

Road Rebuild Project Report Year End 2017

The purpose of this report is to review the following:

- Road rebuild work completed in 2017
- Financials
- 2018 plan

Road rebuild work 2017

We set the goals for 2017 at the end of 2016, the following are those goals with updates:

- **Beach Road around the lodge complete**
- **Seed and add rip rap to areas of the completed project complete**
- **Finish the main road entering the lake complete**
- **Complete the section from the reservoir to the main road complete**
- **Start at the dam and work our way back towards Echo hill 2018**

Rebuild work in 2017 was affected by some unforeseen events. We got a slow start due to heavy storms in the spring. This caused the washout of many of the roads that had not yet been rebuilt, along with many of the secondary roads. This expense is accounted for in the road maintenance section that I will review later. Because of the repair work for these roads, we were delayed in starting the rebuild project. The second event was the amount of work that was required on both dams. After an inspection, we needed to do work on the reservoir dam. The main dam also had extensive work done. This also took some time from our ability to work on road rebuild. As a result, we were not able to begin work from the dam going back towards Echo Hill.

Financials

Income Summary

2015 road reserve balance \$18,000

2016 loans \$350,000

2017 loans \$100,000

2016 road dues \$69,200

2017 road dues \$73,600

Total income \$610,800

Expense summary

2016 3.75 miles completed roads

2017 2.00 miles completed roads

Road rock/stone

2016 \$233,588.10

2017 \$58,370.23

Contractual services

2016 \$120,215

2017 \$38,200

Fabric

2016 \$29,117.29

Dust Suppressant

2016 \$28,400

2017 \$16,600

Culverts and Misc.

2016 \$6297.61

2017 \$2598.25

Loan interest

2017 \$3872.23

Total Expense to date \$537,258.71

2018 Road Rebuild Plan**Complete the remaining roads to be rebuilt**

The last section to be rebuilt is approximately 2.75 miles. This section runs from the dam back to where we started the project at the back of the lake. To date, we have been averaging \$117,000 per mile completed. This can be deceiving because certain sections of the road were more expensive than others. In those areas where there is a concentration of ledge rock the

labor costs are increased. Other sections where there is a concentration of homes along the main road also increase the labor costs. As an example, the first mile we started on had a heavy concentration of ledge rock and the cost per mile there was over \$150,000. The last mile from the reservoir towards the main road was approximately \$100,000.

Going into 2018, we have \$73,000 in the road rebuild fund. We will get another \$73,000 in road dues for 2018. We have \$150,000 left to borrow from the bank for the project. This brings us to a total of \$ 296,000 to complete the project. We have 2.75 miles left to complete. This would project an average cost of \$107,636 per mile. We know that the section of road from Echo hill to the back where we started has a heavy concentration of ledge rock. We also know that over 80 members live off the section from the dam to Echo hill. The section from Echo back to the starting point has less than 20 members. This section from Echo hill back is nearly impassable. The plan is to patch but not rebuild this section at the beginning of the season. We will start the rebuild at the dam and work our way back as soon as weather allows in the spring. As we progress, we will monitor our expenses and determine how to tackle the last .75 miles. We are not abandoning the Echo hill section of road, we will rebuild this section. However, we can't start there and overspend to the point that the first section can't be rebuilt.

Road Maintenance and Dust Suppressant

Each year part of the ELPOA budget, there is a road expense that is separate from the road rebuild project. This money is allocated for road maintenance, which is the maintaining the existing roads not yet rebuilt. The budget for 2017 was \$66,000.

Road maintenance expense 2017

- Road rock \$43923.75
- Dust Suppressant \$20,650
- Equip rental \$1250
- Total \$65,834.96

The road rock expense was unusually high last year because of the spring storms washout on the roads that have not been rebuilt and the side roads around that lake that had not had any gravel applied in many years.

One of the concerns we have, and I am sure you have noticed, is the condition of some sections of the road that was rebuilt in 2016. We had to make a decision at the beginning of 2017 whether to re-apply dust suppressant to all of those roads that were rebuilt in 2016. Based on their condition in the fall of 2016, and because of budget restraints we decided not to reapply dust suppressant. The results are some rough road, dust, and potholes in this section. We also had a concern about the dust suppressant on the section from the main road back towards the reservoir. This application was not the quality we have come to expect from the vendor we are using. Bruce and I plan to meet with the vendor prior to any application in 2018 and get this fixed.

The 2018 plan for maintenance is to build a budget that will allow us to grade and apply dust control on the 5.75 miles of completed roads and to grade and apply dust control on some of the hills twice during the season. We believe that with each application of dust control more and more will be accumulating in the road surface which will increase stability and over time reduce the expense. The section of road from the hairpin turn to the dam is an example of this. This section had an application in each of the last three years and has held up well. No other section throughout the lake has had three applications.

Conclusion

We are looking forward to completing the project in 2018. Bruce and his team have done an excellent job, and if you get a chance stop and tell them so. We appreciate the patience and continued support from the membership. Please continue to watch the newsletter, website, and front gate for updates and any road closures.