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**Board of Directors Meeting**

Friday March 24, 2023 – 6:30 PM

Wagner Residence (In-Person) and via Zoom

**Meeting Minutes**

**From:** Mark Wagner - President

**Board/Committee Members Present**

Mark Wagner, President Paul Duggan, Treasurer

Shelly Faris, Vice-President

Les Kole, Director

Michael Blankenship, Director

Kathy Rall, Director, was absent

**Property Owners Present**

Paul and Betsy Romere

John and Terry Beebe

Linda Kole

Danny Dehondt

Tom Ondrako

Linda Pampinella

Chris Tipton

Chris Gober

Beverly Wagner

**Meeting called to Order**

By Mark Wagner, President, at 6:35 PM

**Additions to Agenda**

* None

**Secretary Report**

* No report as we still don’t have a secretary.

**Approval of Board Meeting Minutes**

* Les Kole made a motion to approve the January 18, 2023 DVE Board of Directors meeting minutes. Michael Blankenship seconded. The motion carried 4-0.

**Treasurer’s Report** – Paul Duggan

*Please see the attached Treasure’s Report, dated 3/22/2023, at the end of these minutes*

* Mark will follow up with Landon Tate on the lot transfer fee for lot #62.
* All Owners are up to date with assessments
* The DVE tax return has been filed with the IRS. We pay taxes on bank interest.

**Committee Reports**/**Board Reports**

**A. Architectural Review Committee** – Bill Swapp (As reported by Mark Wagner and Les Kole)

* Change of house color on Lot #29 from tan to grey.

**B. Welcome Committee** – Lori Swapp

* Nothing at this time.

**D. Road Maintenance** – Michael Blankenship

* John Beebe gave us a history of the long term road maintenance plan. The overview is included at the end of these minutes.
* There will be damage to many areas of the roads due to our big winter. Sawmill Circle will need a lot of attention. Roads scheduled for road work are: lower and upper Beaver Creek, Elk Valley, Sawmill and Wieland. Also, to be bid is road work on Log Cabin, Spur and Stagecoach.
* $91,782.00 is currently available for the spring road work. This figure would be reduced by any further snow plow needs/invoices. Based on the bids received, the priority for road work will be the heaviest traveled roads.
* Michael and the Road Committee have prepared a Request for Proposal (RFP) to send to contractors. Michael made the motion to approve the RFP, Les Kole seconded. The motion carried 4-0.
* The RM committee will be looking at adding additional speed limit signs on the front gate and on roads in DVE.
* Work on the front entrance asphalt will be funded from the mailboxes project monies. This includes the replacement of the old mailbox concrete pad and the cracks in the asphalt.

**E. Snow Plowing** – Shelly Faris

* Our big winter has caused us to be far over the $8000.00 snow plow budget amount. With the ABL Solutions invoiced received today (3/24/23), our total snow plow costs for the season are $22,605.00. After two years of exceeding our snow plow budget by a large amount, we will need to increase the amount budgeted for snow plowing in future budgets.
* We have experienced a crazy winter. Our first few storms in late December and early January were heavy wet snows and then the temperatures dropped and froze everything. This included culverts and road ditches. The snow just kept on falling!
* Clearing of slush has been a challenge during the month of March as it got warmer and we had rain/sleet. Having private Owners help with the slush on the roads would create liability to DVE.
* Pushing back snow on the sides of the roads in March may not be necessary. However, we also have tried to clear the ditches to obtain drainage from melting.
* Problematic culverts in winter need to be well marked in future winters to make clearing more feasible.
* It was suggested that the former snow plow committee could be re-formed to help address conditions within the subdivision during storms. Additional observers of the DVE roads would be of help.
* All in all, hindsight is 20/20, and we have now experienced a big winter of snow and can better plan and react in the future.

**F. Workdays** – Board Members

* Once the snow is gone, cleaning of the culverts under the DVE Roads will be a priority. This will, hopefully, be a community wide effort to catch up from the 2022 monsoon season and the big winter season that we have had.
* Filling of pot holes will need to done prior to the road work.
* Mark will include the private drive culverts in the spring housekeeping email that will be sent prior to April 1, 2023. Property owners are responsible for their driveway culverts.

**G. Annual Meeting**

* The DVE Annual Meeting and Pot Luck will be held on Saturday August 5, 2023 at the Lion’s Club in Bayfield.
* The Welcome Committee will organize the Pot Luck.

**Old Business:**

**None**

**New Business:**

**1. Remaining Fiber Project Funds**

* There is a remaining balance of $549.87 from the Fiber Project Funds. This dollar amount was reduced from DVE’s portion of the fiber project costs by Vero. The $549.87 was designated for further landscape enhancements to the Fiber Equipment Pad that DVE will handle. Shelly Faris made the motion to move the $549.87 from the fiber fund to the road maintenance budget. Michael Blankenship seconded. The motion carried 4-0.

**2. Spring Planning/Budget Meeting**

* Mark will communicate with Board members and the Treasurer to set up a date and time for the Spring Planning/Budget meeting. This will be an open meeting with an invitation for the Owners to attend.

**Discussion - Open Forum**

* No Discussion.

**Adjournment**

Meeting was adjourned at 8:20 PM

**Next Meeting is scheduled for Wednesday April 19, 2023, at 6:30 PM via Zoom**

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|  **DEER VALLEY ESTATES PROPERTY OWNERS' ASSOCIATION** |
|  |
|  **FINANCIAL STATEMENT** | **2022-2023** | **2022-2023** |  |
| **Cash Balance as of 10/1/22 (carryover)** |  |  **$ 3,929.60**  |  |
|   | **Budget** | **Actual** |  |
| **REVENUES** | **9/30/2023** | **3/22/2023** |  |
| **Gross Annual Assessment Income - 84 Lots - $70/Month** |  **$ 70,560**  |  |  |
| **Discount for annual pre-pays (estimate 76 lot owners)** |  **$ (2,280)** |  |  |
| **Anticipated assessments income** |  **$ 68,280**  | **64,215.30**  |  |
| **Assessments paid beyond FY**  |  | **13.45**  |  |
| **Transfer from Reserve Fund - Mailbox Project** |  | **402.29**  |  |
| **Gate Transmitters** |  **$ 300**  | **0.00**  |  |
| **Interest - Bank Account Earnings (checking )** |  **$ 30**  | **3.33**  |  |
| **Lot Transfer Fees** |  **$ 100**  | **150.00**  |  |
| **Mosquito Control Pellets** |  **$ 250**  | **0.00**  |  |
| **Other Income** |  **$ 36**  | **74.00**  |  |
| **TOTAL REVENUES (not including trash -- see below)** |  **$ 68,996**  | **64,858.37**  |  |
|   |   |   |  |
| **EXPENDITURES** |   |   |  |
| **Administration Costs (**Bank Fees, Copying, Postage, Zoom |  |  |  |
|  P.O. Box, State Corp. Fee, Supplies, Quicken software) |  **$ 500**  | **460.51**  |  |
| **Annual Meeting - Meeting & Refreshments** |  **$ 100**  | **0.00**  |  |
| **Bridge Inspection** |  **$ -**  | **0.00**  |  |
| **Bridge Repair** |  **$ -**  | **0.00**  |  |
| **Federal Taxes - Tax on Interest Income** |  **$ 150**  | **0.00**  |  |
| **Legal Fees**  |  **$ 2,000**  | **210.00**  |  |
| **Liability Insurance** |  **$ 1,300**  | **1,326.00**  |  |
| **Mailbox Project** |  | **402.29**  |  |
|  Mail Boxes |  | 0.00  |  |
|  Concrete |  | 0.00  |  |
|  Other Materials |  | 402.29  |  |
| **Mosquito Pellets** |  **$ 800**  | **0.00**  |  |
| **Overpayment returned to Owners** |  | **0.00**  |  |
| **Reserve Fund** |  **$ 2,048**  | **2,074.00**  |  |
| **Road Maintenance:** |   |  |  |
|  Road Signs | 0  |   |  |
|  Culvert Repair | 0  |   |  |
|  **Spring Road Maintenance** | **52,848**  |   |  |
|  Binder | 16,911  |   |  |
|  Gravel | 21,139  |   |  |
| Preparation | 14,798  |   |  |
|  Misc. |   |   |  |
|  Snow Removal | 8,000  | 15,485.00  |  |
|  Weed Control - Spraying Easement | 300  |   |  |
| **Road Maintenance Total** |  **$ 61,148**  | **15,485.00**  |  |
| **Security:** |  |  |  |
| Electricity for Entrance Gate & Light | 350  | 148.22  |  |
|  Fencing | 200  |   |  |
|  Gate, Locks & Entrance Light Maintenance | 100  |   |  |
|  Gate Transmitters | 300  |   |  |
| **Security Total** |  **$ 950**  | **148.22**  |  |
|  **TOTAL EXPENDITURES (not incl. trash -- see below)** |  **$ 68,996**  | **20,106.02**  |  |
|   |  |   |  |
| **NET GAIN (LOSS) [Revenues - Expenditures]** | **$0**  | **44,752.35**  |  |
| **Ending Balance -- General Account** |  | **48,681.95**  |  |
|  |   |   |  |
| **TRASH ACCOUNT** |   |   |  |
| **Trash Carryover as of 10/1/22** |  **$ 3,299**  | **3,299.38**  |  |
| **Trash Revenue - $12.00/Month (58 Residents)** | 8,496  | 8,076.00  |  |
| **Trash Dumpster Rent / Disposal - WM** | 8,570  | 4,465.26  |  |
| **Ending Balance -- Trash Account** |  **$ 3,225**  | **6,910.12**  |  |
|  |  |  |  |
| **ENDING CASH BALANCE FY 9/30/23** |  **$ -**  | **55,592.07**  |  |
|  |  |  |  |
| **Total cash balance in checking account** |   | **55,592.07**  |  |
|  |  |  |  |
|  |  |  |  |
| **RESERVE FUND** |  |
| **Reserve Fund (27 month CD issued 8/2/21, matures 11/2/23)** |  | **12,300.00**  |  |
| **Reserve Fund (42 month CD issued 8/2/21, matures 2/2/25)** |  | **5,982.15**  |  |
| **Reserve Fund (put into savings account 12/7/2021)** |  | **2,069.00**  |  |
| **Reserve Fund (put into savings account 10/20/2022)** |  | **2,074.00**  |  |
| **Amount remaining from Closed 15 month $12,300 CD (Mailbox Project)** | **4,347.70**  |  |
|   | **Reserve total** | **26,772.85**  |  |

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| **SAVINGS ACCOUNT** |
|  |  | **Actual** |
| **Beginning Balance - 9/30/2021** |   | **9.73**  |
| **Special Assessment - Fiber Optic Internet Installation** |  | **92,400.12**  |
| **Reserve Fund - Transfer in 12/07/2021** |  | **2,069.00**  |
| **Reserve Fund - Transfer in 10/20/2022** |  | **2,074.00**  |
| **Close $12,300 CD - 6/24/2022 - net proceeds ($38.44 int., $21.23 penalty)** |  | **12,317.21**  |
| **Road Fund - transfer unused budget amount in - 6/27/22** |  | **49,610.11**  |
| **Interest - October 1, 2021 - present** |  | **74.98**  |
| **Payment to Vero - Fiber Optic Internet Installation** |  | **(91,850.25)** |
| **Transfer Reserve Fund Monies into Checking - Mailbox Project** |  | **(7,969.51)** |
| **Total Remaining in Savings Account** |  | **58,735.39**  |

**History of the Long-Term Road Maintenance Plan by** John Beebe 3/24/23

A Dues increase of $15 was approved by the Ownership at the 2019 Annual Meeting bringing the monthly dues from $55 to $70 per month. This dues increase was intended to be allocated to road maintenance each year. Following this increase, and recognizing that road maintenance consumes the lion’s share of the annual Association budget, the Board established an advisory ad hoc committee called the Road Maintenance Committee (RMC). It first oversaw repairs to our roads in the spring of 2020. After the work, the Committee met to review performance and document needed future improvements and lessons learned. In doing so, it also recognized the need for a longer-term maintenance plan over past years when road work was done on only an as needed bases with funds available. The Committee developed a long-term plan designed to provide a more systematic approach that would make more efficient use of the increased funds. In October of 2020, the Board established the Road Maintenance Committee as a standing Committee.

An early conclusion by the Committee was that, even with the dues increase, funding was inadequate to maintain all the roads every spring. Fortunately, necessary maintenance is in direct proportion to the amount of traffic on any road. So, the Committee began to categorize roads by their traffic usage – partially defined by the number of homes they feed as well as troublesome hill and curve considerations as follows:

**Main Road** - Lower Beaver Creek (Dumpster to Elk Valley “T”)

**Intermediate Feeders** – Elk Valley, Sawmill, Upper Beaver Creek and Wieland

**Short Feeders** – Log Cabin, Spur and Stagecoach

A guiding principle was established that all roads need adequate gravel thickness to allow appropriate center crowning so water runs to the sides of the road and doesn’t pool and initiate pot holes. Another guiding principle was to expand the use of the Road Loc product beyond Lower Beaver Creek to other high traffic roads to better stabilize the road base, control dust and extend needed maintenance to several years. It should be noted that no road surface is maintenance free, but gravel roads are notorious for needing attention. Gravel roads wear primarily in the form of dust and aggregate movement, whether thrown off to the side by traffic or snow plowing or shifting in place making the driving surface uneven.

The Road Maintenance Plan began in **2020** with 2” of new gravel added to Elk Valley, Upper Beaver Creek, and Wieland with Sawmill receiving 1”. These roads were treated with a dust inhibitor/stabilizer (DCM 730) that is known to be less environmentally friendly than Road Loc, but significantly less expensive. Nothing was done to the Main Road and the Short Feeders.

In **2021**, each of the Short Feeders received 2” of gravel and DCM 730 and the Main Road received 1” of new gravel and Road Loc treatment. Recall, this was the year water in Beaver. Creek became a problem because the Road Loc supplier couldn’t get the product timely. As a result, the product was not bladed, blended and compacted into the gravel properly, hence the rough center surface we’ve lived with for the past two years. The Intermediate Feeders received no attention.

We did no roadwork in **2022**, but the plan called for the Intermediate Feeders to receive 1” of new gravel and be treated with Road Loc and nothing on the Main Road and the Short Feeders.

However, as part of the fiber project mitigation, blading and shaping of both Elk Valley and Upper Beaver Creek took place. While this significantly improved the outcome, residual clay surfaced from trenching making these road surfaces more “muddy” than normal.

The original 2023 roadwork plan called for 1” of new gravel on the Main Road and the Short Feeders as well as Road Loc on all these roads and nothing on the Intermediate Feeders. The proposed **2023** plan is designed to combine the most pressing portions of both original plans. The proposal is 1” of new gravel on the Main and Intermediate Feeders and treat all with Road Loc and only blade to crown the short feeders. This may exceed our funds available given our snow removal costs so we have offered an alternative. Michael will go into more detail on our plan.

**Analysis and Conclusions**

Even with the “bumps along the road” in the last three years to improve our roads, we have made great progress toward more efficient use of our road maintenance dollars. One of the concepts that stands out clearly is that the ends of all the Feeder roads naturally need less frequent attention. Effectively, the last home on a road uses that portion of the road as a driveway in most cases. This brings into question whether it is good use of Association dollars to ever treat those roads or portions of roads with Road Loc.

Looking ahead to 2024, we feel that we will begin to reap the benefits of our plan with reduced costs going forward. Another observation from our experience and the supplier of Road Loc is that once a road has been treated for years, as the main road has, residuals may allow only blading and shaping in future years. The future looks bright and less costly for our roads going forward because of the systematic and targeted investments of the past three years.