

Board Proposal for Long Term Stable Funding for Zion Ridge Road Maintenance, Repair and Replacement June 15, 2021

Road Upkeep Issues

Road wear in Zion Ridge is impacted by:

Significant freeze-thaw cycle

Inadequate road base in some areas

Damage due to water/moisture getting under the asphalt, either by leakage through cracks in the pavement or seepage from the side of the road due to runoff/drainage issues

Impact of heavy equipment associated with new home or other construction

Normal wear over time.

Lifespan of asphalt varies with conditions, but between 20-25 years is an industry expectation

Age of our roads is 18+ years lower road, 15 years upper road

Road Upkeep/Repair Examples

Maintenance (crack seal, seal coat),

Resurfacing with chip seal

Intermediate repair (grinding off of 1"-2" of surface asphalt and replacing with new asphalt surface)

Complete replacement (removal of full layer of asphalt and base, import of road base and installation of new base and asphalt)

Grading road shoulders, restoring of culverts and drainage cuts

Repair Costs for Asphalt are Significant

The asphalt on our entire Zion Ridge road is 7,750 feet long by 28 feet wide. This is a total of 217,000 square feet of asphalt. Cost examples below are for just 100 feet of the full width of 28 feet of our road compared to similar costs for the entire road.

100 feet of road

Cost for crack seal \$252

Seal coat \$672

Intermediate repair \$7,560

Full repair \$19,600

All 7,750 feet of road

Cost for crack seal \$19,530

Seal coat \$52,080

Intermediate rep. \$585,900

Full repair \$1,519,000

Cost control is a balance decision between level of upkeep cost and level of repair required and funds available.

Board Efforts To Keep Cost Within Budget While Maintaining Our Roads

Assess repair need areas and level of repair required

Balance cost with how much roadway we can afford to repair in a given year

Prioritize areas to be repaired based on repair need and funds available

Balance repair options to minimize long term cost. For example, sometimes, a more expensive repair decision will lead to less total cost for that section in the long run.

When appropriate, repair only selected sections rather than the full width of the road.

The Issue of Road Funding

1. What is the issue?

The need to adequately address Road Repair, Maintenance and Replacement needs. Repair/maintenance/replacement paving costs for the past three years have averaged \$67,000 annually:

2018 -\$58,520

2019 - \$124,630

2020 - \$19,808

3 year average: \$67,653

2. Why is additional funding needed?

The past 3 years expenditures are not sustainable within the existing available funds. In these 3 years, we have utilized reserve funds that have built up over the last decade to make some very needed repairs. Future ongoing expenditures are expected to continue as our road experiences wear and damage. Funding available within the current Zion Ridge HOA budget is not enough to cover expected ongoing road upkeep costs.

Paving costs are expensive. Keeping a well-maintained pavement surface can avoid even greater costs if any sections of the road fail and have to be fully replaced. A process of ongoing repair of needy sections, can avoid having a very large expense later on. As an example, full replacement of only 10% of our roadway would cost over \$150,000.

Our annual average operating budget surplus is now about \$9,000. These surplus funds serve as a reserve for many HOA responsibilities in addition to road upkeep. These include fire abatement (through clearance of common areas), snow removal in high snow years, gate repair/maintenance and other unforeseen costs. Some of these surplus funds can also be used for the road.

3. How to meet road funding needs?

Increase funds available for our roads through a dedicated HOA monthly fee increase to adequately fund road upkeep. The benefit to homeowners in funding adequate road upkeep include maintaining a quality road surface for access to your home, ensuring required paved access for emergency vehicles to every home, keeping the Zion Ridge community home values at a high level. This would also negate the need for a possibly large special assessment in the future.

The proposal to address funding needs for ongoing upkeep of our Zion Ridge Roadway:

Increase homeowner HOA fee by an additional \$40 per month. Currently the HOA fee is \$60 per month. The increase will bring the monthly fee to \$100 per month. The \$40 increase will be placed in the capital reserve account and will be specifically earmarked for road upkeep expense. The actual dedicated amount for roads to the capital reserve fund annually from this increase would be \$34,560.

Detailed information on the how the funds would be spent:

1. Efforts to prevent and/or minimize damage and wear to the road surface:

Crack seal - areas of need to be crack sealed every 3 to 4 years to aid in preventing or slowing decay due to water seeping under the pavement, freeze/thaw damage to the asphalt - annual cost estimated at \$2,000 to \$3,000

Seal coat - road surface to be seal coated every 3 to 4 years with some areas of need to be sealed more often as damage, and/or wear indicates. Average annual cost estimate \$3,500 to \$4,000

Chip seal - This would be an alternative to crack seal and seal coat. We are exploring this method to determine if it will work and be cost effective for Zion Ridge. If we choose this option, the cost would be in lieu of the crack seal and seal coat costs above.

Repair, replacement of gravel road shoulder and refurbishment of drainage channels and culverts. This effort is to maintain adequate water drainage to keep the roadbed from water saturation. The shoulder work serves to minimize damage to the road edge. Cracked or damaged road edge will typically lead to increased road wear and damage due to a weakened roadbed. Average annual cost estimate \$1,500 - \$2,000

2. Efforts to repair damaged (or eventually worn out) areas. This includes areas with excessive cracking, potholes or failed roadbed:

Intermediate repair (where damage/wear is moderate and the roadbed is in satisfactory condition) - grinding off of 1"-2" of surface asphalt and replacing with new asphalt surface. Annual average for areas requiring this type of repair is estimated to be \$8,500 to \$10,000.

Full Replacement of paving - where damage/wear is significant and the roadbed requires replacement.

This is the most costly process. It is the complete removal of paving removal of unsatisfactory road base under the asphalt, replacement with new, imported road base and then complete new paving of the repair area. Currently, this complete replacement process costs \$7 per square foot (this is \$200 for each foot of the full width of our road). As an example, full replacement of only 10% of our roadway would cost over \$150,000.

Estimated average annual cost for this process - \$20,000 to \$25,000

The above example plan in items 1 and 2 would have average annual expenditures between \$35,500 to \$44,000. The proposed dedicated fee increase would generate over \$34,000 per year. Some of the cost would be covered by available surplus funds from the operating budget. Annual averages for expenditures are used because the actual expenditures will likely vary year to year, but the long term expected costs would be within the proposed funds available.

All homeowners are encouraged to feel free to contact any of the HOA Board members for questions or requests for information on this issue. Contact information is below:

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