

# Buckskin Heights Road Association

## 2022 Annual Meeting Minutes

Sunday, August 21, 2022 at Buckhorn Church and by Zoom

**ATTENDANCE:** Quorum of 14 membership satisfied: 31 properties represented in-person (17) or on Zoom (14); 4 represented by proxies. 35 total properties eligible to vote.

### Road Association Board Members Present:

At the Church (3): Allan Heese, Vice President; Sue Weber, Treasurer; Dan McQueen, Director at Large

By Zoom (2): Mary Arnold, Director at Large; Luke McOmie, Secretary.

(Brian Abbott, President, was excused.)

### Other Association Properties Present:

At the Church (14): Donna Braun & Jae Sheddy, Jacob DeBes & Eileen Walker, Teddy & Becky Ezzell, Linda Bilsing, David & Jan Gaudio, Rich & Debbie Evans, Max & Lynette McGowan, Paul Rutt & Erin Sunross, Bethany & Alison Seymour, Cindy & David Smith, Bill & Bonnie Torrey, Justin Wilson (3 properties)

By Zoom (12): Appelman, Dilley/McOmie, Hingtgen, Jacobson, Karki, Long, Lowe, McBride, Reynolds, Simpkins, Stahl, Woods

**Proxies** (4): Abbott (Weber), Jackson (McOmie), Kinsey (Heese), Standard (Stahl)

**Other:** Lola Fehr, Parliamentarian.

**CALL TO ORDER AND WELCOME:** Meeting was called to order at 3:03 PM by Parliamentarian Lola Fehr, thanking everyone in attendance, be it in-person or zoom. Robertson's Rules of Order were reviewed.

**AGENDA:** The agenda was approved as distributed 30 days prior to annual meeting (attached) with one modification: the election of new board members was moved to the beginning of the meeting to ensure completion.

**POINT OF CLARIFICATION:** Rick Stahl asked if the quorum was satisfied if only 3 Board members were present in-person at the church. Parliamentarian Lola Fehr explained that the quorum for the meeting refers to the number of Association (not Board) memberships present. The 31 total properties present in-person (17) and on Zoom (14) satisfied the quorum (14) for this meeting to proceed. Sue Weber pointed out that a total of 5 Board members were present in-person (3) and actively participating by

Zoom (2). Fehr pointed out that the section in our *Bylaws* that allows completely electronic meetings is in conflict with the language in another section that uses the phrase "in person" to describe the required quorum for all (even electronic) Association meetings.

### REVIEW OF THE 2021 ANNUAL MEETING MINUTES:

Association members were asked if there were any questions/concerns with the Board-approved 2021 Annual Meeting Minutes posted on-line. None were noted.

### TREASURER'S REPORT:

1. Treasurer Sue Weber reviewed the current status of the budget ("BHRA Budget Update 8-21-22" attached). We have 100% of dues paid in full in 2021 and 2022. The Treasurer's Report was approved as presented.
2. The "Buckskin Heights Road Association Treasurer's Report for FY2021" was independently audited by Jodi Abbott and Bonnie Torrey and approved without qualification (attached).

**ELECTION OF NEW BHRA BOARD MEMBERS:** The floor was opened to nominations for one 1-year replacement term (Glenn Heene) and three 2-year expiring terms (Allan Heese, Luke McOmie and Dan McQueen). Mary Arnold was elected to the 1-year term ending in 2023. Dan McQueen, Cindy Smith and Bill Torrey were elected to 2-year terms ending in 2024. The 2022-23 Board will therefore consist of Brian Abbott, Mary Arnold, Dan McQueen, Cindy Smith, Bill Torrey and Sue Weber.

### ROAD REPORT:

1. Vice President Allan Heese thanked community members who have helped with work since January. 2022. Many culverts were cleared out and a new culvert was found above 13512 Otter Road, completely blocked. Significant work was done on Raccoon Ct with help from Max McGowan, Leroy Lawrence and Bill Torrey which included jackhammering rocks and cleaning out ditches.
2. Heese reviewed the 2022 "Road Report" (attached).
  - A. **Small Tasks**
    - Heese evaluated 40 culverts and found 14 in good working condition, 9 with minor blockage, 14 nearly or fully blocked, and 3 needing replacement.

- New road base was deposited on Raccoon Ct.
- A suggestion was made by Heese to the community to remove rocks from road as needed to improve safety.

**B. Major Tasks**

- Recycled asphalt was deposited at 21 locations, a total of 521 tons rolled out. Otter Road got 3,400 lineal ft ( $\frac{2}{3}$  of a mile).
- Grading was done on Otter and side roads. This work cost \$2,700. About \$14,700 in the budget (attached) remains available this fall, potentially for additional maintenance on lower Otter and the upper roads.

**C. GIS Mapping** work by David Smith is ongoing. Priorities include identifying all culverts, power poles, grading and material placement during the year. Heese pointed out that the combination of functional culverts and ditches aid in maintaining road; knowing where they are is important.

**D. Anticipated Work**

- Additional material replacement, depending on budget.
- Cattle Guards: At the July board meeting, a decision was made to remove cattle guards. This will require planning and volunteers.
- Lower Otter Culvert Replacement: Heese reported that the landowner adjacent to our road about road marker 1 objects to diversion of water flowing down Otter Rd into a blocked culverts leading to his property. This non-functional culvert and a large amount of debris causes flooding onto Otter Rd. More conversation with those impacted and responsible is needed.

**E. Otter Rd Straightening Study:** Heese shared the results of a road study, done in conjunction with CSU engineering students, to eliminate the S-curve on McBride property and straighten out the road. The cost would exceed \$200K, which is an untenable project for our community.

**F. Treating Sections of Road with Liquid Road Stabilization Compound (MgCl/Beet Juice/Lignon):** Board and other members studied Storm Mountain use of this material. It seems to decrease washboard and stabilize erosion. Ongoing discussion and research are needed. Rick Stahl reminded the community that any capital expense requires a vote by the Association. Heese pointed out that non-capital maintenance items like chemical stabilization does not require such a vote.

**ROAD EQUIPMENT AND EVALUATION GROUP (REEG)**

**PROPOSALS (Attached):**

1. McGowan summarized the group's findings – see "Road Maintenance Equipment FAQs" (attached). He compared the Box Grader and Road Groom options, both pull-behind equipment.
  - A. He stated that neither option is a substitute for professional grading. He suggested that neither approach will save money.
  - B. If interested, member(s) could purchase the equipment and contract with the board to operate.
2. Subsequent discussion focused on questions that still remain for all three proposed options:
  - A. Liability insurance and maintenance costs are big issues.
  - B. Historically, the last piece of (used) equipment that was purchased for such use was sold for scrap after maintenance became too expensive and interest was lost.
  - C. Identifying a specific group of trained residents who are committed to the long-term on-demand operation of either piece of equipment has not yet been done.
3. Allan Heese made a motion to postpone the decision on the various options and to send it back to the Board for follow-up with interested REEG and other community members. After discussion and clarification, the motion was seconded and **approved**.

**VOTE TO HOLD MAIL BALLOT ON DUES INCREASE FOR 2023:**

1. Sue Weber placed the motion on the floor to direct the Board to send out a mail ballot to "increase the current \$450 annual dues by \$150/\$100/\$50, beginning in 2023." The motion did not need a second because it was placed (without recommendation) on the agenda in advance by the Board.
2. Parliamentarian Lola Fehr explained that the "fill in the blank" voting method will be used to determine the amount agreeable to the majority of the community in attendance.
3. Max McGowan made a presentation in support of raising the dues (attached). His main points were:
  - A. Recent inflation has significantly increased the cost and therefore reduced the amount of road material and/or road maintenance equipment operations that can be supported at current dues rates.

- B. Observations and estimates strongly suggest that historical application rates of road material have been less than the rate of road material loss, leading to a significant overall loss of road material, reducing road stability, driving safety and comfort, property values, vehicle condition and longevity, etc.
  - C. Delaying action will increase costs in the long run, not save money.
  - D. Raising dues is the most straightforward, equitable and obvious way of increasing income to the BHRA, but we could explore alternative methods of reducing maintenance costs and/or alternative sources of income.
4. Discussion:
- A. Keifer Jacobson asked why we need more dues income when we always carry over money from one year to the next? Allan Heese answered that money never accumulates; it is always spent the next year.
  - B. David Gaudio pointed out that the \$150 increase is \$12.50/month. We should allow the entire membership to vote.
  - C. Ruth Heese supported the increase as a way to keep up with inflation and preserve property values.
  - D. Cindy Smith supported the increase as a way to slow down the degradation of the road by erosion from weather and use.
5. It took two rounds of “fill in the blank” voting to achieve majority **approval** for the Board to conduct a mail ballot for a \$100 increase in the annual dues. The Board now has 30 days to send out the ballots to the entire membership; members will have another 30 days to send in their ballots. A majority of those responding is required to approve the increase.

**FIRE COMMITTEE REPORT:** None

**OPEN FLOOR FOR ADDITIONAL BHRA-RELATED ITEMS:**  
David Gaudio thanked all who attended in person and by Zoom.

**DATE FOR 2023 ANNUAL MEETING:** Sunday, August 27 at 3 PM as announced on the agenda for the meeting.

**ADJOURNMENT:** The meeting was adjourned at 6:58 PM.

Respectfully submitted,  
Luke McOmie, Secretary

# BUCKSKIN HEIGHTS ROAD ASSOCIATION 2022 ANNUAL MEETING • IN PERSON & ZOOM

**WHEN:** Sunday, August 21, 2022 at 3pm  
**WHERE:** Buckhorn Church, 8762 N County Rd 27, Masonville CO  
*Please bring a copy of this Agenda. Before the meeting, please review the Board-approved 2021 Annual Meeting Minutes linked from <http://buckskinheights.org/documents.html>*

**ZOOM:** BY COMPUTER: <https://us02web.zoom.us/j/84568030850?pwd=NEdaaGtobVlFZkg3bzhoZUFHUkx4Zz09> BY PHONE: +1 346 248 7799  
FOR BOTH: Meeting ID: 845 6803 0850  
Passcode: 079412

**SOCIAL GATHERING:** Starts at 2:15 pm  
*Please bring a snack to share and your own non-alcoholic beverage*

**PROXY VOTING:** If you cannot attend the meeting, you may designate someone else as your proxy. Please deliver your written/emailed proxy to the BHRA secretary at PO Box 352, Masonville CO 80541 or [bhra80541@gmail.com](mailto:bhra80541@gmail.com) by noon on August 21 or have your proxy bring hard copy to the meeting – see <http://buckskinheights.org/BHRA-Proxy-Form.pdf> for instructions and a fillable form/email template. No BHRA member may vote more than two proxies.

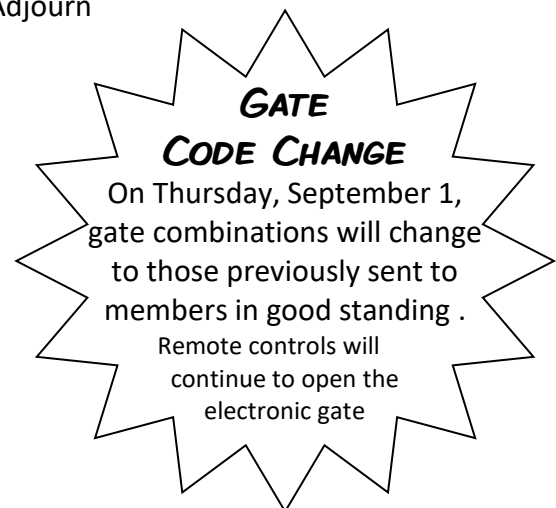
## MEETING AGENDA

1. Attendance
2. Call to order; quorum; welcome & introductions; review agenda
3. Review of the Board-approved 2020 Annual Meeting Minutes
4. Treasurer's Report
5. Road Report – Work done to date, future work to be done
6. **Discussion/vote on possible changes in road maintenance** priorities and possible capital expenditure mail ballot proposed by the Road Equipment Evaluation Group (see next page)
7. **Discussion/vote on possible dues increase**  
The initial proposal for discussion/vote is “to increase the current \$450 annual dues by \$150, beginning in 2023.” The dues increase amount may be amended downward for subsequent discussion/votes.
8. Fire Committee Report
9. Open floor for additional BHRA-related items
10. **Nomination/election of BHRA board members** – Three 2-year terms and one 1-year term **MOVED AFTER TREASURER’S REPORT**
11. Date for next year's meeting:  
Sunday, August 27, 3pm
12. Adjourn

### CURRENT BHRA BOARD MEMBERS

Brian Abbott\* .....President  
 Allan Heese\*\* ..... Vice President  
 Luke McOmie\*\* ..... Secretary  
 Sue Weber\* ..... Treasurer  
 Mary Arnold† ..... At Large  
 Dan McQueen†† ..... At Large

- \* One more year to serve in a 1<sup>st</sup> term
- \*\* 2<sup>nd</sup> term ending; ineligible for re-election
- † Eligible for election to a 1-yr term (completing Glenn Heeney’s 2<sup>nd</sup> term)
- †† 1<sup>st</sup> term ending; eligible for re-election



## Buckskin Heights Road Association Treasurer's Report

Sue Weber – August 21, 2022 (Annual Meeting)

- |  |   |              |
|--|---|--------------|
| <b>1. Checking account balance 8/21/22</b> | = | \$44,511.22  |
| Pending Expenses                           | = | -\$27,121.85 |
| Pending Deposits                           | = | \$0.00       |
| Checking Available                         | = | \$17,389.37  |
| <b>Savings account balance 8/21/22</b>     | = | \$5,006.91   |
| <b>TOTAL AVAILABLE 8/21/22</b>             | = | \$22,396.28  |
2. **Dues:**
- 2021 – Dues for 66 of 67 properties (64 of 65 owners) were paid in full in 2021, 98% compliance. The remaining 2021 and all previous delinquent property dues were paid in full in 2022, resulting in final 100% compliance for 2021.
  - 2022 – Dues for 67 of 67 properties (61 of 61 owners) are paid in full; 100% compliance for 2022.
3. **15 Completed Property Sales Since the Cameron Peak Fire, October 2020:**
- 2/12/21 – Cole Deines (13000 Woodchuck Dr) to Shana Longo
  - 2/23/21 – Ryan Green (3724 Woodchuck Dr) to Bryon & Amy Brockel
  - 6/18/21 – Robert Gonzalez (13512 Otter Rd) to David & Cynthia Smith
  - 8/6/21 – Scott Roth (10100 Otter Rd) to Kaitlyn & Samuel McBride
  - 8/30/21 – Jo & Paul Hesson (13428 Otter Rd) to Jacob Jandrew & Samantha Walker
  - 9/10/21 – Steven & Sherri Stinnett (14296 Otter Rd) to Paul Rutt
  - 11/5/21 – Richard Dixon & Charlene Ferra (8266 Gray Squirrel Ct) to Sean Cloutier
  - 12/23/21 – Kyle Recchia (13735 Otter Rd) to Sanjeev & Krystal Karki
  - 1/7/22 – Jeremiah & Sandra May (8857 Otter Ct) to Luke & Melanie McOmie & Jonathan Dilley
  - 1/7/22 – Heather Speicher (13728 Raccoon Dr) to Justin Wilson
  - 2/8/22 – Pamela Robinson (8315 Gray Squirrel Ct) to Cameron & Alice Louie
  - 4/8/22 – Estate of Gregory Nelson (13451 Raccoon Dr) to Justin Wilson
  - 4/15/22 – Estate of Stanley Long (13888 Otter Rd) to Sarah Simpkins, James Leslie & Robert Leslie
  - 4/26/22 – Joshua Embrey (8220 Raccoon Ct) to Jeffrey Moe
  - 7/15/22 – Glenn Heeney & Ann Dean (13328 Otter Rd) to Bethany Seymour
4. **Current Properties for Sale/Pending Closings:**
- Airn & Matthew Hartwig (13001 Otter Rd)
  - Scott & Sharon Lazarowicz (8025 Wolverine Ct)
  - Jacob Jandrew & Samantha Walker (12727 Otter Rd)
5. **Budget Update, August 21, 2022** (attached)
6. **Approved 2021 BHRA Audit Report** (attached)

**BHRA EXPENSE & INCOME SUMMARY • August 21, 2022**

A	B	C	D	E	F	G	H
Category	2021 Actual	2022 Approved Budget	2022 Actual Expenses & Income to Date	2021 Budget Over (Under) to Date	2022 Expected Remaining Expenses & Income	2022 Projected Total Expense & Income	2022 Projected Over (Under) Budget
Bank Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Emergency Expense	\$2,025	\$0	\$0	\$0	\$0	\$0	\$0
Gate Maintenance	\$0	\$200	\$0	(\$200)	\$200	\$200	\$0
Grant Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Insurance	\$1,235	\$1,300	\$0	(\$1,300)	\$1,300	\$1,300	\$0
Legal/Financial	\$61	\$100	\$33	(\$67)	\$40	\$73	(\$27)
Mailings	\$104	\$100	\$122	\$22	\$63	\$185	\$85
Miscellaneous	\$0	\$0	\$0	\$0	\$170	\$170	\$170
Signs	\$0	\$200	\$0	(\$200)	\$200	\$200	\$0
Supplies	\$99	\$100	\$0	(\$100)	\$100	\$100	\$0
Fire Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transfer to Savings/Emergency Acct	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Road Base Homeowner	\$3,950	\$0	\$0	\$0	\$0	\$0	\$0
Road Ditches & Culverts	\$1,372	\$4,000	\$1,425	(\$2,575)	\$5,700	\$7,125	\$3,125
Road Grader Operator	\$14,006	\$14,700	\$12,598	(\$2,103)	\$4,500	\$17,098	\$2,398
Road Base	\$12,933	\$14,000	\$17,349	\$3,349	\$4,500	\$21,849	\$7,849
<b>BHRA Road Expense Subtotal</b>	<b>\$28,311</b>	<b>\$32,700</b>	<b>\$31,371</b>	<b>(\$1,329)</b>	<b>\$14,700</b>	<b>\$46,071</b>	<b>\$10,247</b>
<b>Expense Subtotal</b>	<b>\$35,784</b>	<b>\$34,700</b>	<b>\$31,526</b>	<b>(\$3,174)</b>		<b>\$48,299</b>	<b>\$13,599</b>
Dues & Late Fees	\$30,410	\$29,700	\$41,890	\$12,190	\$0	\$41,890	\$12,190
Emergency Donations	\$2,175	\$0	\$0	\$0	\$0	\$0	\$0
Interest	\$1	\$1	\$0	(\$1)	\$0	\$1	(\$0)
Grant Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Remote Control Sales	\$16	\$0	\$48	\$48	\$0	\$48	\$48
Homeowner Road Reimburse/Donation	\$3,950	\$0	\$1,000	\$1,000	\$0	\$1,000	\$1,000
Miscellaneous	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transfer from Savings/Emergency Acct	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Income Subtotal</b>	<b>\$36,552</b>	<b>\$29,701</b>	<b>\$42,938</b>	<b>\$13,237</b>		<b>\$42,939</b>	<b>\$13,238</b>
<b>Checking Cash Flow Balance</b>	<b>\$767</b>	<b>(\$4,999)</b>	<b>\$11,412</b>			<b>(\$5,361)</b>	

**NOTES**

\*Expected expenses should leave at least \$500 in projected ending balance

Budget: 66 properties @\$450 = \$29,700  
 Dues total includes \$10,849 from 11-years (2011-22) of dues/fees/interest from delinquent property estate.  
 Dues total also includes undesignated donations.  
**No outstanding dues delinquencies!**

**BHRA ASSET SUMMARY**

A	B	C	D	E	F	G	H
Category	2021 Actual Ending Balance	2022 Budgeted Ending Balance	2022 Actual Balance to Date			2021 Projected Ending Balance*	
BHRA Checking Balance Available	\$5,978	\$979	\$17,389			\$617	
BHRA Savings Balance	\$5,007	\$5,008	\$5,007			\$5,007	
<b>Total Assets</b>	<b>\$10,984</b>	<b>\$5,986</b>	<b>\$22,396</b>			<b>\$5,624</b>	

\*Target is \$500 to avoid bank fee.

# Buckskin Heights Road Association Treasurer's Report for FY2021

## With **APPROVED** 2022 Budget • January 17, 2022

### EXPENSE/INCOME SUMMARY

### NOTES

A	B	C	D	E	F
Category	2020 Actual	2021 Approved Budget	2021 Actual	2021 Difference Over (Under)	2022 APPROVED Budget
Bank Fees	\$0	\$0	\$0	\$0	\$0
Emergency Expense	\$24	\$0	\$2,025	\$2,025	\$0
Gate Maintenance	\$0	\$170	\$0	(\$170)	\$200
Grant Expense	\$0	\$0	\$0	\$0	\$0
Insurance	\$1,186	\$1,240	\$1,235	(\$5)	\$1,300
Legal/Financial	\$556	\$100	\$61	(\$39)	\$100
Mailings	\$165	\$165	\$104	(\$61)	\$100
Miscellaneous	\$0	\$0	\$0	\$0	\$0
Road Signs & Accessories	\$94	\$150	\$0	(\$150)	\$200
Office Supplies	\$0	\$100	\$99	(\$1)	\$100
Fire Expense	\$0	\$0	\$0	\$0	\$0
Road Base Homeowner	\$478	\$0	\$3,950	\$3,950	\$0
Road Culverts & Ditchwork	\$360	\$1,000	\$1,372	\$372	\$4,000
Road Grader Operator	\$8,958	\$10,500	\$14,006	\$3,506	\$14,700
Road Base	\$18,060	\$21,000	\$12,933	(\$8,067)	\$14,000
<b>BHRA Road Expense Subtotal</b>	<b>\$27,377</b>	<b>\$32,500</b>	<b>\$28,311</b>	<b>(\$4,189)</b>	<b>\$32,700</b>
<b>Expense Subtotal</b>	<b>\$29,880</b>	<b>\$34,425</b>	<b>\$35,784</b>	<b>\$1,359</b>	<b>\$34,700</b>
Dues & Late Fees	\$30,940	\$30,150	\$30,410	\$260	\$29,700
Emergency Donations	\$200	\$0	\$2,175	\$2,175	\$0
Interest	\$1	\$1	\$1	(\$1)	\$1
Grant Income	\$0	\$0	\$0	\$0	\$0
Remote Control Sales	\$144	\$0	\$16	\$16	\$0
Homeowner Road Base Reimburse	\$0	\$0	\$3,950	\$3,950	\$0
Fire Reimburse	\$0	\$0	\$0	\$0	\$0
Miscellaneous	\$0	\$0	\$0	\$0	\$0
<b>Income Subtotal</b>	<b>\$31,285</b>	<b>\$30,151</b>	<b>\$36,552</b>	<b>\$6,401</b>	<b>\$29,701</b>
<b>Cash Flow Balance</b>	<b>\$1,405</b>	<b>(\$4,274)</b>	<b>\$767</b>		<b>(\$4,999)</b>

**Budgeted Road Expense...**  
 ...includes **\$5,978** carryover from 2021.  
 Avg cost of 37 loads of delivered road base in 2021 was \$455/load (range \$440-\$540)

**Budgeted Dues Income...**  
 ...assumes 66 of 67 properties (63 of 64 owners) pay \$450 annual dues

### ASSET SUMMARY

A	B	C	D	E	F
Category	2020 Actual Ending Balance	2021 Budgeted Ending Balance	2021 Actual Ending Balance	2021 Difference Over (Under)	2022 Budgeted Ending Balance
Checking Balance	\$5,211	\$937	\$5,978	\$5,041	\$979
Savings Balance	\$5,006	\$5,007	\$5,007	(\$0)	\$5,008
<b>Total Assets</b>	<b>\$10,217</b>	<b>\$5,944</b>	<b>\$10,984</b>		<b>\$5,986</b>

**Budgeted Checking Ending Balance...**  
 ...for 2022 is the 2021 actual ending balance plus the net budgeted 2022 cash flow balance. The target of about \$900 allows for \$500 minimum balance plus \$50 for January mailings, plus \$300-\$400 margin of error.

Fiscal Year 2021 Data Respectfully Submitted for Audit by:

Suzanne Weber 3/27/2022  
 Suzanne Weber, Treasurer, October 2020-Present Date

2021 \*

Typo corrected 1/17/23  
 Suzanne Weber

Fiscal Year 2021 Data Audited and Approved by:

Jodi Abbott 4/19/2022  
 Jodi Abbott, BHRA Member Date

Bonnie Torrey 4/19/22  
 Bonnie Torrey, BHRA Member Date

## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Buckskin Heights Road Association  
P.O. Box 352, Masonville, CO 80541

### **Report on the Financial Statements**

We have audited the Treasurer's Report; Audit Summary; expense invoices and authorizations; income receipts; and bank statements and check register of Buckskin Heights Road Association as of December 31, 2021.

### **BHRA's Board of Directors Responsibility for the Financial Statements**

The Board is responsible for the preparation and fair presentation of these statements, and management of them to be free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we perform the audit to obtain reasonable assurance about whether the statements are free of material misstatement.

The procedures we have performed include but are not limited to: 1) reviewing invoices, receipts and deposits of the organization; 2) reviewing the check register, bank statements, and BHRA Membership Roster, comparing the three for consistency; 3) reviewing expenses for reasonableness as to their use; 4) confirming all invoices had notations that they had been reviewed; and 5) confirming the beginning and ending cash balance in the checking and savings accounts match the Asset Summary report.

### **Conduct of Audit**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America, specifically those defined by the Association of International Certified Professional Accountants (AICPA). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether




the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements.

An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

**Opinion**

In our opinion, the statements referred to previously present fairly, in all material respects, the financial position and cash flows of Buckskin Heights Road Association as of December 31, 2021, in conformity with generally accepted accounting principles in the United States of America.

Both Bonnie Torrey and Jodi Abbott are residents and members of the Buckskin Heights Road Association and have performed this audit free of charge.

  
\_\_\_\_\_  
Bonnie Torrey

4/19/22  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Jodi Abbott

4/19/22  
\_\_\_\_\_  
Date

## ROAD REPORT

### Past Work Accomplished This Year

1. Miscellaneous small tasks
  - Misc costs for Culvert, Rock/Road Base Purchase, Equip Rental
  - Ditch work on Raccoon Ct
  - Jack-hammering rock on Raccoon Ct
  - Culvert cleanout on newly discovered culvert – Raccoon Ct
  - Rock and road base on Raccoon Ct
  - Kicking rock off all roads as necessary
2. Major Project End of July, Beginning of August
  - 521 Tons recycled asphalt road base in 12 locations covering approximately 3,400 lineal feet (almost 2/3 mile)
  - Grading nearly full length of Otter Rd and some side roads
  - Significant ditch cleanout and discovery of previously unknown culvert
  - Cost ~\$27.1K
3. GIS Mapping
  - Using new GIS software to map placement of material, locations and condition of culverts (identified, categorized, and logged 40+ culverts, some lost for years)

### Work Anticipated/Pending

- Material placement (depending on budget)
- Lower Otter Road culvert replacement and drainage Improvements
- Cattle guards removal

### Otter Road Straightening Study

- Study performed by CSU Engineering Student Team (Six Team Members)
- Three alternatives considered, one chosen for further analysis
- Alternative chosen was cutting through a low point in hill
- See Attached Pages A-1 through A-3, extracted from Team's Final Report
- Disadvantages
  - Cost >\$200K
  - Unknowns not included in study
  - Crosses private property outside existing easement
- Advantages
  - Enhanced safety in all seasons
  - Improved sight lines by avoiding sharp "blind" curve
  - Reduced road gradient to within County Emergency Vehicle Standards
  - Improved road surface and easier maintenance

### Use of Liquid Road Stabilization Compound

- Previous Decision to use mag-chloride/beet juice solution in certain test locations tabled awaiting more discussion & community input
- Some members of community traveled to Storm Mountain to view application there

### Open for Discussion

## SAMPLE PRELIMINARY COSTS



*Figure 5. CSU Drone Center Survey Rendering*

vehicles historically lose traction. Alternative 3 will allow vehicles to maintain their momentum as they head into the elevation gain.



*Figure 11: Alternative Design 3*

*Table 3: Cost Analysis Table*

Description	Unit	Quantity	Unit Price	Total (\$)
Subgrade Preparation	CY	705	25 <i>dollars/yd<sup>3</sup></i>	17,625
Aggregate Base Course	CY	355	6.8 <i>dollars/yd<sup>3</sup></i>	2,414
Earthwork Excavation	CY	16720	10 <i>dollars/yd<sup>3</sup></i>	167,200
Drainage Culvert	EACH	1	900 <i>dollars/unit</i>	900
Seeding	SF	5520	0.2 <i>dollars/ft<sup>2</sup></i>	1,104
Speed Limit Signs	EACH	2	70 <i>dollars/unit</i>	140
Chevron Sign	EACH	4	25 <i>dollars/unit</i>	100
Reverse Curve Sign	EACH	2	85 <i>dollars/unit</i>	170
Total Cost (\$):				200,000

## **POSSIBLE CHANGES IN BHRA ROAD MAINTENANCE PRIORITIES & CAPITAL EXPENDITURES PROPOSED & SUBMITTED BY THE ROAD EQUIPMENT EVALUATION GROUP (REEG)**

The Road Equipment Evaluation Group (REEG) – Erik Dolph (Coordinator), Mary Arnold, Keifer Jacobson, Max McGowan – was formed after the 2021 BHRA annual meeting to investigate the cost effectiveness of owning or renting and operating our own road maintenance equipment.

At the 2022 annual meeting, this group will present the pros, cons, costs, and possible methods of acquisition for two items of road maintenance equipment, followed by questions and answers and discussion by the membership. If the membership present at the meeting wishes to proceed toward ownership, lease, or contract operation of any options as discussed, the appropriate straw poll or vote at the BHRA annual meeting will be conducted, followed if necessary by a mail ballot in accordance with the BHRA *Bylaws*.

REEG is proposing 2 types of equipment for the purpose of on-demand road grading, new material application, and placement. None of the options will require an increase in yearly dues. Each has its own strengths, weakness, initial and long-term costs associated and the reasonable/realistic effectiveness of all options need be seriously considered by each member. The specific functions, pros, and cons will be discussed for each type with community input and debate.

It is important to know the costs involved in road maintenance and the costs of not maintaining the roads. In addition to the increase in loss of road material resulting from inadequate or untimely maintenance, vehicle maintenance costs increase due in part to road surface damage and corrugations which develop and propagate in height and frequency as traffic density and speed increase. The resulting vibration and impacts increase mechanical wear/tear to vehicles over time. These increased vehicle maintenance costs can be very significant over time.

It is expected that the use of a grading implement will supplement, not replace, existing motor grader operations. Overall cost of road maintenance is not expected to reduce through the use of an implement; however, it is expected that the road can be maintained in better condition between major gradings. Applying maintenance at the right time and in the right place is key.

Historically, we have been limited by the availability of an off-site contractor and their equipment to perform road gradings and related maintenance. If major gradings are poorly timed (i.e., during dry conditions), as can occur when relying on off-site contractors, the results can be less than satisfactory. It is expected that the use of an on-site road grading implement between major gradings, especially after moisture has fallen, will reduce or mitigate the tendency of the road to corrugate, providing a smoother road between major gradings, providing improved driving experience and safety, less vehicle wear and tear, and increased value in the use of BHRA funds.

Both pieces of equipment being proposed have been tested on Otter Road and have proven capable of mitigating washboards on parts of the road that have sufficient road-base and/or native material present. The two implements have largely over-lapping capabilities, but each has slightly different strengths. These are described in more detail in the FAQ document (to be available at or before the Annual Meeting).

### **Proposal 1: Hire a BHRA resident for as-needed on-demand use of a personally owned 10' pull behind Box Grader\* (BHRA Rental Option).**

Cost of use: Approximately \$70 per hour inclusive of implement, pull vehicle, operator, fuel and all incidentals (subject to inflationary prices).

\*Already owned by BHRA Member\*

### **Proposal 2: Contract with a BHRA resident to operate a personally owned 8.5' Road Groom pull behind road grading implement. (BHRA Rental Option).**

Cost of use: Approximately \$80/hr based at a minimum of 100 hrs/yr, inclusive of implement, pull vehicle, operator, fuel and all incidentals (subject to inflationary prices). Assumes an initial 4-year, 100 hrs/yr minimum contract between BHRA and equipment owner.

### **Proposal 3: Purchase an 8.5' Road Groom pull-behind road grading implement to be operated by BHRA Board-approved resident(s).\*\* (BHRA Purchase Option).**

Cost: \$20k purchase price

\*\*Based on price of NEW implement purchased from dealer. Used Road Groom units have been seen at auction/online for considerably less\*\*

## **Buckskin Heights Road Equipment Evaluation Group (REEG)**

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### **Road Maintenance Equipment FAQs:**

Q1: What is the purpose of the Proposed Equipment?

A1: The primary purpose of the Proposed Equipment is to improve the condition of the road in between major gradings. The implements being proposed might also be useful in distributing and grading newly applied road materials.

Q2: What type of equipment is being proposed?

A2: Two types of equipment are being proposed. Both are pull-behind road surface scrapers. One is a 10' wide single-blade box scraper. The other is an 8.5' wide Road Groom brand road scraper with multi-blades and adjustable wing scraper. The box scraper is used. The Road Groom is proposed to be purchased new, though used units are occasionally available at auction or through equipment dealers.

Q3: How will the Proposed Equipment accomplish its purpose/s?

A3: The Proposed Equipment and the operators will be based in BSH, facilitating rapid deployment of the equipment when conditions for use are favorable or necessary.

Q4: What is the cost of the equipment to own and operate?

A4: The used box scraper will have an initial cost of approximately \$4000 for the basic implement and the accessories necessary for the intended type of use. The Road Groom will cost approximately \$18,000 new, equipped for the intended use. Both implements have wear parts (tires and blades) that will need periodic replacement. Both implements require a heavy duty pull vehicle to operate, such as a ¾-ton pick-up or a 100+ hp tractor, and a qualified and insured operator. Total operating costs for the box scraper is estimated to be approximately \$70 per hour of use. Total operating cost of the Road Groom is estimated to be approximately \$80 per hour of use.

Q5: Will purchase/use of the Proposed Equipment save money?

A5: It is not likely, as far as the BHRA budget is concerned. The implements being proposed are not capable of replacing or eliminating the need for BHRA motor grader operations. The intended use and benefit of the Proposed Equipment is to maintain the road in improved condition between major gradings. Use of the Proposed Equipment may allow the time period between major gradings to be extended somewhat. However, although the Proposed equipment can be operated at roughly half the hourly cost of a motor grader, the Proposed Equipment is also much less productive than a motor grader on a time vs road surface covered basis. The value of the Proposed Equipment is in the expected improvement of the road surface condition between major gradings, associated improved driving experience, and the resulting reduction in vehicle wear and tear.

Q6: What are the pros and cons of the two implements? Which is better?

A6: The box scraper is a more basic and less expensive option. The particular implement being proposed is also used. It is as effective as the Road Groom on washboards (possibly even more so), but it must be pulled at a slower speed, and is somewhat less productive in terms of road surface

covered per hour of operation. The Road Groom is a more specialized implement that can operate at higher speeds. It has angled cutting blades that pull material to the center of the implement and re-distribute it across the operating width. It also has a hydraulically operated side wing for pulling material from the road edge back onto the road. The Road Groom can cover the same amount of road surface at least twice as fast as the box scraper. Both implements are appropriate for our application. The box scraper is less expensive initially. After roughly 50 days of use the Road Groom will likely have paid for itself in increased productivity.

Q7: Who will own the equipment?

A7: Two ownership scenarios exist. The equipment could be owned by an individual BHRA member, or the equipment could be owned by the BH Road Association (the general membership). BHRA contracting with a private owner simplifies enactment, as this does not require membership approval or vote. Ownership by the BHRA necessitates a capital expenditure, which requires a vote of the entire membership with 2/3 approval, but if enacted might result in lower operating costs.

Q8: Who will operate the equipment?

A8: If the implement is owned by an individual, operation will be performed by that individual or someone appointed by them, subject to any contractual requirements. If the implement is owned by the BHRA, the Board will determine who operates the equipment.

Q9: Will the equipment and operator be insured?

A9: Yes, although it remains to be clarified what the existing BHRA insurance policy will cover under the envisioned ownership and operation scenarios. If the implement is owned and operated by the BHRA it is assumed that the existing BHRA insurance policy will adequately cover the equipment and operations (the same policy covered the use of the motor grader owned and operated by the BHRA in the past). If the equipment is owned and operated by an individual BHRA member, it may be that the individual's existing auto insurance will provide adequate coverage, or it may be that the individual will need to arrange for additional coverage. These questions will be clarified when the will of the BHRA Membership with respect to the current Proposals is known.

Q10: What other related issues are of concern?

A10: Both proposed options require the availability of a strong pull vehicle. It should be clarified how many such vehicles exist (or are likely to exist in the foreseeable future) within the BHRA membership, and who among those would be interested and available to use their vehicle to pull the proposed implements (for reasonable compensation).



Box Grader



Road Groom

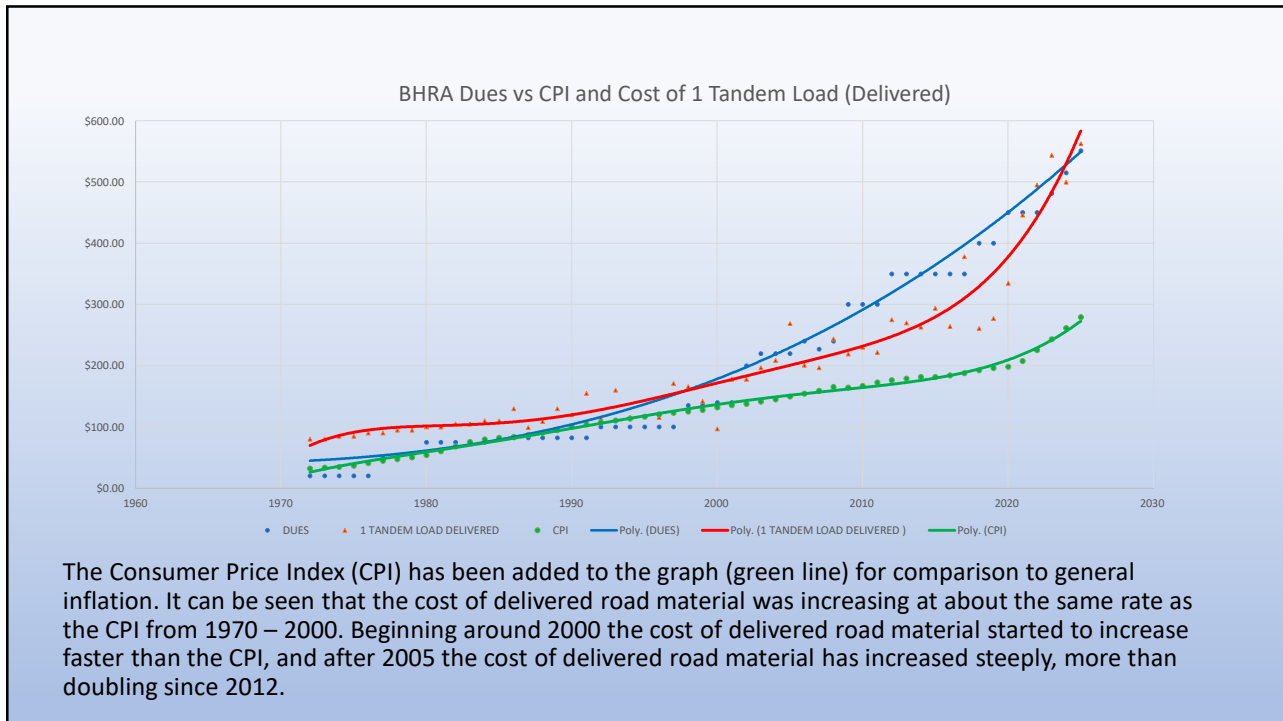
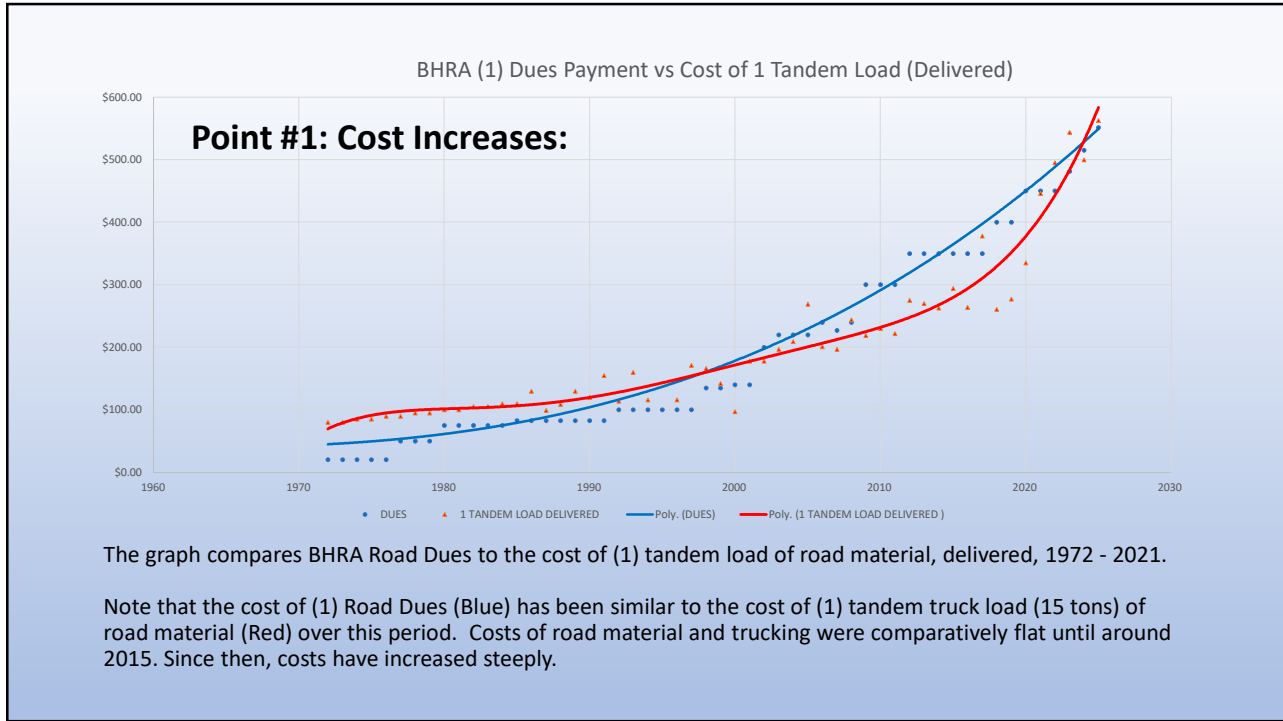


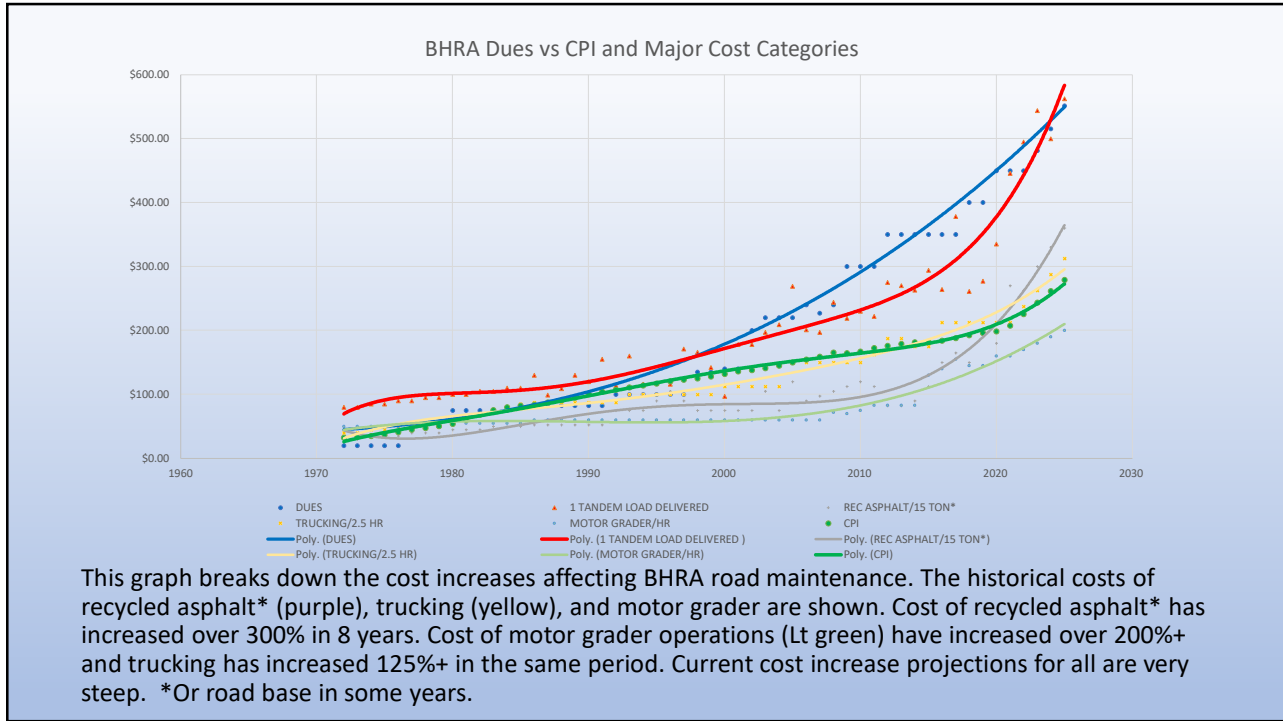
# BHRA Road Maintenance Cost and Funding Issues

by Max McGowan  
Registered Professional Engineer  
August, 2022

## This Presentation:

- This presentation will detail two significant issues that are affecting the current and future maintenance of the BHRA roads:
  1. Recent inflation has significantly increased costs of road material and road maintenance equipment operations. This has reduced the amount of road material and/or road maintenance equipment operations that can be supported at current dues rates.
  2. Observations and estimates strongly suggest that historical application rates of road material have been less than the rate of road material loss, leading to a significant overall loss of road material, reducing road stability, driving safety and comfort, property values, vehicle condition and longevity, etc.





Estimate Road material needed annually  
Average depth coverage and coverage period for Pavement to Gate and for Above Gate roads

	length miles	length yards	width yards	avg sq yards	avg maint cover depth yards*	avg maint cover period years	avg annual volume yd <sup>3</sup> /yr	avg annual tons tons/yr	avg annual tandem loads /yr
Assume: BHRA roads total length =	9.8	17248							
Otter Road: Pavement to Gate =	4	7040	6	42240	0.139	12	489	611	42
Above Gate roads =	5.8	10208	5	51040	0.139	24	295	369	25
							784	980	68

Road Material density = 1.25 tons/yd<sup>3</sup>  
Average tandem load = 14.5 tons  
Average tandem load = 11.6 yds<sup>3</sup>

Depth of application = 5 inches = 0.139 yard = 4 inches compacted depth  
Average yd<sup>2</sup> per tandem load at 5 inches = 83.52 yd<sup>2</sup>

Volume and weight of material needed to cover 800 linear ft of Road (below Gate).  
Average linear application at 5 inches depth and 6 yd width = 13.92 linear yards = 41.76 linear ft

Cubic Yards (yd <sup>3</sup> ) required per	265 linear yd =	795 linear ft =	220.83 yd <sup>3</sup>
Tons required per	265 linear yd =	795 linear ft =	276.04 tons
Tandem Loads required per	265 linear yd =	795 linear ft =	19.04 Tandem loads

**Point #2:**

BHRA records compared with estimates of road material erosion losses indicate that BHRA roads have lost thousands of tons of road material over time.

Simple calculations can estimate the amount of road material needed to cover BHRA roads using various assumptions. For example assuming an average re-cover period of 12 years for Otter Road (pavement to gate) and 24 years for the secondary roads, the calculations above show that approx. 42 tandem loads per year are needed for Otter Road plus an additional 25 tandem loads to re-cover all upper roads (= a total of approx. 68 tandem loads each year).

Estimate Road material needed annually  
Average depth coverage and coverage period for Pavement to Gate and for Above Gate roads

	length miles	1760 length yards	avg width yards	avg sq yards	avg maint cover depth yards*	avg maint cover period years	avg annual volume yd <sup>3</sup> /yr	avg annual tons tons/yr	avg annual tandem loads /yr
Assume: BHRA roads total length =	9.8	17248							
Otter Road: Pavement to Gate =	4	7040	6	42240	0.139	20	293	367	25
Above Gate roads =	5.8	10208	5	51040	0.139	40	177	222	15
							471	588	41
Road Material density =	1.25 tons/yd <sup>3</sup>								
Average tandem load =	14.5 tons								
Average tandem load =	11.6 yds <sup>3</sup>								
Depth of application =	5 inches =		0.139 yard =		4 inches compacted depth				
Average yd <sup>2</sup> per tandem load at	5 inches =		83.52 yd <sup>2</sup>						

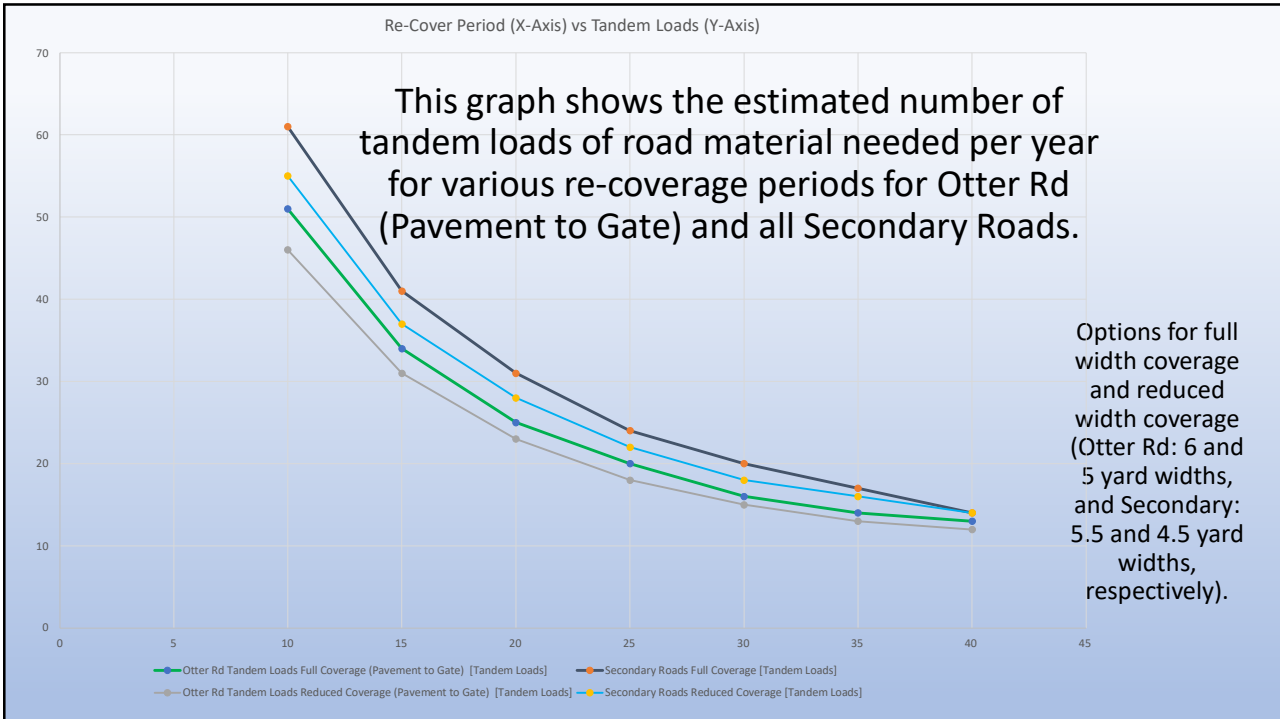
Volume and weight of material needed to cover 800 linear ft of Road (below Gate).

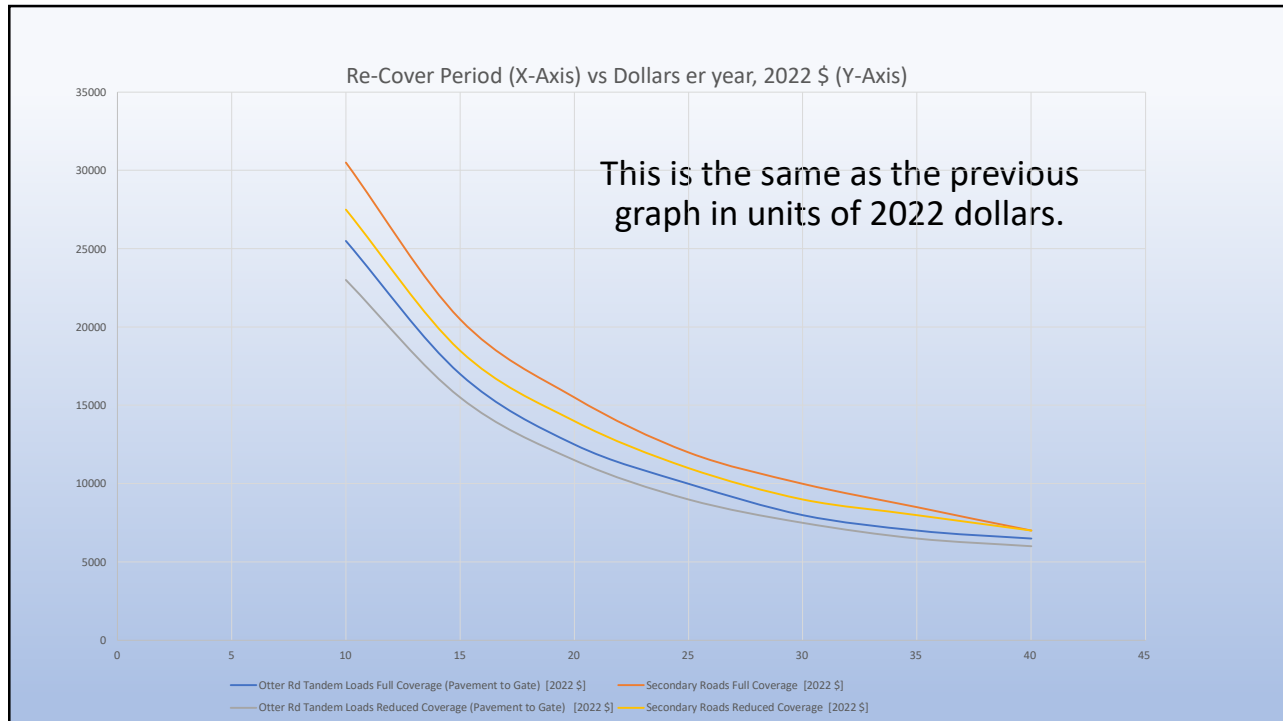
	inches depth 5 and	6 yd width =	linear yards =	linear yards =
age linear application at & per tandem load at			13.92	41.76 linear ft
Cubic Yards (yd <sup>3</sup> ) required per	265 linear yd =	795 linear ft =	220.83 yd <sup>3</sup>	
Tons required per	265 linear yd =	795 linear ft =	276.04 tons	
Tandem Loads required per	265 linear yd =	795 linear ft =	19.04 Tandem loads	

BHRA records show that historical application rates have averaged 40 - 45 tandem loads for the past 20 years.

This is sufficient to re-cover Otter Rd roughly every 20 years and the secondary roads every 40 years (or Otter Rd only every 12 years with no material applied to secondary roads).

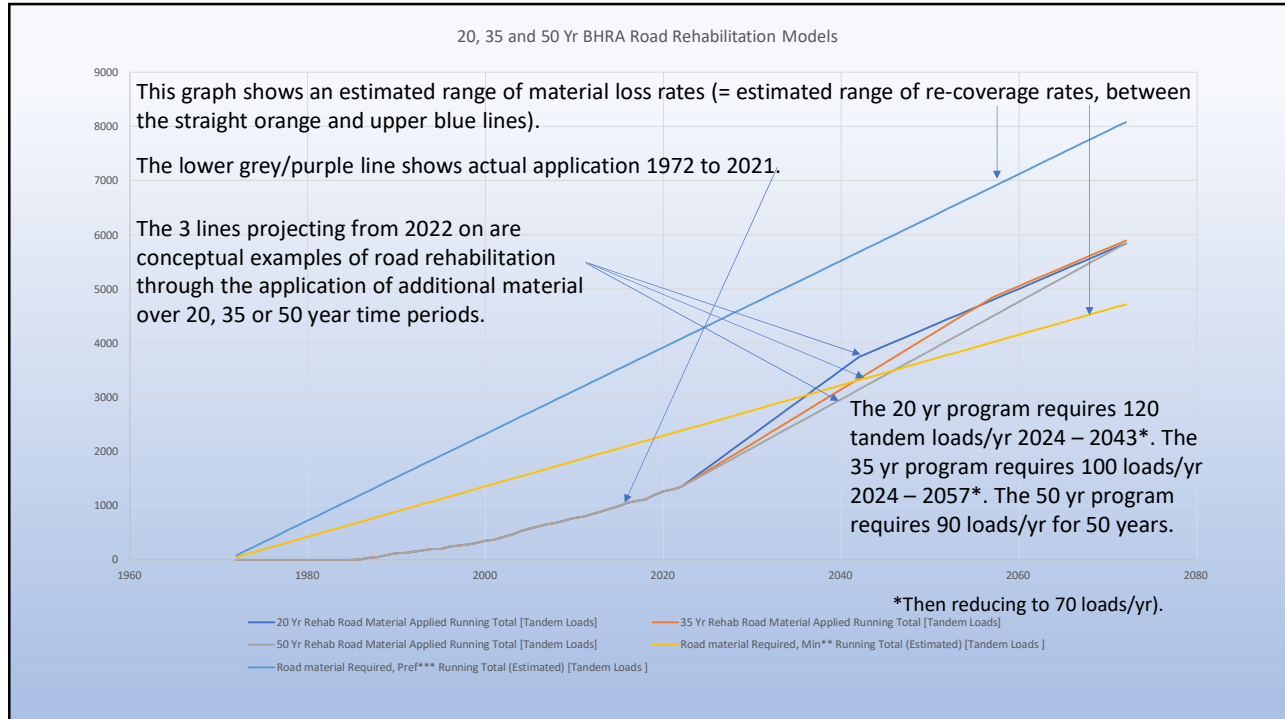
No hard data exists defining the rate of material loss from BHRA roads. Variation between different road sections is likely. However, observations indicate that many sections of BHRA roads lose material at a rate in the range of 0.25 (¼) to 0.5 (1/2) inch per year (meaning a loss of 4 inches of road material over roughly 10 to 15 years).





## Ramifications of Point 2:

- It is estimated that a re-coverage period in the range of 10/20 years to 15/30 years is required to replace road material lost to erosion, etc. This is equal to approximately 55 to 80 tandem loads per year.
- Historical dues have never been adequate to allow material application rates sufficient to meet estimated loss rates. Despite best efforts of all administrations there has always been insufficient funds to maintain the roads (much less make "improvements").
- BHRA has been applying approximately 40-45 loads/yr average over the past 20 years (48 loads/yr over the past 10 years). This is estimated to be an 18/36 year (Otter Rd/Secondary Rds) re-coverage period (17/34 year over the past 10 years). This application rate is almost certainly insufficient to replace material lost to erosion.
- These estimates indicate that BHRA roads have lost hundreds or possibly thousands of tandem loads of road material over time.
- Until application rates are at least equal to erosion (material loss) rates the roads will continue to deteriorate.
- Efforts can be made to reduce losses or to increase application rates (or both).



### Related Considerations:

- Costs of infrastructure maintenance accrue regardless of economic conditions, level of available funds, etc. Efforts to reduce ongoing costs should center on timely action. Delaying implementation of necessary maintenance will INCREASE, not reduce, the eventual total costs. Reasons include:
  - Delaying remedial action will increase costs in the long run due to inflationary effects. Road material road maintenance equipment operation costs are now increasing steeply, and are likely to continue to do so for the foreseeable future.
  - Road material loss will also accelerate if maintenance is neglected or improperly performed, resulting in increased long term costs.
- Lack of action will also result in additional secondary resultant costs such as:
  - The condition of the roads are one of the main factors influencing property resale values and potential buyer interest in BSH.
  - A road in poor condition is a more hazardous to drive, and much harder on vehicles resulting in increased repair costs and depreciation.

## Additional Thoughts:

- BHRA road issues will NOT GO AWAY if ignored or inadequately addressed. BHRA has historically acted in an essentially short-term, reactive and ad-hoc manner. This can continue, or this can change.
- BHRA should seriously consider the **long term** needs of the roads. The **costs** of adequate maintenance must be considered. Adequate maintenance is ultimately not discretionary, the costs will continue to incur, and are not controlled by willingness or ability to pay.
- Raising dues is the most obvious way of increasing income to the BHRA, but it is not the only possibility. Some possible alternative concepts:
  - Join with other local road associations to form a co-op, pooling resources to purchase materials and services in higher volume and lower prices and/or invest in materials production facilities and road maintenance equipment, etc.).
  - Form a BHRA real estate company with mandatory listing of all BHRA properties, earning 3%-6% on every sale.
  - Build a solar & wind farm in BSH, selling power to members and PVREA to subsidize road maintenance
- The point is, options likely exist. Alternatives such as these all have potential problems and require effort and potential risk, but also significant potential long term benefits. BHRA could make the effort to identify potential resources and opportunities that might benefit the BHRA's long term viability as an alternative to inadequate funding and/or perpetual dues increases.

## Final Takeaways:

1. Costs of road materials and maintenance equipment services have increased sharply in the past few years. The cost of recycled asphalt has more than tripled in less than 10 years, motor grader more than doubled, trucking costs are up 125%. The purchase power of BHRA's current budget has been reduced by these increases and the trend is likely to continue.
2. Historical dues have never been adequate to allow material application rates sufficient to meet estimated road material losses. Estimates indicate that BHRA roads have lost hundreds or possibly thousands of tandem loads of road material since the roads were developed. BHRA roads will continue to deteriorate until material re-application rates at least equal material loss rates.
3. Delaying action will increase costs in the long run, NOT save money.
4. Though the numbers involved sound daunting, they actually are not. An increase in dues or other income equivalent to \$1.00 per property per day (adjusted for future inflation) would allow us to maintain the road in stable condition. An increase of \$2.00 per property per day would allow us to make steady improvement to the road condition. (Compare this with almost any alternative expenditure in value.)
5. Raising dues is the most straightforward, equitable and obvious way of increasing income to the BHRA, but it is not the only possibility. The BHRA should seriously consider adopting a long-term vision, and seek out opportunities to develop alternative methods of reducing maintenance costs and/or alternative sources of income.