

Eaton Pagosa Estates Property Owner's Association (EPEPOA)

MINUTES OF MEETING

Meeting Type: Executive Board Meeting (OPEN)
Meeting Location: 230 Port Avenue, Pagosa Springs, CO 81147
Meeting Date: Thursday, August 1, 2019

DIRECTORS ATTENDING: Desi Dundics
Al Gonzales
Susan Hampton
Bobby Phillips
Glenn Woodruff

DIRECTORS ABSENT: None

I. CALL TO ORDER Meeting was called to order at 2:35 PM. Four Directors were present at the start of the meeting and a quorum was announced. Susan Hampton arrived at 3:05 PM. Minutes are being taken by Desi Dundics. The members attending the meeting in addition to the Directors are:

Robert Taylor, Billie Taylor, Kellie Gonzales, John Scahill, Richard Gonzales, Robert Sparks, Debbie Sparks.

II. AGENDA TOPIC The main purpose of the meeting was to explore ways to eliminate some or all of the current issues associated with rules enforcement, especially during home construction periods. Prior to the meeting Vice President Desi Dundics emailed a memorandum to Association members identifying some of the issues, and then the Chairman described some of the current issues to be that the Association documents lack some of the following:

- clear definitions for penalty amounts when a non-compliance or violation occurs,
- a clearly defined process for enforcing rules, including elements such as first and second notices, hearings, appeals, and action responses,
- clear definitions as to who is responsible for enforcing the rules.

The Chairman explained that resources within the community are limited, both personnel and financial. All of the people serving as Directors and on committees are volunteers and not necessarily experts nor professionals in the areas in which they are volunteering, and some find it difficult to confront their neighbors on certain issues. Also explained is that it is becoming increasingly difficult to fill volunteer positions.

The Chairman went on to explain that the Master Association (PLPOA) has resources to supplement the EPEPOA resources that could potentially satisfy many of the above described issues. The Master Association has well defined enforcement processes, dedicated and trained personnel to perform inspections and enforcement, and retained legal personnel with the financial resources to confidently address any litigation issues that may arise. Since the EPE subdivision falls under the Master Association, all of these resources would be available at no additional charge to the Association. If EPEPOA was to take advantage of the Master Association's permitting processes, then all new plan submittals would need to be submitted to PLPOA, appropriate fees paid to PLPOA, but the design requirements would still be defined by EPEPOA ARC and the initial plan approvals would still be conducted by ARC.

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A discussion followed addressing questions, comments, and trying to identify the pros and cons of taking one of the following three actions:

1. Start taking steps to integrate EPEPOA permitting and rules enforcement processes with the Master Association. This would require additional research and rewrite of current protective covenants and construction guidelines. Any changes proposed would need to be presented and voted on by the Association membership.
2. Start taking steps to modify EPEPOA protective covenants and construction guidelines and continue to operate relatively independently of PLPOA. This would require a more detailed definition of fines and enforcement processes. Any changes proposed would need to be presented and voted on by the Association membership.
3. Do nothing.

III. DISCUSSION

Robert Sparks made comments to the effect that the order of submitting documents to ARC and the county should be reversed, and that the county could issue a permit so long as construction did not begin until after ARC approval. Desi Dundics asked if getting plans submitted to the county first, and then having ARC request changes to the plans, could that potentially create more cost if the plans needed to be changed?

Richard Gonzales made comments to the effect that it is important to maintain the vision of the community and based on the reasoning that EPEPOA has a separate set of documents from PLPOA, it appears that the original developer had a vision whereby EPEPOA would be able to govern themselves separately from others. It is clear from observation of surrounding communities that EPEPOA has a higher set of standards and quality and that we mustn't jeopardize that. Richard further went on to say that many of the current problems stem from differences of personalities and that if we addressed the personality issues then all other problems would go away. If a resident has a complaint regarding another resident or lot, then that person should submit a complaint form. Richard expressed the desire to maintain a harmonious neighborhood without adding additional restrictions.

Debbie Sparks made a comment about the confidential nature of plans and the hesitation of submitting proprietary plans, potentially incurring the risk that personnel could use or distribute those plans for individual gain. Desi Dundics commented that if the plans are stamped confidential or proprietary, then such plans will be treated by ARC with appropriate care associated with such stamping. Desi further added that ARC document should be revised to make that clear.

Bobby Phillips then described in more detail the PLPOA permitting process based on both discussions with PLPOA General Manager Allen Roth and his attendance at one of the Environmental Control Committee (ECC) review and approval meetings. Bobby commented that the process appeared to move relatively quickly. After submitting a permit, the submission was immediately added to the next review session. Review sessions occur every other week. There is a working meeting on a Wednesday where the owners and builders can attend to discuss their plans and to answer ECC questions. The ECC announces their decisions the following day. If additional information is requested, then many times a follow-up decision can be made within days. Follow-up decision delays are usually more a matter of the

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owner/builder being slow in providing the requested information rather than the ECC holding up a decision.

Richard Gonzales then asked why do we have a Master Association? Will the Master Association not defend EPEPOA's right to have our own set of rules?

Desi Dundics responded that based on a comment from Allen Roth, PLPOA General Manager, the Master Association will defend rules that pertain to PLPOA. Because EPEPOA is a subdivision of the Master Association, then if EPEPOA has a rule that is also a rule of PLPOA, then the Master Association will defend it. If EPEPOA has a rule that is not a rule of PLPOA, then EPEPOA must defend it themselves.

Robert Sparks then made a comment that there is a conflict with the word "permit" when it comes to the permitting process between EPEPOA and the county.

IV. RESULTS OF DISCUSSION

There being no further discussion on this matter, Chairman Desi Dundics requested a vote of the Directors as to which direction to take. Reiterating the options: Option 1, integrate EPEPOA processes with PLPOA processes, Option 2, Expand EPEPOA processes and procedures to better define fines, processes and construction guidelines and continue to enforce ruling ourselves, or Option 3, Do nothing.

Glenn Woodruff made a motion to proceed with Option 1, to integrate EPEPOA processes with PLPOA processes. Susan Hampton seconded. There being no further discussion, the motion passed with Directors Glenn Woodruff, Susan Hampton, Bobby Phillips and Desi Dundics voting in favor; Director Al Gonzales appeared unsure, but over time voted in favor.

V. NEW BUSINESS

Director Al Gonzales made a two-part motion to remove Barbara Alger from the ARC and replace her with Richard Gonzales. The stated reasoning for removing Barbara was that she does not locally reside here. There was no second to the motion, but in the ensuing discussion, Richard Gonzales suggested an amendment to the motion to remove the second part of the motion and merely present the motion to remove Barbara Alger from the ARC. Al agreed to amend the motion.

Before there was a second, a discussion followed whereby Desi Dundics commented that it didn't seem appropriate to make changes to ARC after only two weeks since the ARC members were selected. Desi further commented that ARC was undergoing some significant changes from prior practices. The first major change was that a Chairman was identified, who was also a Director so that communications with the Board might be easier. With the addition of the Chairman there would be a single point of contact so that communication with members and builders could be improved. With the addition of 2 member (five instead of 3), the Chairman would have more resources to whom to delegate work and thereby reduce delays. Desi further commented that it has only been two weeks and that we should really give them a chance to work on improvements before the Directors go pulling people off of committees. Desi further suggested that perhaps Richard Gonzales could be act as a consultant to the ARC without creating a disruption to the team members, to which Richard Gonzales said he would gladly support the committee if asked.

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John Scahill made a comment reminding all attending that there is a lot of knowledge and history regarding Association design residing in the three ARC members who carried over from previous years. Rich Hampton and Barbara Alger probably have been doing this work for at least 20 years each and that he has been doing it for four years.

Billie Taylor made a comment that it is difficult to get volunteers and that Barbara graciously volunteered when no one else wanted to do the job.

There was a comment made from the floor that the ARC should have "new blood."

The Chairman then stated that the motion as it stands is to remove Barbara Alger as a member from the ARC, and asked if there was a second to the motion. Bobby Philipps seconded the motion. A vote of the Directors failed to pass the motion, with Al Gonzales and Bobby Phillips voting in favor, and Susan Hampton, Glenn Woodruff and Desi Dundics voting against.

One additional item of new business was that Desi Dundics announced that he is in the process of engaging Attorney Graham Smith to provide legal counsel to the Association. Desi stated that Atty. Smith is the attorney that the Association used last year for document updates, and that because we appear to have mounting reasons for obtaining legal advice, that it appears more appropriate to reengage him in a manner whereby he is retained in general, but then the Association will provide specific task orders for individual needs. A review of the current engagement letter made it appear that any new statement of task required a completely new engagement letter, and the proposed approach would streamline the process.

John Scahill made a comment that he was very pleased with Attorney Smith as he was the one whom we used to address the Lot 9k issue two years ago, and Attorney Smith's knowledge and expertise helped save the Association a lot of money.

The Directors all commented that the approached sounded good but they wanted to review the letter we were to send to Attorney Smith asking for him to draft an engagement letter. Desi said he would provide to them (Directors) via email.

There being no further business, the meeting was adjourned.

VI. MEETING ADJOURNED 3:45 PM

APPROVAL OF MINUTES

These minutes have been reviewed and approved by all Directors.

Signature on File

Desi G. Dundics, Vice President
Chairman of Meeting