

Buckskin Heights Road Association 2016 Annual Meeting Minutes

Sunday, August 21, 2016 • 4pm

Fr Don Willette's Pole Barn, 13729 Raccoon Dr

ATTENDANCE:

Board Members: Fr Don Willette, President; Paul Hesson, Treasurer; Bob Gonzalez, Secretary.

Association Members: 24 properties were represented by the end of the meeting.

CALL TO ORDER: President Don Willette called the annual meeting of the Buckskin Heights Road Association to order at 4:05pm. Secretary Rob Gonzalez read the roll. Willette declared that a quorum (minimum of 10 properties) was present, and welcomed the association members. The proposed agenda was reviewed and approved as follows:

1. Welcome; attendance; review agenda
2. Review of the Board-approved 2015 Annual Meeting Minutes
3. Treasurer's report
4. Road grading and road conditions
 - A. Discussion about how road base and grading funds should be allocated above and below the gate
 - B. Vote on Board recommendation to increase annual road dues by \$75 to \$425/year
5. Gate report
6. Update on Community Wildfire Protection Plan (CWPP) by Paul Hesson
7. Open floor for additional BHRA-related items
8. Nomination and election of BHRA board members
9. Set date for next year's meeting
10. Adjourn

REVIEW OF MINUTES: The 2015 annual meeting minutes were approved and amended by the Board of Directors on September 15, 2015 and April 20, 2016 respectively, in accordance with the **Bylaws** (Article II, Section 1, Part J), and posted on the association website. The minutes were briefly reviewed. No concerns were raised by the membership.

TREASURER'S REPORT:

1. Treasurer Paul Hesson reviewed the ***Buckskin Heights Road Association Grading/Roadbase Expenditure Overview, 2011-16*** handout (attached). No questions were raised.
2. Hesson noted that the audited ***Buckskin Heights Road Association Treasurer's Report for FY 2015*** was in the handout (attached). No questions were raised.
3. Hesson reviewed the ***Buckskin Heights Road Association Budget Update, August 1, 2106*** handout (attached) as follows:
 - 66 of 67 (98.5%) of the properties are in compliance with road dues; another lien has been filed on the one long-term delinquent property.
 - Our major expenditures are for insurance, grading, and road base materials (recycled asphalt); other operating expenses are low.

- We spent \$1,200 from our \$5,000+ emergency fund on snow removal in midwinter. Residents donated \$1,735 to cover this expense; the \$535 excess was retained as income in the checking account and will be used to for road maintenance this year.
 - BHRA serves as a fiscal agent for the Buckskin Heights Fire Committee. They received a Forest Service wildfire mitigation grant of \$10,000 for chipping cleared slash on individual properties and along the road easements with property owner permission. \$5,915 has been spent to date on chipping; some additional chipping is yet to be done. All expenses associated with this project will be reimbursed to BHRA by the end of the grant period.
4. No additional budget-related questions were raised. The Treasurer's reports were approved as presented.

REPORT ON ROAD GRADING & ROAD CONDITIONS:

1. Vice President Bob Faris' **BHRA 2016 Road Report** handout (attached) was read aloud. Several members expressed support for the report and the condition of the road; others criticized the state of the road and expressed opinions that aggregate dirt/gravel should be used instead of recycled asphalt and that a box grader be used instead of a more expensive motorgrader to maintain the road.
2. A motion was made by Terry Schuyler, and seconded by Rick Stahl, that the Board President be directed to form a standing committee to meet with the Vice President regularly during the year to provide advice about the best use of BHRA funds to maintain the road. In discussion, suggestions were made to reduce speed of drivers on the road; seek research on best practice for maintaining roads like ours; conduct online surveys of residents for feedback on specific issues; use alternative materials and grading methods to maintain the road; take advantage of favorable weather for grading; seek long-term solutions rather than quick fixes; and create a long-term plan for maintaining the road above and below the gate, and budget for it. A show-of-hands vote on the motion was 12 in favor, 12 against. The motion failed.
3. President Don Willette committed himself to creating an advisory committee consisting of at least 3 property owners from each of the major interior roads (Woodchuck, Otter and Raccoon) to meet with the President and Secretary to consider these ideas in accordance with the **Bylaws** (Article III, Section 2). Willette stated that the meetings of this group, as is the case with all meetings of the Board of Directors, will be open to the community. Initial volunteers for this advisory group consist of JR Campbell (Woodchuck), Rick Stahl (Otter) and Darin Johnson (Raccoon).
4. A motion by the Board of Directors to increase the road association dues by \$75, from \$350 to \$425 was discussed from a variety of viewpoints. A show-of-hands vote on the motion was 14 in favor, 10 against. The motion failed.

NOMINATION AND ELECTION OF BHRA BOARD MEMBERS: Bob Faris was nominated for a second 2-yr term. Airn Hartwig, Kevin Stewart and Sue Weber were nominated for new 2-yr terms. Successive paper ballot votes were taken with results as follows:

- Faris 4, Hartwig 13, Stewart 2, Weber 4. Airn Hartwig was elected to the Board of Directors.
- Faris 4, Stewart 11, Weber 7. No election.
- Faris 2, Stewart 15, Weber 6. Kevin Stewart was elected to the Board of Directors.
- Faris 3, Weber 17, Invalid 2. Sue Weber was elected to the Board of Directors.

The six-member Buckskin Heights Board of Directors for 2016-17 thus consists of Rob Gonzalez, Airn Hartwig, Paul Hesson, Kevin Stewart, Sue Weber and Don Willette.

FIRE COMMITTEE REPORT: Paul Hesson noted that the community had more than fulfilled its obligation for 400 hours of cost-sharing work to secure the entire \$10,000 Forest Service grant. Julie Weaver won the raffle for a \$250 brush cutter donated by **Mac Equipment** in Loveland. Hesson displayed “Water Source Here” signs now posted around the community identifying 6 cisterns containing 10,000 gallons of water available to fire fighters in case of emergency.

NEXT ANNUAL MEETING: The 2017 annual meeting will be held on Sunday, August 20, 2017 at a time and location to be determined.

ADJOURNMENT: The meeting was adjourned at 6:40pm.

Respectfully submitted,

Rob Gonzalez, Secretary

Buckskin Heights Road Association Grading/Roadbase Expenditure Overview, 2011-16

	2011	2012	2013	2014†	2015†‡	Actual or Projected 2016	Notes
Annual Dues Per Property	\$300	\$350	\$350	\$350	\$350	\$350	17% Increase 2011-16
Total Dues Income	\$20,032	\$23,952	\$22,010	\$24,670	\$24,925	\$23,100	15% Increase 2011-16
Homeowner Donations for Road Base	\$1,680	\$0	\$0	\$2,200	\$0	\$0	
TOTAL	\$21,712	\$23,952	\$22,010	\$26,870	\$24,925	\$23,100	
Checking Carryover to Following Year	\$5,635	\$3,633	\$1,598	\$952	\$5,370	\$1,131	
Approximate Cost of One Load of Road Base*	\$220	\$275	\$235	\$255	\$300	\$310	41% Increase 2011-16
Approximate Number of Loads of Road Base Applied	33	51	56	64	43	56	
Expenditures for Grading	\$11,559	\$10,165	\$9,450	\$9,950	\$5,933	\$9,140	
Expenditures for Road Base	\$7,258	\$14,025	\$13,200	\$16,217	\$13,065	\$17,508	
TOTAL	\$18,817	\$24,190	\$22,650	\$26,167	\$18,998	\$26,648	
Snow Removal Expenditure (Note: \$1,400 in 2007; \$0 in 2008-10)	\$0	\$155	\$250	\$0	\$0	\$1,200	
Average Cost for One Grade** with No Road Base	\$750	\$750	\$750	\$750	\$1,470	\$1,600	113% Increase 2011-16 (Doubled+)
Average Cost for One Grade** with Spread 25-30 Loads of Road Base	\$750	\$750	\$750	\$750	\$3,055	\$2,800	275% Increase 2011-16 (Tripled++)

†2014-15 income increased due to foreclosure settlements and resolution of long-standing delinquencies

‡We lost our resident grader operator in early 2015. To reduce grading/road base costs, board continues to seek multiple bids on grading, road base & trucking

*Dirt/gravel road base used in 2011, recycled asphalt 2012-present

**2015-16 grader operator cost is \$135/hr plus \$195 mobilization fee

Buckskin Heights Road Association Budget Update August 1, 2016

EXPENSE/INCOME SUMMARY

NOTES

A	B	C	D	E	F	G
Category	2015 Actual	2016 Approved Budget	2016 Actual To Date	2016 Budget Remaining (Budget- Actual)	2016 Projected Expenses & Income 8/1/16 to 12/31/16	2016 Projected Total Expense & Income
Bank Fees	\$0	\$0	\$3	\$3	\$0	\$3
Gate Maintenance	\$402	\$150	\$26	\$124	\$0	\$26
Grader Operator	\$5,933	\$5,334	\$4,740	\$594	\$4,400	\$9,140
Emergency Expenses	\$0	\$0	\$1,200	\$1,200	\$0	\$1,200
Grant Expense	\$2,475	\$0	\$5,915	\$5,915	\$0	\$5,915
Insurance	\$1,126	\$1,150	\$0	\$1,150	\$1,150	\$1,150
Legal/Financial	\$70	\$100	\$12	\$88	\$0	\$12
Mailings	\$185	\$200	\$82	\$118	\$50	\$132
Miscellaneous	\$0	\$0	\$0	\$0	\$0	\$0
Road Base	\$13,065	\$20,000	\$8,708	\$11,292	\$8,800	\$17,508
Homeowner Road Base	\$0	\$0	\$0	\$0	\$0	\$0
Signs & Culverts	\$0	\$0	\$0	\$0	\$0	\$0
Supplies	\$0	\$50	\$0	\$50	\$0	\$0
Expense Subtotal	\$23,255	\$26,984	\$20,686	\$6,298	\$14,400	\$35,086
Dues & Late Fees	\$24,925	\$22,750	\$22,930	\$180	\$170	\$23,100
Interest	\$2	\$1	\$1	\$0	\$1	\$2
Grant Income	\$2,475	\$0	\$4,815	\$4,815	\$1,100	\$5,915
Remote Control Sales	\$274	\$96	\$96	\$0	\$0	\$96
Homeowner Road Base	\$0	\$0	\$0	\$0	\$0	\$0
Emergency Donations	\$0	\$0	\$1,735	\$1,735	\$0	\$1,735
Other	\$0	\$0	\$0	\$0	\$0	\$0
Income Subtotal	\$27,675	\$22,847	\$29,577	\$6,730	\$1,271	\$30,848
Cash Flow Balance	\$4,420	(\$4,137)	\$8,891			(\$4,239)

Grader Operator Expense

Projected expenses for the rest of the year include \$2,800 for grading and spreading roadbase in August, plus \$1,600 for one additional grading without roadbase before the end of the year

Road Base Expense

2016=about 56 loads @\$310/load
2015=43 @\$300; 2014=64(54+10HO) @\$255;
2013=56 @\$235; 2012=51 @\$275;
2011=33(25+8HO) @\$220; 2010=43 @\$210

Dues Income

In 2016, 66 of 67 properties (62 of 63 owners) paid dues at \$350/yr, 99% compliance.

Cash Flow Gain/Loss

Our targeted cash flow gain/loss is \$0 each year. However, we can sustain a significant negative cash flow in 2016 because we carried over about \$4,500 in unspent 2015 grading/roadbase funds.

ASSET SUMMARY

A	B	C	D	E	F	G
Category	2015 Actual Ending Balance	Budgeted 2016 Ending Balance	2016 Actual To Date Balance			2016 Projected Ending Balance
Checking Balance	\$5,370	\$1,233	\$14,296			\$1,131
Savings Balance	\$5,036	\$5,037	\$5,000			\$5,002
Total Assets	\$10,406	\$6,270	\$19,296			\$6,133

Projected Ending Balances

We now need a minimum checking ending balance of about \$1,000 to cover expenses in January and to avoid low balance bank fees.

Buckskin Heights Road Association Treasurer's Report for FY2015

With 2016 Budget Approved November 25, 2015

EXPENSE/INCOME SUMMARY

NOTES

A	B	C	D	E	F
Category	2014 Actual	2015 Approved Budget	2015 Actual	2015 Difference (Actual-Budget)	2016 Approved Budget
Bank Fees	\$17	\$20	\$0	(\$20)	\$0
Gate Maintenance	\$163	\$150	\$402	\$252	\$150
Grader Operator	\$9,950	\$9,325	\$5,933	(\$3,393)	\$5,334
Grant Expense	\$4,400	\$5,600	\$2,475	(\$3,125)	\$0
Insurance	\$1,108	\$1,140	\$1,126	(\$14)	\$1,150
Legal/Financial	\$90	\$50	\$70	\$20	\$100
Mailings	\$112	\$50	\$185	\$135	\$200
Miscellaneous	\$0	\$0	\$0	\$0	\$0
Road Base	\$14,085	\$11,440	\$13,065	\$1,625	\$20,000
Homeowner Road Base	\$2,132	\$0	\$0	\$0	\$0
Signs & Culverts	\$0	\$0	\$0	\$0	\$0
Supplies	\$5	\$100	\$0	(\$100)	\$50
Expense Subtotal	\$32,061	\$27,875	\$23,255	(\$4,620)	\$26,984
Dues & Late Fees	\$24,670	\$22,750	\$24,925	\$2,175	\$22,750
Interest	\$2	\$2	\$2	(\$0)	\$1
Grant Income	\$4,400	\$5,600	\$2,475	(\$3,125)	\$0
Remote Control Sales	\$145	\$0	\$274	\$274	\$96
Homeowner Road Base	\$2,200	\$0	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0	\$0
Income Subtotal	\$31,417	\$28,352	\$27,675	(\$677)	\$22,847
Cash Flow Balance	(\$644)	\$477	\$4,420	\$3,943	(\$4,137)

Budgeted Grader Operator Expenditure

About 36 hrs grading (\$130/hr) plus 3 mobilizations (\$195/trip)

Budgeted Road Base Expenditure

About 65 loads of recycled asphalt @ \$300/load [2015=44?, 2014=64, 2013=56, 2012=51, 2011=33, 2010=43, 2009=55, 2008=52]

Budgeted Dues Income

Assumes 65 of 67 properties pay \$350 annual dues

Cash Flow Balance

...for 2016 should be targeted to maintain a budgeted \$600 ending checking balance.

ASSET SUMMARY

A	B	C	D	E	F
Category	2014 Ending Balance	2015 Budgeted Ending Balance	2015 Actual Ending Balance	2015 Difference (Actual-Budget)	2016 Budgeted Ending Balance
Checking Balance	\$952	\$1,429	\$5,370	\$3,941	\$1,233
Savings Balance	\$5,035	\$5,037	\$5,036	(\$1)	\$5,037
Total Assets	\$5,986	\$6,466	\$10,406	\$3,940	\$6,270

Budgeted Checking Ending Balance...

...for 2016 is the 2015 ending balance (\$5,370) plus the net budgeted 2016 cash flow balance. The target should be about \$600 -- \$50 for January mailings; \$300 to avoid bank fees; and a \$250 margin of error.

Fiscal Year 2015 Data Respectfully Submitted for Audit by:

Suzanne Weber
Suzanne Weber, Treasurer September 2011 - August 2015

Paul Hesson
Paul Hesson, Treasurer September 2015-Present

2/18/16
Date

Fiscal Year 2015 Data Audited and Approved by:

Mary Anne Long 02-18-16
Mary Anne Long Date

Pam Robinson 02/18/16
Pam Robinson Date

BHRA 2016 Road Report

A Brief History

Buckskin Heights roads have been in existence for more than 50 years. I have driven this road for over 37 years and have seen many changes in the methods used for road upkeep. The maintenance of the road in the late 70's consisted of dragging a plate behind a pickup truck to level the base and knock out loose rocks. Volunteers walked behind and tossed the larger rocks over the side. Once a year or so a road grader made a pass over the main road. Occasionally, a few loads of road base were applied to fill the larger potholes.

In 2000, the road association purchased a grader. An operator from the Larimer County Road and Bridge Dept. was hired to work the grader on an as needed basis in his spare time. Usually this was every month or so during the summer months and not in the winter months. We started using recycled asphalt pavement (RAP) around 2001 and the delivered cost of material was less than \$10/ton. RAP was used exclusively until around 2010.

Around 2010, we started cutting material costs by using a local supply of road base for a couple of years. Also in 2010, the association sold the grader. One of our local residents purchased a box end grader and was contracted to grade the road and spread road material until he moved in Spring 2015.

Since 2015, we have used Foster Dirt and Construction to spread recycled asphalt and grade the road. This operator has proved an invaluable asset and is very experienced working steep mountain roads. The grader that is used has a 10' moldboard that is fully adjustable from the cab. That allows great maneuverability, while still having the ability to accurately contour our road material. The delivered cost of RAP is now over \$20/ton.

The road below the gate and some portions of Otter above the gate were graded in favorable weather in December 2015. The first RAP application and grading was planned for and performed in May to coincide with spring rains. A second RAP application and grading was planned for and performed in August during the monsoonal flow. Unlike the era when the road association owned our grader and we had an operator that would come up on short notice, the grader scheduling must now be done several weeks in advance and we can't always have perfect weather conditions for the grades. We can, however, look at historical weather patterns for the best opportunities.

We need to be very careful in the selection of not only materials and timing, but the equipment and operators as well. The improper selection of any of these will degrade the long term quality of the road, as we have seen in the past.

Road Materials

The primary portion of our road maintenance budget is the annual application of road material. The decision was made to use only RAP, rather than other types of road base, due to a number of factors:

1. Lower cost
2. Superior cohesive and adhesive properties
3. Less erosion in heavy rains
4. Better dust suppression
5. More rapid snow and ice melting

The plastic flow of the RAP, especially when there is high tar content and a higher concentration of fines, can create a road surface similar to paving. An example is the section about a mile below the

gate that was done in May. By changing the supplier of the asphalt, careful application with an experienced grader operator and having a stable subsurface consisting of rock and old recycled asphalt, we were able to obtain excellent results. This is an area that is relatively flat and should last a long time.

The application of RAP over dirt or other loose material will improve the quality of the road, but will not give as good of a result due to contamination of the new material and less stability of the overall road, causing movement within the topping material.

Several years ago, road base was used, rather than RAP. Road base is an aggregate of rock and dirt. The cost is higher than RAP and is used for many county road projects. It is not well suited for our mountain road. There is a high degree of erosion from wind and rain, as well as vehicle erosion that causes loss of the dirt/dust that makes up much of the material. This leaves only rocks behind and a rough, dusty road. An example is the curved section through the meadow above the new smooth asphalt section. It is the tan colored area made up of many rocks.

Comparing these areas, we have empirically shown that the material of choice for our road is RAP.

Road Maintenance Equipment

Performing monthly grading regardless of road condition, and with the wrong type of equipment, has resulted in a major loss of our workable road material. A box end grader does not pull material to the center of the road and re-contour it, but rather just scrapes the material down. The material eventually ends up off the road and is unrecoverable. In the short term, after monthly grades with the box end grader, the road seems to be fairly nice. However, we were continually losing the expensive material that has been put down over many years.

Grading the road does nothing to improve the long-term quality of the road, but only offers a very short term improvement to the surface smoothness. After grading, this temporary relief from the washboards will typically last from one day to a few weeks. Every time the road is graded, regardless of equipment, we have a long-term loss of road material.

Current Road Maintenance Practices

Two years ago, our BOD changed the way the road was managed and we are starting to see marked improvement of the workable material in the road below the gate. We shifted the emphasis from monthly grading to a more long-term solution. Within our budget, we were able to improve areas of road that will now last several years with little or no maintenance needed.

In May and August this year, about 740 tons of RAP were added to the road below the gate over the course of 5 days. The placement of RAP needs to be done during the hot summer months to maximize the binding of the material to a stable base. Again, the placement of the material was carefully planned to the areas that would provide the most benefit in the long term for road improvement, for the majority of the residents.

In addition, some of the property owners on Upper Otter paid for another 80 tons of RAP, similar to what residents along Woodchuck did last year. Thank you to the property owners who are providing additional funding for road projects!

Starting in May, we have reduced hauling costs by using a cross-gate belly dump truck. This truck is able to carry 25 tons of material per load vs. the 15 tons in a tandem dump we have used in the past.

The per hour cost is \$105/hr, compared to \$85/hr for the tandem loads. This results in a 35% reduction in hauling costs. We added a second 25 ton truck for the August spreading. We had a problem with an inexperienced driver of the second truck and he put the truck in the ditch at the steep curve on his first trip up the hill. We pulled him out of the ditch and replaced the driver for the second day of the project. While this was unfortunate, the smaller trucks have run off of our road a number of times in the past due to driver inattention. I would continue to recommend the use of these trucks, where we have adequate turnarounds in the lower section, because not only do we have a significant haul cost reduction, the spread of the material is much better.

The unreliability of obtaining RAP in quantity from the City of Fort Collins crushing yard necessitated a change in supplier. We are now using Barker Construction and there is no problem obtaining the RAP and the quality is much better, although at a higher cost. With the budget we had available, we were able to spread about 4000 linear feet of the asphalt this year. This is somewhat less than last year due to some uneven areas that required a thicker application.

Just like any paved road, we will need to eventually rework these areas, but hopefully that won't be for years. The cost per linear foot is about \$4 and our recycled asphalt total will end up being slightly below the budgeted amount.

If we were to apply RAP from the pavement up to the gate, our cost would be around \$74,000. To treat the entire 9.8 miles of our roads would cost over \$200,000. That cost would probably be quite a bit more since the haul time is significantly greater in the farther reaches of our road system.

Obviously, with our finite resources, we need to carefully plan the placement of material that will do the most good for the most number of our property owners. The areas that need regular work are the steeper sections, especially when combined with a curve in the road. These show accelerated wear and rapid appearance of washboards and potholes. The main problem is from excessive speed, especially with 2WD vehicles. It just takes one vehicle going up the road spinning tires to cause washboards and potholes. The Whale Rock Road Association in Rist Canyon has banned the use of 2WD vehicles, but that probably wouldn't be acceptable for our community. Just be aware of your speed and if your vehicle is hopping up the road, you are part of the problem.

Since the last annual meeting, the road has been graded 3 times. The BOD had budgeted a total of \$5,334 for the grading portion, not inclusive of the asphalt spreading. During the May grade, the road above the gate on Upper Otter and branches off of Upper Otter were graded where material was available. We also allocated \$450 for a local resident to work some of those branches with his box end grader as a trial. However, as described earlier, this is not the right equipment for the job.

The May and August grades were combined with spreading RAP in order to not incur an additional mobilization charge for the grader. Not including the August grading, we have used \$4,065 of the budgeted amount. The August grading has not been billed yet, but will be around \$1,400, for a total somewhat over the amount that was budgeted for grading for the year. From December 2015 to May 2016, we spent \$1,528 on Upper Otter and its branches, including grading and hauling of a tandem load of RAP. We also spent additional money for grading Upper Otter in August. No money was spent on the Woodchuck road section.

It has been suggested that we use water trucks and rollers during the grading. With an unlimited budget this might be worth trying and it may or may not increase the longevity of a grading. Certainly, though, it would reduce the amount of available funds from the limited pool available to maintain our road.

Gate Report

Our gate continues to operate well, with some issues caused by vehicle damage. In the spring, the gate vertical support was hit at least once by a vehicle and was bent. This subsequently damaged the actuator. Paul Hesson and I were able to gain access to the lower gate support system by using a powered saw to cut out a bent securing rod. I straightened the support post and removed the damaged actuator. By rebuilding the actuator and realigning the proximity switches, I was able to repair it, rather than replace it, saving the \$600 replacement cost. The total cost of repair came to \$26. Stainless bolts were used after tapping the base support to secure the access panels. This will make future gate maintenance much easier. Since the repair, the support post has been hit at least once again, but it hasn't affected the gate operation. This is the reason the gate, when closed, is not even.

I have been asked to run for an additional term on the BOD and have agreed. My background includes a Masters degree in Civil Engineering and a Chemistry degree. I have served 3 terms over the last 10 years or so as vice president of the road association and know the planning required both from the budgeting aspects, as well as the execution of the road projects. I'm sorry I wasn't able to make the annual meeting, but after spending 7 full days this last year directly supervising the road maintenance and many other days planning and coordinating the projects, I couldn't afford to miss any time from my business, which is done primarily on weekends.

Respectfully submitted,
Bob Faris
Vice President BHRA