

Meeting Type: Executive Board Meeting (OPEN)  
Meeting Location: 230 Port Avenue, Pagosa Springs, CO 81147  
Meeting Date: Tuesday, September 24, 2019

DIRECTORS ATTENDING: Desi Dundics  
Al Gonzales  
Bobby Phillips  
Glenn Woodruff

DIRECTORS ABSENT: Susan Hampton

**I. CALL TO ORDER** Meeting was called to order at 2:00 PM. Four Directors were present at the start of the meeting and a quorum was announced. Susan Hampton was unable to attend but provided written confirmation of her vote for her selection of President. The meeting is being chaired by Desi Dundics, who is also taking the minutes of the meeting. The members attending the meeting in addition to the Directors are:

Robert Taylor, Billie Taylor, John Scahill, Joyce Scahill, Kate Crawford, Mike Crawford, Dave Chadsey and Lucinda Hundley.

A hearty welcome to Lucinda Hundley who just today closed on the purchase of Dee Abbott's house, Lot 30.

**II. SELECTION OF VACANT OFFICER POSITIONS** There are currently two officer vacancies: President and Secretary. After further review of the Association Bylaws, it was determined that the requirements for having two Directors as Association members and county residents are currently being met, and that the only additional condition is that the President needs to be a Director. With that new information, Glenn Woodruff made a motion to select Desi Dundics as President and seconded by Bobby Phillips. The motion passed with a unanimous vote of the Directors, including Susan's written confirmation.

With Desi Dundics accepting the President position, that create a vacancy for the position of Vice President. With Susan's agreement, Desi made a motion to select Susan Hampton as Vice President and seconded by Glenn Woodruff. The motion passed with a unanimous vote of the Directors, including written confirmation.

The Chairman explained that the additional duties of performing as Secretary in addition to President has been overwhelming and requested for a volunteer to step forward. All of the other Directors are either serving in other positions, other capacities or are in the process of building a home and are unavailable. An additional plea was made that if there is no one to volunteer, then it may be necessary to hire someone. There was further discussion of the difficulty of someone volunteering to be Secretary, required to attend the meetings and yet not have the ability to vote at the meetings, and that the most likely volunteer would be a future Director. Dave Chadsey read out loud the duties of the Secretary from the Bylaws, and member Kate Crawford graciously raised her hand to volunteer. Desi explained that he would continue to take the minutes for this meeting and did not anticipate any additional Board of Director meetings until possibly before the Annual Member meeting, and that her help in filing necessary document changes with the county would be appreciated if such were necessary. Desi made a motion to select Kate Crawford as Secretary and seconded by Glenn Woodruff. The motion passed unanimously with all Directors present voting in favor.

### **III. STATUS UPDATE ON EPE DOCUMENT REVISIONS**

The Chairman reported that ballots for amendments #6 (Timeshares) and #7 (Fractional Ownership) have been mailed or hand delivered to all members and that they are due to be returned no later than October 30, 2019. The revisions to the Bylaws and Declaration of Protective Covenants are proceeding smoothly.

The Document Revision Committee has completed their initial draft of the revised Bylaws which have also been reviewed by the Directors and the attorney without major issues. It is anticipated that ballots for approval by the members will be sent out some time in October. Key revisions to the Bylaws which will be voted on to include the following:

- Definitions that will match word for word the definitions in the Declaration.
- Clarification to the new term of “non-member” which replaced the term “associate member.”
- Additional verbiage extracted from the Colorado Statutes associated with procedures associated with member meetings.
- Eliminating the requirement for Directors to be county residents.
- Increasing the requirement, as per Colorado Statute, to require a majority of the Directors to be members of the Association.
- In order to promote continuity while simultaneously fostering reasonable turnover of board members, Increasing the term of a Director to two years instead of one year and staggering Director elections two one year and three the next.

Any revisions to the Declaration document are on hold pending results of the approval request for amendments # 6 & #7.

The Chairman described a current effort to update the rules and regulations document, breaking it into two separate documents. The first one would be the cliff notes version that is meant to be easy to read and to comply with for renters and guests. This would be similar to the one we already have. The second document would be more in line with the PLPOA Neighborhood Rules and Regulations Document which goes into more detail regarding the actual rules, non-compliance and enforcement procedures as well as fee structures.

The Chairman described a current effort to update construction procedures and guidelines. This has no impact the current design standards, but after discussion with PLPOA management, PLPOA is agreeable to support compliance and enforcement issues at the request of EPE. The current vision is that EPE would continue to maintain a healthy Architectural Review Committee (ARC), who would still be responsible to approve all construction and improvement initiatives, and at the option of ARC, may request assistance from PLPOA if and only if ARC so desires. All design issues, improvements and variances must still be approved by ARC, but PLPOA resources, such as legal council, inspectors and compliance officers would be available upon request.

### **IV. STATUS UPDATE OF INVESTIGATION OF ROAD OWNERSHIP/ROAD MAINTENANCE**

At the last Annual Members Meeting, Desi had some information that one of the local home owner’s association (Timber Ridge) did some maneuvering with their road ownership that allowed them to significantly reduce their annual dues. Desi met with the President of Timber Ridge and the Archuleta County Treasurer Elsa White, phone conversation with a representative for the Colorado Department of

Local Affairs in addition to having made initial contact with the Archuleta County Administrator Scott Wall and Archuleta County Director of Public Works Robert Perry and discovered the following:

1. A Property Owner's Association (POA) has the ability to form a government entity, such as a Metropolitan District or a Public Improvement District, which gives them the ability to impose and collect taxes on their members. These taxes would roll back to the Metropolitan District to use as they saw fit, which would include repair and maintenance of the road. In effect, this is merely a one-for-one replacement of the collected dues. The dues would go down by an equal amount of how much taxes were collected. These new taxes would be based on a certain mil levy on the property values, meaning that the owners with higher property values would pay a higher portion of the necessary amount. This would be contrary to EPE's current collection process where every lot owner pays the same amount regardless of property value.
2. As a government entity, the Metropolitan District would receive a small distribution from the Colorado Highway Users Tax Fund (HUTF), which is a collection of various taxes on things like fuel excise tax, oversize vehicle tax, license and registration fees, vehicle penalty assessments, etc. Distributions are based on a formula of road length, number of members, density, etc., and for a small association of only 38 lots and less than 1 ½ mile of road, this would not be a very large financial distribution.
3. Forming a government entity probably requires an attorney, requires forming an additional Board of Directors, there is considerable annual paperwork involved, and there responsibilities associated with reporting to and meeting with the County Commissioners.
4. At the present time, Timber Ridge, just like EPE, continues their requirement to maintain their roads.
5. Another reason, and the most significant one, that allowed Timber Ridge to reduce their dues, was that when the Developer turned the development over to the Association, the Developer gave them four lots. The Association recently sold two of the lots and the proceeds from the sale went into the Association's general fund. They are using that money to maintain the roads and perform snow plowing in lieu of collecting dues. When that money runs low they intend to sell the remaining two lots for the same purposes. When that money runs out, they will be in the same position as EPE will have to raise the dues of the members.

Conclusion: The potential money that would be available from the Colorado HUTF is attractive, but the additional Board and administrative requirements associated with establishing a government entity is unappealing. The conclusion is that EPE should continue to work with county officials to restrict traffic as much as possible and to seek support however possible regarding road maintenance.

## **V. STATUS UPDATE OF ONGOING CONSTRUCTION PROJECTS**

Director and ARC Chairman Bobby Phillips reported the following:

- The Thomas/Lilly house (lot 29) is approximately 90% complete and is anticipating the driveway to be installed next week.
- The Gonzales house (lot 24) anticipates completion by Thanksgiving.
- The Gonzales/Lynch house (lot 28) is approximately 80% complete
- The Sparks house (lot 9) is approved but has not started yet.

## **VI. INTRODUCTION OF EPE EXPENSE REIMBURSEMENT POLICY**

The Chairman reported that an informal audit was performed on the previous year's finances and processes and that even though no discrepancies were identified, the Association was lacking a formal expense reimbursement process as mandated by IRS guidelines. An EPE Expense Reimbursement Policy has been developed, including an Expense Reimbursement Form, and the Treasurer was provided with this form and requested to comply with the policy for all future disbursements. A copy of the policy and form will be uploaded to the EPE website.

## **VII. CONFIRMATION OF ASSIGNMENT RESPONSIBILITIES**

- Upcoming road sealing oversight will be performed by John & Joyce Scahill
- Landscaping oversight will be performed by Susan Hampton. Arrangement for winterizing the water and irrigation has already been taken care of.
- There is no need to winterize the dock.
- Contact for snow removal purposes, if needed: Bobby Phillips
- Contact for spring weed spraying: Susan Hampton
- Coordinator for December Holiday party: Susan Hampton  
This party/progressive dinner is planned for Friday December 13<sup>th</sup>.

## **VIII. IDEAS FOR IMPROVING OUR COMMUNITY AND AMENITIES**

After a brief discussion, the general consensus was that everyone was satisfied with the status quo.

## **IX. NEW BUSINESS**

Member Dave Chadsey reported that maintenance of the North Pagosa Bridge was delayed with no new date provided. He also stated that the last time they closed the bridge for maintenance that the barriers that the county erected were ineffective and traffic still came through anyway. He said that Robert Perry, County Director of Public Works agreed to erect better barriers the next time.

Member Joyce Scahill advised us that the Association has a responsibility to clear the three fire hydrants of snow during the winter. There were a number of volunteers that were willing to support this effort.

Treasurer Glenn Woodruff stated that he still hadn't received dues payments from eight owners and there was only one week left before penalties would be imposed. He was to send emails to those owners as reminders.

Treasurer Glenn Woodruff read aloud the following comment from members Dave and Susan Bates which was requested to be read at the Annual Member's Meeting but had not been.

*"By the way we vote no on the Eaton Pagosa Estates budget because we felt the board has not made the case for such dramatic increases. A \$500 increase over 5 years seem exorbitant.*

Glenn responded to the reading saying that the spreadsheet was merely an estimated projection based on having received estimates from several road contractors. The spreadsheet is not a formal document by which the Board wishes to increase dues over the coming years and that at the last annual meeting of the members the Board specifically stated that the road condition must be evaluated annually and that the \$150 increase in dues this past year is the only budgetary item that has been placed before the membership for approval.

Member Dave Chadsey made a brief presentation to the Directors regarding the verbiage changes in the updated Bylaws that were approved by the previous Board of Directors relating to “Non-member” versus “Associate Member.” Dave suggested certain changes be made and requested the consideration of the Directors while going through the process of revising the Bylaws. Chairman Dundics, addressing everyone present explained that the change stemmed from a requirement in the Colorado Statues that only recognizes one class of “member” and that the changes were drafted by the attorney and approved by the previous Board of Directors. Chairman Dundics went on to say that the attorney supplied a clarifying comment related to the new definition of “non-member,” and that the current Directors have already been briefed on this matter even though none of the Directors have expressed any desire to change the wording provided by the attorney, out of consideration to Dave, the Directors will consider the matter one more time as they continue to update the Bylaws document.

There being no further business, the meeting was adjourned.

**X. MEETING ADJOURNED 3:50 PM**

**APPROVAL OF MINUTES**

These minutes have been reviewed and approved by all Directors.

*Signature on File*

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Desi G. Dundics, President  
Chairman of Meeting