Deer Creek Landowners, Inc. (DCLI) Frequently Asked Questions

General

What is DCLI?

DCLI – Deer Creed Landowners, Inc. – is an association founded in 1963 "for our mutual benefit and enjoyment as well as for other rights inuring to the benefit our individual property and the property of the signators to this amended Right of Way and Joint Maintenance Agreement." The Joint Maintenance Agreement (JMA) has been revised several times, most recently in 2007. Sometimes people refer to DCLI as the Road Association, which makes sense because the road is 99% of what we talk about and work together on.

Where can I find the Joint Maintenance Agreement?

The full text of the 2007 <u>Joint Maintenance Agreement</u> is available on <u>www.dcli.org</u>. Or, you can send a message to the DCLI board, and we'll provide you with a copy.

Who is on the DCLI board?

• President: Joseph Sundram

Road Manager: Tom Bird

• Treasurer: Tys Sniffen

• Secretary: Emmanuela Raquelle

Director #1: Craig Rosenberg

• Director #2: Bruce Argyle

• Director #3: Joy Mundy

Director Emerita and Archivist (non-voting): Arden Pierce

How can I send a message to the DCLI board?

Send email to dcli@surfnetc.com. Call the DCLI president Joseph Sundram.

Can I send a message to all the DCLI members?

No. In order to protect the privacy of the DCLI members, we do not publish their addresses, phone numbers, or even email addresses. We don't even have a full set of phone or email addresses.

When and where are the DCLI meetings?

DCLI meetings are just a ton of fun; you should be sure to attend. They happen twice a year, usually May and November. They're held at Scopazzi's Restaurant in Boulder Creek.

How can I participate?

Come to the semi-annual DCLI meetings.

- Join the board. You can have my seat!
- Pitch in at the occasional work parties, announced via the yahoo email list.
- Come up with a subject or project that you'd like to implement for the betterment of the community and bring a plan to the board

Who belongs to DCLI?

There are 126 parcels whose approximately 81 owners belong to DCLI. An additional 19 parcels are part of the greater Deer Creek community but are not members of DCLI. We refer to the 16 owners of those parcels as "the 845s." Your membership is driven by the location of your parcel. If you own land in the area managed by DCLI, then you automatically belong to DCLI and are subject to the terms of the Joint Maintenance Agreement.

Who has right of way?

The person going uphill has the right of way.

Road Maintenance

Who maintains the road?

The Road Manager (currently Tom Bird) keeps an eye on the entire road system. During the late winter and early spring, he establishes a list of problem areas, gets bids for improvement work, and works with the rest of the DCLI Board to prioritize potential projects. Tom is particularly masterful at getting state or local governments to provide grant money for road improvements. The actual work is performed by local contractors, sometimes with residents providing additional effort (supplementary manpower and/or equipment) on a volunteer basis.

What is the budget process?

The annual DCLI budget is presented to the membership for approval at the May meeting. You can see examples of past budgets on the dcli.org website. The budget includes a modest amount for administrative fees, insurance, and an emergency fund of \$5,000 to cover unplanned work (usually winter storm damage such as downed trees, landslides or road failures). Most of the budget goes to planned road maintenance projects, which are enumerated in the budget and are driven from the Road Manager's and DCLI Board's prioritized list of projects.

Once the budget is approved, fees are assessed to landowners by way of the billing algorithm (see below). When monies are collected, road work can begin. August and September are usually the best months for road work, because the road bed is dry and stable. Road work can't begin until we collect enough money, so it's important that we all pay our dues as soon as possible.

At the DCLI meetings, the Road Manager reports back to the DCLI membership about the actual projects accomplished during the year, and their costs.

How are annual fees set for DCLI members?

Your annual fee consists of several pieces, which are allocated to landowners as follows:

- 1. Administrative expenses, allocated to all landowners (DCLI and 845) based on the number of landowners. These expenses consist of general expenses such as postage, photocopying, and meeting space rental for the two meetings, and are usually about \$1,000 / year, so each portion is about \$11.
- 2. Liability insurance for DCLI Board members, allocated to DCLI members based on the number of landowners. Currently insurance is about \$3,000 / year, which we agree seems horribly expensive but it's the cheapest we could find. Each member's portion is about \$37.
- 3. Road work expenses, (usually \$25,000-35,000 / year) allocated to all landowners (DCLI and 845) based on:
 - The 1.2 miles of Deer Creek Road from Bear Creek Road to Ron's Road (the yellow gate)
 - Miles of the DCLI roads used to reach the residence or property
 - Full-time resident versus nonresident status. Currently, the resident rate per mile is about twice the non-resident rate per mile.
 - Landowners who have resident renters are charged for road usage based on mileage to each rental property

You can see the complete billing algorithm in the Documents section of the dcli.org website.

What is the process for getting emergency road work done?

Let's say it's winter and a portion of the roadway has failed or is being washed out. What should you do? Call the Road Manager (Tom Bird). It may be that someone is already on the way to fix the problem.

What if I do some work on the road? Can I get reimbursed?

Probably not, unless you have discussed it first with the Road Manager. We decide as a community on road maintenance priorities during the semi-annual meetings, and budget for barely enough money to cover those projects. Of course, those priorities can shift during the year, and it may be true that we'd agree with you that the pothole from hell really needs to be fixed. But chat with Tom first.

Tell me more about the work parties

A few times a year we organize a work day, where we bring in some rock and fill potholes; clear ditches and culverts; and cut back some brush. It's a good time to meet some of the neighbors you've been waving at on the road. Some folks supply cookies, coffee, and other consumables.

The 845s

Who are the 845s and why are they treated differently?

Not all properties on the Deer Creek road system are members of DCLI. In particular, the people at the front of the road (up to the yellow gate approximately 1.2 miles in from Bear Creek Road) chose not to be included within DCLI in its incorporation in 1963. However, DCLI does maintain the initial portion of

Deer Creek Road, because we have an association and Road Manager in place, and all of the DCLI members drive that road and benefit from its maintenance.

The 845s are not members of DCLI, and hence are not subject to the Joint Maintenance Agreement and DCLI dues. However, they are legally obligated to pay for a portion of the road maintenance. This legal obligation is described in California Civil Code Section 845.

How are annual charges set for non-DCLI members (the 845s)?

The algorithm for the non-DCLI members, the 845s, is exactly the same as for the DCLI members. Except they don't pay for DCLI board liability insurance, and since they are all located at the front of the road, their mileage-based charge is proportionately lower. The 845s' annual charge consists of two pieces, which are allocated as follows:

- 1. Administrative expenses, allocated to all landowners (DCLI and 845) based on the number of landowners. These expenses consist of general expenses such as postage, photocopying, and meeting space rental for the two meetings, and are usually about \$1,000, or \$11 / landowner.
- 2. *Road work expenses,* (usually \$25,000-35,000 / year) allocated to all landowners (DCLI and 845) based on:
 - Miles of the DCLI roads used to reach the residence or property (0 for 845-ers)
 - Proportion of the 1.2 miles of Deer Creek Road from Bear Creek Road to Ron's Road (the yellow gate), which each 845-er drives to reach their residence or property.
 - Full-time resident versus nonresident status. Currently, the resident rate per mile is about twice the non-resident rate per mile.
 - Landowners who have resident renters are charged for road usage based on mileage to each rental property.

Money Matters

How is the amount of my bill determined?

See above for a description of annual fees for DCLI members and 845s.

My bill is based only on miles driven, not on the projects that take place on the parts of the road that I drive?

Yes, that is correct. The membership has chosen to pool project costs and fee revenues, rather than have each landowner pay only for projects on the segments of road that they drive on, and would directly benefit from. Note that your federal, state, and county taxes use a pooling method. There are several reasons we've agreed on the pooling method:

Administrative simplicity. The Treasurer is a volunteer, and creating the bills is tricky enough as
it is. It is impractical to custom-tailor bills to each landowner based on the projects they directly
benefit from.

• Long term fairness. The pooling method should be fair over the long run. But if you look at it for a single year, or even a handful of years, it can easily appear unfair. For example, Ramble Road has benefited from several projects over the last few years (2008-2010). If we switch to a policy of direct benefit billing, you could argue that those landowners will receive an unfair windfall. But if you took a longer-term view, going back to the late 1990s, the investment on Ramble is more equitable.

What happens if I don't pay my bill (DCLI members)?

If you're a DCLI member, then sixty days after the annual bill is sent out (usually in June), DCLI will place a lien against your property for:

- Any outstanding amount owed
- Lien filing and removal charges
- Annual interest at a rate of 10%

You can remove the lien by paying the current amount of the lien. Worst case, the lien will be paid up when your property is sold.

What happens if I don't pay my bill (845s)?

If you're not a DCLI member, we cannot place a lien against you. However, California Civil Code 845 is very clear that the road maintenance costs should be shared proportionately.

I hear from a neighbor that 845s are under no legal obligation to pay their bills

This is not true. California Civil Code 845 is very clear that all owners of an easement should cost-share proportionately. We can arbitrate the apportionment, and the judgment can be enforced by a court of law.

What proportion of bills are paid?

Currently, at the start of the 2010-11 fiscal year, there is about \$28,000 outstanding in unpaid bills-approximately the same amount of the budgeted roadwork for 2010-11.

- We have outstanding balances associated with 7 of the 11 845s: only 1/3 of the 845s pay their complete bill.
- We have outstanding balances associated with 16 of the 84 DCLI members: 80% of the DCLI members pay their complete bill.

What is the DCLI Board's plan for collecting unpaid bills?

For DCLI members, the current strategy is effective. We dislike having to place liens against our neighbors who have not paid their bills, but it works and we have received significant payouts in recent years, as properties have changed hands.

For the 845s, the problem is trickier because we don't have a cost-effective way to recover money. Each time we want to collect money, we need to bring a new lawsuit.

Heavy Vehicle Policy

What is the Heavy Vehicle Policy?

Heavy vehicles do a lot more damage to the road than normal cars, trucks, and SUVs. There has long been a policy of charging landowners for using the road for heavy vehicles doing logging, construction, water delivery, and so on. This policy was rewritten in 2009, and underwent slight edits in April 2010. You can read the full text of the Heavy Vehicle Policy on the dcli.org website, but here's the short version:

- "Heavy" means more than 10,000 lbs gross weight. The heavy vehicle operating company will know the gross weight.
- Heavy vehicle use fees apply for more than 8 round trips within a year's time.
- The fee is based on both miles travelled and weight.
- For example, a heavy vehicle weighing 46,000 pounds (loaded) and 15,000 pounds (empty) traveling 2.5 miles to the site would pay: \$20/loaded mile * 2.5 miles + \$7.20/empty mile * 2.5 miles = \$68.00 round trip.
- The heavy vehicle operating company will maintain liability insurance, and assumes liability for all property or roadway damages to the road, bridges, or gates.

I have water delivered... do I really have to pay a heavy use fee?

Yes you do, if you have water delivered more than 8 times a year. The heavy vehicle policy was developed for big projects like logging or construction, but it applies equally to water deliveries or any other use of the road. A heavy vehicle is a heavy vehicle, and causes extraordinary damage (over normal wear and tear) to the road. Many of your neighbors have paid a substantial amount of money to have a well drilled. It is not fair to ask them to subsidize the road damage that results from your water deliveries.