

Reserve Account Report to FORCA for the Winter of 2017:

Unfortunately, during the time when we were budgeting for 2017, our crystal ball was broken and the Ouija Board was in storage, so we missed seeing ahead to the record rainfall (which Lane recorded as 42.63 inches) and the record amount of damage to our roads. Fortunately, the roads within the Flying-O fences had been as well maintained as possible during the drought years so their maintenance (with the exception of a new spring-fed mud hole on Phoenix Loop) fell within normal annual expenditures:

Road grading (Bob Dwight)	\$1135
Road gravel	\$1725
Total	\$2860

Outside of the fence line was a different matter. Circle J Ranch Rd. had been threatening to become a problem for years, as multiple gradings had exposed more and more of the underlying granite that created our very foothills. It had become almost impossible to grade large stretches of “rocky” road even under good conditions and this winter was not a “good” condition for dirt and gravel roads. We finally decided to “bite the gravel” and take on the long overdue restoration efforts needed to make Circle J functional again.

We began (under Bob Dwight’s tutelage) by hiring C and S Tractors to bring in a small bulldozer to “create” dirt for the road’s rocky surface by pulling it from the sides of the hill lining Circle J (with the permission of land-owner, Frank Bigelow, who was pleased that Bob Dwight was in charge). As you might imagine, it wasn’t easy to find/create new dirt on what is essentially a granite hill but Chase of C and S kept at it until Bob was satisfied that he had enough material. Those of you who were on the Ranch at that time may remember that the rains were particularly intense and roadsters had to run a gauntlet of mud piles to get from the Ranch to Road 200.

Once the rains had subsided (that crystal ball would really have come in handy then), Bob hired some young men to march down the hill tossing boulders off the road and out of our hard-won dirt before he began grading

(smoothing) out the new material and mixing it with whatever was left of the original surface. In order to encourage the newly graded dirt to stick around for awhile we covered the new surface with rock (gravel) which Bob crunched into the roadway with his *heavy*-duty grader. At that point, Bob wished he had had just a little late rain to help him achieve a final mix but Ma Nature had decided to finally call it quits.

Bob Dwight (includes the rock throwers and Bob's supervision of Chase and the gravel depositers)	\$13,814
C and S Tractor (bulldozer)	\$ 5,400
Center State (gravel/rock)	\$ 7,200
Total	\$26,414

Since this last figure was not budgeted, we felt that we were well justified in applying it to our Reserve Account. Our Reserve Account, acting as an internal insurance policy, was created to handle unexpected, unplanned maintenance costs. Another un-budgeted expense which was subtracted from the Reserve Account was the replacement of several culverts that had either been crushed by traffic (some were PVC, a poor choice for a busy roadway) or laid down incorrectly (between the Caretaker's House and the Barn area). The charge for both the culvert materials and installations:

Mark Cambell (culverts)	\$7050
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The crystal ball would also have been useful in foreseeing the relatively abrupt departure of Ranch Caretaker, Clayton Medovich, who not only left a lot of mess around the Caretaker's house, but also a lot of needed repairs and overdue maintenance which had not been reported in a timely manner. (By the way, the new Caretaker's contract allows for annual physical inspections of the house.)

After several painful inspections, it was decided to take care of long-deferred and sometimes dangerous maintenance issues to prepare the house for its new occupants. Once again, this future had been clouded when we wrote up the budget and once again we felt it made sense to assign the unanticipated costs to the Reserve Account:

Cal State Renovations (windows)	\$1253
R & R Construction (repairs)	\$ 308
Candy Apple Paint (paint and woodwork refinish)	\$5500
Old Town Electric	\$1900
Emadco (dumpsters used in cleanup)	\$ 207
Misc. reimbursements (fans, cleaning, yard etc.)	\$ 551
<b>Total</b>	<b>\$9719</b>

And no “ranch story” would be complete without a water pump failure and the discovery that much of the wiring installed at the barn and around the pump was inadequate and out of code:

Wellco (pump repair)	\$1544
Old Town Electric	\$3970
<b>Total</b>	<b>\$5514</b>

Altogether, the Reserve Account was tapped for: \$48,697

Once again, we were fortunate that we had accumulated a heavy Reserve Account—essentially monies collected that exceeded annual budgetary needs were assigned to the Reserve Account and invested in CDs and savings accounts for just these kinds of purposes. In a sense we anticipated these expenses but were unable to assign them to a particular time and cost. The good news is that even these extraordinary expenses have not bankrupted our Reserve Account which still stands strong at approximately \$75,000 but should be rebuilt to a more robust \$120,000+ to help us withstand the next set of unanticipated, emergency requirements.

Consequently, the Board has decided to suspend the 10% discount for early payment of next year's dues, but will still encourage property owners to pay early: save yourself the hassle of paying quarterly and help us pay some of the early winter/spring expenses without disturbing our reserve accounts and CDs.

Thanks,

Lane