

ROAD RESERVE STUDY—JUNE 2022

Board Policy #9 requires a study for reserve funds be completed or updated every 5 years. An original study for road reserves was done in June 2011 and updated in May of 2014. In accordance with those studies a reserve was developed and maintained at a level of between \$30,000 and \$40,000. Some of the reserve was used to cover road maintenance expenses in 2020-2021 which allowed for the use of general funds to replace the gate at the entrance of Elk Stream Ranch. The used reserves were partially replaced by an assessment of \$200 per lot for 2021-2022; total replacement will be achieved by an additional assessment of \$200 per lot for 2022-2023. With these assessments the reserve fund for 2022-2023 will be at \$40,078.

Board Director Dave Larsen and Property Management Committee Chair Steve Boone have worked with Cecil Thurman, the contractor who originally built the roads and has maintained them since, to assess the current condition of the roads and costs associated with future road improvements. This included a tour of the roads in early June of 2022 and costs estimates based on current costs of materials. The roads were original built in the late 1990's and had major rebuild work done on three miles of road from time to time in 2006, 2008 and 2009. In addition, significant costs were incurred as a result of the 2012 Webber Canyon fire in road drainage improvements. Annual road maintenance has included replacement of gravel and other materials as needed which has resulted in the roads current favorable condition. It is recommended that during the 2022-2023 that three loads of gravel be placed on the upper part of Road G3 and that the bar ditches be cleaned. This will be at a cost of approximately \$10,000 which should be included in the annual maintenance budget for 2022-2023. Road 46 from the driveway of lot 28 to the turnaround before the road end (about 1 mile) was not part of the earlier rebuilds and would benefit from a 2-inch gravel layer of $\frac{3}{4}$ to 1 inch gravel. This will cost between \$40,000 and \$50,000 and should delay future rebuild costs in that road segment for approximately 8 years with normal maintenance. It is recommended that this be done next summer using money from the reserve augmented by money from the road maintenance budget to the extent needed.

With continued maintenance at historic levels which includes replacement of gravel as needed when determined by the road contractor, the remaining road should last at least another 5 years without a major rebuild. A rebuild, which would consist of a 4 inch lift, is projected to cost about \$98,000 per mile based on current cost of materials and fuel and could be done over several years. It is recommended that rebuilds be segmented in approximate mile increments with areas of greatest need being done first. It is recommended that starting with fiscal year 2023-2024 that a road reserve fund assessment of \$500 per year be added to the annual assessment to be placed in reserve for this purpose. This should create a fund of \$92,500 before any major rebuild is needed and substantially cover the first segment. In addition, beginning with fiscal year 2021-2022 and going forward any excess from

the annual dues which is not used as part of the then current budgeted expenditures should be poured over into this road reserve fund for future road rebuilds. Based on historic levels of spending this could add approximately \$50,000 toward a second segment.