## August 24, 2012

We have received several reports of damage to the recently applied chip-seals on Axe Handle, Range Land, Whiskey Springs and Ironwood Roads. The PVGID is aware of these problems, and has repairs planned.

Trustees Johnson and Schmalzer were present during construction and have been regularly monitoring these roads since. Both of them have extensive experience with highway design and construction. Discussions with the contractor have been continuous, both during construction and since. We have come to an agreement with the contractor regarding which repair costs will be borne by the contractor and which costs will be borne by the PVGID. Repairs will begin in September of this year.

Due to the PVGID's very limited budget, this construction included several cost-cutting measures that have resulted in very large cost savings and increases in the mileage of roadway improved. We were aware that these measures posed some risks, and were prepared to spend additional money to fix resulting problems. We are confident that in aggregate these measures have paid off, but have also learned lessons that will be applied to future construction. In our discussions with the contractor we have come to agreement on which problems are the result of our cost-cutting measures and which problems are the result of contractor's actions. Residents should also be aware that minor imperfections are typical with chip-seals, and it is common for them to require localized repair immediately after construction.

We plan on continuing our chip-seal program, although probably at about two-thirds of the rate we spent this year. We intend to maintain Axe Handle and Whiskey Springs as chip-sealed roads, add to the chip-sealed mileage on Ironwood and Range Land Roads, and add portions of Amy and Wilcox Ranch Roads. We will be developing and discussing our plans at our board meetings, particularly the March, April and May board meetings, and welcome public comment. We expect that our chip-seals will last between 5 and 7 years, however the first application may have a shorter life and subsequent applications may have longer lives. The life span of our chip-seals - as well as future revenues and construction costs - will influence the rate at which we build out, and the ultimate extent of our chip-sealed network. Residents should also be aware that the cost of chip-sealing varies widely across roads in our network. Specifically, subgrade stability and drainage issues vary from road to road, and the cost of addressing these issues prior to chip-sealing will influence their priority of inclusion in the chip-sealing program. Our over-riding goal is to obtain the greatest benefit to the greatest number of residents for each dollar spent.

Finally, even if you do not live along or do not regularly use any of the roads we have chip-sealed or plan to chip-seal, you still will get a benefit from this program. Every mile of chip-sealed roadway is a mile of roadway that our crew does not have to regularly regrade. This will allow our crew more time to re-grade the remaining roads in our network.