

A Special Meeting of the Big Country Homeowners Association was held on Sunday, May 18, 2014 at the lake common ground for the purpose of discussing options for road maintenance and ways to pay for it, as well as what actions are needed to restore a healthy bank balance (and what we think that is) and to finalize motions to be voted on. The meeting was called to order shortly after 6:00 p.m. by Dana Mosher.

**Attendance:** The following residents were present: Dan and Dana Mosher, Henry Miller, Bill Craft and Dawn, Ryan and Helene Buchheit, Don Brown, Ron Buchheit, Tom Rattini, Tracey Huff and Erik Wilkening, Darryl Gilley, Ruth Intlekofer, Ruthie Hall, Gary Pearia, Becky Christianson, Bob and Rose Ottinger, Steve and Connie Smith, Tim Roe, Doug & Robin Barton.

Dana thanked everyone for coming and explained the agenda (page 1 of handout). She asked that everyone be patient during the explanation of the handout and assured that it would be explained thoroughly. She asked that the Road Committee be allowed to go through the entire presentation since there was a lot of information to present and this would help expedite the meeting and stated that in addition to making sure everyone understood along the way, there would be time for questions and discussion at the end. She also requested that everyone be respectful of other's opinions and that we remember that the goal is to preserve everyone's property values and a nice place to live.

Ruth Intlekofer asked about how long the meeting would be and if there would be any voting. Dana responded that the plan was to try and keep the meeting as streamlined as possible and that any motions made would be mailed by ballot.

Ruth also asked what the quorum and majority of eligible voters was, especially in case any new residents weren't aware of our procedures. Robin had not yet calculated it, since the voting would not take place that evening, but offered to calculate it by the end of the meeting. (She forgot to announce it at end, but the required quorum for ballots would be 22, which is 75% of 29 eligible voters. Majority will be 66% of ballots received.) Dana assured it would be in the mailing.

### **Current Financials & 2014 Projections (page 1)**

Robin Barton walked through the expense projections for 2014 and 2015 with the following main points:

- Failing to plan is planning to fail, so we took our best shot at a plan for the next 25 years.
- 2013 does not include annual crack filling because the contractor was not able to get us on the schedule last fall so they did it first thing in Spring of 2014.
- 2014 total is lower than what was posted on NextDoor.com a few days earlier because we had originally planned to fill cracks again in fall to get back on a normal schedule. However, since Mid River Asphalt did such a good job, we can probably wait until next fall.
- The other main differences between the projections for each year is that we assume that trash collections costs will increase as usual. Other costs will probably change as well but for this report nothing else was adjusted.
- Estimates are that our expenses will be at least \$525 per lot in 2014 and \$532 in 2015.

Ruth asked if any budget line items were expected to be reduced. Robin replied that a number of options had been discussed but that since the 2014 figures were The Budget, they used these figures for the handout (and that for the calculations later in the meeting, slight changes may not make a big difference). She also suggested that although our budget was already very lean, looking at ways to cut expenses is always a good idea and would be a good agenda item for the annual meeting.

A number of suggestions were made at that point about how we could reduce our annual costs, including:

- **MOWING** - Dan Mosher is willing to mow the lake common ground and we might be able to get another resident to mow around the pumphouse, but the dam is dangerous and should be mowed by a professional. Trustees are concerned that our current (cheap) mowers may not be willing to do the dam if we don't have them also do the

other two areas, but we have not asked them. The idea of past due owners mowing was also kicked around, although we had tried it before and they were not always willing to do the work; Ruth commented that if we do that, we are not receiving any money; Erik pointed out that we would be able to skip the expense of that mowing, which has the same effect.

- **ELECTRICITY** - Ruth asked how much of our electricity bill was for the street lights and if we had considered turning them off. Henry answered that approximately \$9.00 per month was for the lights and turning them off had not been discussed.
- **WATER TESTING** - Ruthie Hall asked if we were paying someone to do our water testing because that was something that the residents used to take care of. Robin answered that we had to resort to paying someone a few years ago because 1) there was no one willing to do it, even if paid and 2) we no longer have anyone who is legally certified to do it. However, we do have information and some funding from the DNR if someone would like to get certified, but there is a few days' training required. Erik asked Ruthie if she was volunteering but she said she had already done it before. She suggested that the Trustees could do it since they are getting a discount.

Robin suggested again that they consider any budget changes at the Annual Meeting and moved on to the next item.

## **Road Maintenance Needs**

Bob Ottinger explained the need for a number of actions necessary to properly maintain the road and hopefully extend the life so that an overlay can be put off a bit longer and Robin added a few details.

- The main culvert was replaced with a 72" pipe at the cost of \$19,217. This used up most of the funds in our bank account. The area over the new pipe will need an asphalt patch, but the pipe contractor (Cannon) and Mid River Asphalt both suggested that we wait until after next spring to allow for maximum compaction.
- Culvert "2" runs under the road between the Mosher and Stern properties and is in bad shape. The ground above it on the upstream (non-lake) side is extremely eroded and if we don't do something soon, the road could start collapsing there as well. This culvert is 36" in diameter. It is completely rusted through on the bottom, but the sides are still holding up fairly well at this point. Under the road it is somewhat squished (in other words, it is not ideally circular) but not terrible. We previously thought the uphill end was completely crushed, but after uncovering it discovered that one bottom end is folded up and inward inside the pipe, leaving an opening of 14"x18". So some water is able to go through but the capacity is only half. This bent section extends about 5' in from the end of the pipe. The eroded section of hillside is about 20' long and ends about 5' from the edge of the road.

There are two potential ways we can take care of it:

"Optimal" - Have the entire thing ripped out and replaced, much like the main culvert was.

"Acceptable" - We could cut off the 5' of the folded end of the pipe and backfill the hillside with rock, making it steeper and with less pipe sticking out. This should buy us some time and hopefully put off replacement a few more years. It was noted that contractors were also asked to bid on sliplining these culverts, but none will willing to quote on that method.

Bob stressed that if homeowners can keep the ends of the culverts clear of debris, it will really help to control erosion around the pipes.

- Two other culverts (#3 and #4) are both 24" diameter and are located between the Brown/Henry(Huff) properties. They are not crushed but are also rusted out on the bottom and will need replacement someday. Contractors advised us not to bother fixing them until they are failing.
- There are also culverts between Powell/Craft properties and across from the pumphouse, but these are in better condition than the others and replacement is not anticipated at this time.
- **Asphalt overlay** - Asphalt contractors and engineers recommend an overlay 15-20 after paving. The Road Committee considered a number of types and have concluded that asphalt would be best. It is less expensive over time even though more expensive up front (detailed on Page 3). Furthermore, chip sealing deteriorates over time and gets on everything. Ron Buchheit mentioned that friends in a nearby subdivision were very disappointed with their chip sealing.
- Every 5 years after asphalt is laid, we should plan on a sealing project (current cost \$15,300).

- Additional rock along the edges should help push back the need for an asphalt overlay in the future. A map was shown of the areas with the most need for additional rock to support road edges.
- Barriers upstream of main culvert - we need to put up something (possibly posts or cattle gates) to keep large logs from blocking/damaging the end of the new culvert. We can do this ourselves for a few hundred dollars.

## **Projected Road Project Costs (Pages 2-5)**

QUOTES - Page 2 is just an updated list of all the quotes we have received.

Robin explained pages 3-5 of the handout, which are three different COST scenarios.

**BANK BALANCE** - Each cost scenario begins with replenishing our bank account somewhat. While an entire year of expenses saved up would be nice, Treasurer Henry Miller suggests that half that would be acceptable. (We have needed more in the past because we knew the main culvert could fail.) If a water pump repair were needed, \$1000 would probably be enough to cover it so if we have \$7843 in our bank account we should be fine.

Ruth asked what the total outstanding for assessments is. Henry answered that we have about \$3000 that is overdue from various lot owners and that some other have paid in advance. Ruth made the point that if we could collect what is due we wouldn't need so much to replenish our bank account. Robin fully agreed and stressed that the plans to be presented later in the meeting used the assumption that everyone paid in full, which may not be realistic.

**OPTIMAL** - Page 3 is the "Optimal" plan for Culvert 2, which means replacing it as soon as possible and patching the asphalt a year later. (FYI dotted-line boxes mean that the figure is included in bold-line boxed totals.)

**ACCEPTABLE** - Page 4 is the "Acceptable" plan, which means doing a temporary fix on Culvert 2 and putting off the replacement of all small culverts until 1 year before an asphalt overlay. This would save us the expense of patching the asphalt in those places (although they would probably still have to fill it somewhat. This cost scenario also assumes that our preventative maintenance (rock along road sides and annual crack filling) successfully enables us to push back an overlayment by another year.

**IN BETWEEN** - Page 5 is basically a mixture of the two plans and was not discussed, just provided for additional information and to let residents know that many options were considered.

Other notes on costs:

- All maintenance costs listed are today's cost and we should count on them changing once we are ready to move.
- The cost for rock along the road is a very rough estimate since contractors did not have an exact measurement to work with. One could bring us the rock for \$3000 and would charge another few thousand to spread it really nicely. Another estimated perhaps 10 truckloads would do it, at a cost of \$3500 (including installation). We could have rock brought in and then spread it ourselves if we want. So for these purposes, we just used the figure of \$3500.
- Cost of fixing culvert #2 ourselves is also rough; amount of rock was a guesstimate based on an Internet calculator of fill material for volume, using very rough measurements.

Ruth asked if the committee had looked into having the county take over the roads. Robin explained that yes, it had been considered (page 8) but the program had changed and they had not been able to get any cost estimates, just were told that it would be much higher. Our roads would have to become public (this is new), which would require them to be widened by 2' in most areas. If we are interested, the procedure is as follows (previously mailed; it has not changed)

B) We send around a petition. If 100% sign the petition, it will go to the County Council for approval. If >100% but at least 2/3 sign the petition, it goes to a 3-6 month process of becoming a bond issue on our district ballot. This bond issue would need a 4/7 vote to pass. If it passes, the County get bids, hires contractors, does the work, splits the bill and applies it to our accounts.

Homeowners can choose to pay in a lump sum or use the assessment program to spread it out over 10-20 years with interest.

Ruth made a motion for the following, seconded by someone [sorry could not hear well]:

Have a meeting with a County representative present to give specifics and bring a quote to the association to take over maintenance of the roads.

Erik stated that we wouldn't be able to get a quote because the County won't get bids until the subdivision has voted to give over their roads [either the 100% petition or the county ballot method].

Dana mentioned that she had spoken with a different person at the County than had answered Robin, so maybe she would be able to get a different answer.

Connie asked what would change if the county took over the roads. Robin answered that SCC would be responsible for snow removal (which could be better or worse, who knows?) and maintenance (including culvert fixes and overlays). The streets would no longer be private but there were many comments attesting that this doesn't seem to matter now anyway! It would not make our lake open to the public.

In closing of this section, Dana pointed out that she preferred to think about expenses in smaller terms, so she considers that having a nice paved road costs about \$250 per year (\$21/month) spread over 20 years.

Darryl Gilley asked if he were to sell his house, if he would have to tell the seller that they should expect to pay \$250 a year for the road. It was clarified that Dana's comment was just a way of thinking about it, but Steve Smith and Doug Barton pointed out that we ARE each legally obligated to disclose any special assessment that we know is coming (which we had not gotten to yet).

Bill Craft pointed out that if we wait and replace all the culverts at once, it will probably be cheaper than fixing them one at a time.

### **Scenarios for Collecting Funds (Pages 6-8)**

The format for pages 6 (and 7) was explained by Robin this way:

- The red section is when we are expecting certain COST to hit.
- Green and blue sections are options for how we could collect for those costs without going too negative.
- Regular+Water Expenses means normal annual expenses (trash, crack filling, electric, water, insurance, etc.)
- +Special column is for any special road projects that we suggest happen in that year (row)
- The bold billing of \$500 in 2014 is because \$400+Water has already been communicated for this year.
- Total is regular+special
- Cumulative NEED is for comparing to Cumulative BILLED, since we might not bill the money on the same timeline.
- Figures for the green/blue Reg+Water and Special were chosen to match up to the red NEED.
- The Reg+Water column includes water, so subtracting \$100 will give you what the annual assessment would need to be that year to make the plan work.
- the Surplus column is money (per lot) that would not be used that year but would sit in the bank to be available for the next year. She pointed out that a slightly negative surplus would be OK because this plan assumes we have built in 6 months of expenses ahead of time in the bank.

OPTIMAL PLAN - Page 6 uses the costs from page 3. Robin clarified that this was probably not what the Road Committee would recommend, but wanted to explain what it would take to do everything the "best" way. Doing this plan would require a Special Assessment of \$700 this year and either \$500 in 2015 and \$3660 in 2018 OR \$1035 for the next four years. Gary asked if we could perhaps just raise the regular assessment enough to cover the need. Robin briefly shared three other scenarios that had been run, such as an \$800/year assessment; none of those scenarios would provide

enough money up front and then we would have too much surplus later, since our regular expenses are not that high. This plan would also require a \$500 regular assessment + \$100 water bills.

ACCEPTABLE PLAN - Page 7 uses the costs from page 4. The differences from the optimal plan need are in red. The orange collection option pushes off any billing until the year that those funds are actually needed. The blue option evens them out over five years. In both cases, a \$500 Special Assessment would be needed soon to cover regular expenses coming up and take care of culvert #2. Robin stated that we could wait to determine special assessments for 2018/2019 until closer to that time, but strongly suggested that if we want to do this plan, we should all individually plan to save that amount ( $500+3700 = 4200 = 850/\text{yr} = 71/\text{month}$ ). Furthermore, this is what we are legally responsible to disclose if we sell our home (that it *might be* coming, not that it is unless we vote on it now.) This plan would also require a \$500 regular assessment + \$100 water bills.

[The rest of this may not be in the correct order, sorry...]

Ruth asked what would happen to the plan if the homeowners did not pay what was billed. Robin acknowledged that it was an excellent question and answered that the timing of the actual repairs would have to get pushed back until we have the money. Any surplus funds could be if there are any, but that is not the ideal option.

PAGE 8 - This is just for information and includes some information about personal bank loans.

Ruth asked if we had looked into a subdivision loan, since Trustees are authorized to do that. They had not this year, but Henry had inquired a few years ago and the banks weren't interested in small amounts (\$15,000) because of all the paperwork amount; also we might have trouble providing what the collateral would be (might be a lien on everyone's house?).

On behalf of the Road Committee, Dana Mosher made a motion to:

Levy a Special Assessment in the amount of \$500.00 for the purpose of defraying the cost of partially replenishing the bank account after the May 2014 culvert replacement, repairing another culvert and backfilling, and installation of barriers to protect the large culvert from logs as allowed according to paragraph B of Article VIII of our C.C.R. This Special Assessment shall be billed as soon as possible after passage of this motion but not due until September 1, 2014.

and was seconded by Bob Ottinger. Robin explained that since some had already paid in advance, we should be safe in extending this 90 day period which hopefully would make it easier for some homeowners.

Ruth asked Robin if she thought the Trustees could arbitrarily increase the annual assessment when the minutes from 9/10/2011 state that the motion to "lower the assessment to \$500 annually per lot, including water and trash" had passed. Robin replied that No, she did not think the trustees could "arbitrarily" change that and that she agreed that residents had generally voted to change that. However, Robin did think that there is a conflict because whenever we attempted to make it legal, it did not pass. Therefore, she thinks the Trustees *could legally* charge an assessment up to the original \$600, but she would *not suggest* they do so without giving ample time for another vote to officially change it (such as this meeting or the annual meeting coming up). It had earlier been stated that the assessment was already set for 2014.

At this point, discussion and arguing began about whether the CCR or the 2011 vote were the legally binding issue and the exact points were difficult to record.

Dana suggested that we just vote on it again to settle it once and for all and Robin agreed, although a number of others said they felt it unnecessary. Robin was willing to word something and pointed out that it could be done two ways:

- a) Lower the CCR from what it currently is (\$600+water) to \$500+water, since we are estimating that we only need that amount for next year OR
- b) Leave the amount in the CCR alone and let the Trustees determine each year whether or not they need to bill the entire amount, since they are allowed to lower the assessment at any time.

It was becoming increasingly difficult to track the conversations, so Dana Mosher made the following motion to:

Leave the initial assessment at \$600 as stated in Article VIII of the CCR, beginning in 2015.

Seconded by Bob Ottinger. Robin again stressed that passing this does not mean the Trustees will have to bill the whole thing. The recommended "orange" plan is that we would only bill \$500 of that in 2015 (+water) and we can consider future years when we get there.

Ruth again brought up the issue of homeowners who are overdue on their fees and began a motion that we garnish their income. There was further discussion. Ruthie mentioned that she doesn't know who is overdue (this was not stated by anyone) but that historically it had usually been the same people. [Please note: someone mentioned that 3 owners are ineligible to vote (the trustees had been asked) but this figure was mistaken and it is actually 2.] Erik suggested that we ought to at least have some kind of grace period and not garnish wages if a payment is a day late.

RuthIntlekofer made the following motion:

Effective 10/30/2014, any property owner not having current assessments paid by the end of the billing quarter will have income garnished and will be responsible for any processing fees.

Seconded by Ruthie Hall.

Tom Rattini asked if we need to make a motion regarding a Special Assessment to cover the larger costs of fixing culverts and overlay in 2018/2019. Robin responded that we could if anyone wanted to, but the Road Committee suggests they wait on those until farther in the future when the costs would be more definite. Meanwhile, however, we would all be smart to begin setting aside that money. No motions were made on this topic.

Ruth asked that future motions be on paper for everyone.

Robin said that she would get the minutes and ballots out as soon as possible (hopefully within a few days) and that ballots would be due on Sunday, June 1 as per the meeting notice. Robin asked for volunteers to count the ballots and received answers from Ruth, Henry and Erik. Votes will be counted at the wellhouse if anyone else wants to be there..

The meeting adjourned naturally at around 7:30 p.m.

### **Ballot Results**

Dana Mosher, Henry Miller and Ruth Intlekofer met on June 1 to tally the ballots. Only 20 ballots were received and 22 were required to meet quorum. Ballots were received from the following lot owners: Miller, Christianson, Gilley, Roe, Buchheit, Rattini, Smith, Hoffman, Helsel, Ottinger, Barton, Madry, Huff, Brown, Stern, Mosher, Craft, Buchheit, Olson and Littlecreek. Therefore, the votes were not counted.

Respectfully submitted,  
Robin Barton, Secretary

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