county. The requirements are roads to be at county standards when roads are turned over, which is not economically feasible for the Association to bring them up to this standard.

Jay Todd initiated discussion on increased property value.

Don Kono reminded membership of the long range plan. John gave details in the long range plan of chip seal of the Kono spur, asphalt the connector road, and chip seal the lower road to the gate. Neither Steve Steinert nor John Wallace want chip seal on the lower road, and Chuck Bean indicated gravel is sufficient for use of the road crossing his property.

Jeff Apple indicated the likely cost savings in chip sealing over the constant maintenance of gravel roads. Meg Steed shared that the quote for 3 miles of graveling a road was higher than chip sealing.

John Wallace shared that we are already 5 years past the 5 year target date for the second coat of chip seal.

Chuck Bean shared that we either maintain the chip seal or we let it go by not maintaining it. Chuck acknowledged we bought into chip sealing it would be most cost effective to maintain it or we face higher future maintenance costs.

Don Kono pointed out that by deferring over 3 years we face unknown costs in years 2 and 3, and the unknown cost of chip seal product in future years.

Peter Davis asked about the cost of the original proposal of chip sealing everything. Miles Ulrich asked for a total cost rather than the piecemeal costs. Jay Todd expressed concern over those that cannot pay. Jeff Apple and Kristi Moore shared concerns. John Wallace suggested using set aside for maintenance prior to chip sealing, clarified the recommendation of 232nd as the first phase as it gets the most traffic. As an owner of 3 lots to spread out cost, John Wallace expressed support for the three year plan to spread out the cost over multiple years.

James Loukusa initiated discussion around a long term solution and concern for letting maintenance go for 10 years. Jeff Apple expressed support for getting maintenance caught up, and acknowledged that special assessments won’t be needed if we commit to regular maintenance going forward. James asked for clarification of what increased dues, say $680 annually, would mean.

In response, John Wallace recommended annual dues be raised to $800 with $400 set aside for maintenance. In 5 years the set aside should be $60k. Doolittle recommends a recoat at 7-10 years. Dan Kern added that additional maintenance of sweeping and removing vegetation on the sides of the road once or twice a year will extend the life of the road surface.

Jeff Apple made a proposal of approving special assessment of $1500 for 2016 with an emphasis on the repair work, with support of phase 2 and 3, increasing annual dues to $700-800. Jay Todd supported the idea but expressed concern over the unknown opinions. Jim O’Malley expressed concern over a motion and vote to raise dues at this meeting as it was not on the agenda. Meg Steed asked about the option to make smaller payments throughout the year. Jim O’Malley indicated the only way to accommodate that would be to delay the work until funds received. The suggestion was made for those who are able to pay dues in advance to mitigate those that would need to pay as they can.

Fiona Leonie and James Loukusa expressed concern over lack of detail presented verbally of the multi year proposal. Jeff Apple shared concern around Miles’ survey results being self-selecting, only those that have a very strong opinion will participate, and survey results were less than half of the properties represented. Jeff Apple highlighted survey responses, 85% indicated a desire to do something this year.

A straw poll was held by a show of hands to support Jeff Apple’s proposal of a three year plan: A majority, 18 of 34 total lots support the idea of a 3 year plan.

Jay Todd expressed support for the work of the board especially given the economic realities and diversity of opinions.

Jim O’Malley gave a treasurer report of $19,000 plus cash in hand, including $11,600 set aside for reserves. Affirmed there is a precedent in not charging interest to members who make payment arrangements in advance with the board.

Peter Davis moved to assess $1500 per lot for repair and chip seal from Lake Kayak entrance to 214th, and to offer no interest payments through Dec 31st, 2016 to those who cannot make full payment by June 1st 2016 who make an agreement with the President or BOD prior to June 1st 2016. Balance due January 1, 2017. Don Kono seconded the motion. Peter amended the motion to assess $1325 per lot and John seconded with the provision that the funds necessary to do the prep work necessary by the association be taken from the general fund and then the reserves in that order. Peter approved the amendment. Jeff Apple called for the vote. Paper ballot vote resulted in 20 for, and 8 against, motion passing.

Discussion ensued around applying set asides against total needed to reduce assessment. Jeff Apple argued against it, as a good portion of the fund is earmarked for lower road improvements.

Meg moved to adjourn, Don seconded. Verbal vote to adjourn passed. Meeting adjourned at 11:20am.