

Eaton Pagosa Estates Property Owner's Association (EPEPOA)  
MEETING MINUTES  
9:00 am., Friday, July 5, 2019  
Pagosa Lakes Property Owners Clubhouse, 203 Port Avenue  
Pagosa Springs, CO 81147

**JOYCE SCAHILL – President, Present**  
**[Vacant] – Vice President**  
**JANNA LILLY– Secretary, Present**  
**GLENN WOODRUFF – Treasurer, Present**  
**DESI DUNDICS – Member at Large, Present**

## **I. CALL TO ORDER**

The meeting was called to order and members welcomed by EPEPOA President Joyce Scahill at 9:04 a.m.

A quorum (20% of persons entitled to vote) was present.

Joyce thanked Dee Abbot and Billie Taylor for the food provided for the meeting.

Joyce introduced new members: Mike and Kate Crawford, Debbie and Robert Sparks, Al and Kellie Gonzales, Richard Gonzales and Kathy Lynch, Ken Wilbert.

## **II. APPROVAL OF MINUTES**

Joyce asked if there were any changes from the previous 2018 annual meeting minutes. There were none. Previous minutes stood as written.

## **III. REPORTS**

### **A. President's Report**

Joyce reported the following:

- EPEPOA no longer allows short term rentals.
- The road shoulders have been repaired. Resealing is expected to happen in August.
- Noxious weeds were sprayed including the shoulders. Members who requested their property be sprayed will be getting that bill.
- Mowing the common areas will happen next Monday.

- The board has updated and reorganized the covenants and bylaws bringing them up to Colorado state standards, incorporating the five (5) filed amendments and making them legally defensible. It has been 24 years since the covenants and bylaws have been updated. Additional fine tuning needs to happen.

Desi Dundics reiterated the board is trying to update covenants and bylaws to ensure compliance with state standards. Desi noted issues still need to be addressed and asked for volunteers to work on them. Desi volunteered to lead the updating effort which will be brought to the board and attorney for review. Dave Chadsey volunteered to help.

## **B. Treasurer's Report**

Glenn Woodruff reported the following:

- The balance sheet (provided to attendees) was prepared by our accountant using an accrual basis. Woodruff reviewed amounts in the Schwab account, operating and construction account noting four houses are being built. Questions on balance sheet requested.
  - Susan Hampton asked the cost of snow removal. Answer: \$4000.00 (Glenn)
  - Richard Gonzales asked what the fixed assets are. Answer: water meter (Glenn) (\* dock and bridge are also fixed assets)
  - Richard Gonzales asked if we own any community property. Answer: Yes. Joyce reviewed map of commonly owned areas, noting the community pays Susan Hampton to maintain the entry landscaping. Joyce also noted we do not pay taxes on the commonly owned areas. Susan Hampton noted additional common areas. Joyce stated she will provide all members with a map of the commonly owned areas.
- Profit and Loss (provided to attendees) - We spent an abnormal amount on attorney fees and snow removal. Questions requested.
  - Richard Gonzales asked the source for road maintenance. Answer: portion of dues and interest on CDs. Staggered CDs reviewed. (Glenn)
  - Ken Wilbert asked what is involved in road maintenance. Answer: \$36,000 in shoulder repair, \$17,000 for crack fill with a plan to fill cracks annually and seal every three years. The road is 25 years old. (Glenn) Joyce reported the average road life is 25 years. Billie Taylor noted snow plowing is also wear and tear on

the road. Dave Chadsey noted EPEPOA gets a discounted trash pick-up rate from At Your Disposal to reduce the number of large trucks on the road.

- Richard Gonzales asked if there were any delinquent dues. Answer: No (Glenn)
- Mike Crawford asked if contracts were picked through a competitive bid process and references checked. Answer: Yes. Members will be notified so they can vote. (Joyce)
- Mike asked how payments are made. Answer: We get the invoice, usually paying half up front and balance upon completion. (Joyce)
- Budget (provided to attendees) - This budget is our best guess. We have a surplus of \$9000.00 in checking. Joyce noted weed control will be less than expected. Glen asked for questions.
  - Billie Taylor asked the time frame on the CDs. Answer: 1 year, 9 months, 6 months, 3 months staggered. (Glenn) Dave Chadsey a CD could be liquidated every three months. Glenn noted we will owe approximately \$\_\_\_\_\_ for road sealing that we can pay from money market account. Joyce stated before any bids are received, the treasurer is asked how the project might be funded.
  - Richard Gonzales asked if the board was planning on increasing dues. Answer: Yes, by \$150.00 per year for two years. (Glenn and Joyce)
  - Richard Gonzales asked about the differences in dues for different lots. Answer: The full amount is taken out at closing, so some owners have already paid a part of their dues. (Glenn) Joyce stated dues invoices will go out in August and are due before September 30.
  - Kate Crawford asked what the Pagosa Lakes Property Association (PLPOA) does for us. Answer: access to lakes, walking path, recreation center, PLPOA building rooms, HOA advise (multiple owners answered this question)  
Rich Hampton explained Ralph Eaton set up Eaton Pagosa Estates such that the Association will remain viable as an entity under and part of PLPOA as long as EPEPOA has its own board. Should there no longer be an EPEPOA Board, then the Association becomes an integral part of the Master Association.
- Road spreadsheet (provided to attendees) was reviewed by Glenn and Joyce noting a need to look into the future to see what we need to plan for. Bids for a two-inch overlay were received. The road is an asset to the community and increases

property values. It will need a two-inch overlay in approximately 10 years based on us crack filling annually and resealing every three years. The provided road spreadsheet was drafted by Glenn. The board could not agree on spreadsheet numbers. Any questions are to be directed to Glenn. The spreadsheet assumes a 3% inflation rate, a 2.5% return rate on CDs and multiple dues increases. With multiple unknowns, the board will need to annually review and update the spreadsheet.

Questions requested:

- Richard Gonzales asked the linear footage of the road. Answer: 1.25 miles or 133,500 sq. ft.
- Richard Gonzales asked if the board is wanting to bind members to the spreadsheet dues amounts now. Answer: No, because it will change. Now the only thing binding is \$150.00 dues increase per the October minutes posted on our website per board approval. (Joyce) We can't lock in any further increased because there will be a new board. (Glenn) Desi noted he would like to do more research regarding creating a Metropolitan District as a way to reduce dues and maintain the road similar to Timber Ridge.
- Susan Hampton asked why Timber Ridge roads are so nice. Answer: They have 208 lots are bigger than Eaton. (\*the answer to this is unknown)
- Richard Gonzales asked if we were paying maintenance while the county owns the road. Richard also asked about the rules of engagement with the county. Answer: We have documentation in our plat that says we do not own the road, but we are responsible for maintenance. (Joyce)
- Richard Gonzales asked if the city would permit a gated entrance. Answer: (Rich Hampton) In the past, the county determined that all new developments are required to maintain the new road. In the past, much time has been spent with the county on the road issue with no decisions made. In a previous area in this county, we went ahead and put in a gate without county permission. Taxes and values went up. The road and bridge department did not seem upset.
- Dee Abbot asked if Powder Horn maintains its roads like EPEPOA. Answer (Rich Hampton) Yes.

- Richard Gonzales asked if our road was deeded. Answer: Yes, the county owns the road.
- Richard Gonzales asked if we had formally requested gates. Answer: (John Vander Horck) The county has said we could not limit access to our road. Joyce said the board could research the issue and make a recommendation.
- Billie Taylor asked is we were responsible for maintaining our bridge. Answer: Yes (Joyce)

## **C. Architectural Review Committee (ARC) Report**

John Scahill reported the following:

- Rich Hampton, Barbara Alger and John Scahill comprise the ARC.
- Two new homes have gone through the process and have been approved. One just submitted paperwork.

[Joyce Scahill remembered a vote was needed on the budget. Rich Hampton made the motion to approve the budget. There was a second by John Vander Horck. Richard Gonzales asked for discussion and asked if this vote was to approve the dues increases on the spreadsheet.

Answer: No, you are only voting for the dues increase to \$850.00. (Joyce) All attendees voted in favor of the motion with two absentee no votes from the Bates who own two lots. The motion passed.]

ARC continued:

- Richard Gonzalez asked for clarification if ARC decisions are required to be unanimous or majority noting he had received two different answers in the past; a previous answer several months ago from John Scahill was that it had to be a majority. Then a later communication said it had to be unanimous. Richard stated he believed it should be majority, not unanimous. Answer: (John Scahill) It may be majority, but in reality, it has been unanimous. John Scahill said the requirement is for a majority. Richard said he disagreed with several things:
  - There should be a time limit for the review and approval process.
  - There should be an appeals process.
  - Harmonious language is too subjective and leads to misunderstandings.
  - ARC decisions should be majority not unanimous.

- Ken Wilbert asked if greater clarity was needed for the ARC approval process. Answer: (John Scahill) There is no official timeline, but we are diligent in reviewing and immediately get back with the applicant.
- Ken Wilbert asked the board to consider adding greater clarity and definitions to the ARC approval process. Desi asked for volunteers to work on improving the ARC approval process. Richard and Ken volunteered.
- Richard Gonzales asked why lay people still need to review plans when Colorado architects and Colorado engineers stamp the plans as approved. Answer: (Dee Abbot) That is part of the harmonious nature. John Scahill said the ARC does not review details such as concrete, foundations, etc. Richard said the ARC reviewed his columns. John Scahill said that was for style purposes. Richard suggested the ARC needs clearer rules of engagement. Desi stated there needs to be a balance between specificity and openness noting we want to be a friendly community. Joyce said the committee can work through these details.
- Dave Chadsey asked what is the answer to the question, "Are ARC decisions required to be majority or unanimous? Is it written down somewhere?" Answer: (John Scahill) There is no written source of documentation requiring a unanimous decision.
- Dave Chadsey asked if Colorado Common Interest Ownership Act (CCIOA) tells us ways for an ARC to communicate. Answer: No (Joyce) Rich Hampton said CCIOA purpose is to protect the homeowner organization.
- Richard Gonzales said EPEOA needs better rules and guidelines and a specified set of fees. Richard asked why pergolas were not allowed. Answer: Bring these concerns to Desi's committee (Joyce). John Scahill said the committee should review a letter from an attorney saying rulings could be subjective. Lanice Chadsey said our community has grown and it is time to tighten things up. Several audience members expressed agreement.

## **ITEM IV. IMMEDIATE ACTION ITEMS**

### **A. Volunteers/Nominations for New Board Members**

Joyce thanked Dave Chadsey for his service on the board. Joyce asked Janna, Glenn and Desi if they would like to continue on the board. Janna thanked the board but said she could not devote the time needed. Glenn and Desi said yes.

Joyce asked for a motion to keep Glenn on the board. Susan Hampton made the motion to keep Glenn on the board. Richard Gonzales nominated Glenn for the board. Rich Hampton seconded. The nomination passed unanimously.

Dave Chadsey nominated Desi to the board. John Vander Horck seconded. The nomination passed unanimously.

Joyce asked for volunteers for the remaining three board positions.

Richard Gonzales nominated Joyce. Joyce declined noting her previous resignation. Susan Hampton nominated Mike Bruni. Mike declined. Desi nominated Bobby Phillips. Glenn seconded. The nomination passed unanimously.

Richard Gonzales nominated Al Gonzales. Glenn seconded. The nomination passed unanimously.

Billie Taylor nominated Richard Gonzales. Richard declined. Susan Hampton volunteered. Glenn nominated Susan. Barbara Bruni seconded. The nomination passed unanimously.

Lanice recommended Richard Gonzales for parliamentarian.

Robert Sparks volunteered to be on the ARC.

B. Discussion on Timeshares and Fractional Ownership for our Community - Joyce asked who would want timeshares. No one raised their hand. Joyce asked who would want to pursue the fractional ownership topic.

Discussion of fractional ownership:

- Dave Chadsey suggested fractional ownerships should not be ruled out altogether. We could look at it on a small scale. We need to look at how it is defined.
- Joyce said we cannot say we do not allow it. At a minimum we could specify that there could be no more than two un related owners. If this is to be pursued, it would have to be an amendment. Currently our CC&Rs do not disallow fractional ownership.
- Billie Taylor suggested further investigation is needed before a vote of all members.
- Dave Chadsey asked the attendees who is against various numbers of fractional owners.
- Richard Gonzales said more research needs to be done and a clear definition is needed. Fractional ownership is permitted now.
- Robert Sparks said the fewer the fractional ownerships, the less effect on your community. It may or may not increase your property values.
- Desi asked if anyone would be willing to be on a committee to research the issue. Joyce asked if the new board should do further research.

- Robert Sparks suggested members pass a motion on fractional ownership now to plug the gap then the board should appoint a committee to do further research.

Rich Hampton made the motion to limit fractional ownerships to no more than two unrelated persons then the board will pursue an amendment and go out to members for a final vote. Janna Lilly seconded.

Rich Hampton noted enforcement policies would be needed.

Joyce called for a vote on Rich Hampton's motion. There were 12 yay and 2 nay votes. Joyce noted the motion passed and the new board will further pursue.

Richard Gonzales asked when the new board will go into effect. Answer: After this meeting the board will select their officers. (Desi)

## **ITEM V. UNFINISHED BUSINESS**

A. CM Asphalt's Contract – Joyce stated the sealing will begin in August.

## **ITEM VI. NEW BUSINESS**

A. Dock Report/Repair – John Scahill reported one corner has lost flotation. The manufacturer quoted a cost of \$1900 to replace one 9X6 section plus an additional \$1000.00 in labor. The dock no longer needs to be snow shoveled.

Glenn asked attendees how many use the dock. Approximately four hands were raised.

## **ITEM VII. COMMITTEES**

A. Landscape, Front Entrance

Susan Hampton gets paid to take care of the entry landscaping and is willing to continue. Debbie Sparks, Kellie Gonzales and Desi offered to assist. The question was asked if they get paid as well. Answer: No. Susan commented that when others show up to volunteer she does not charge, only when she does it alone.

B. Fire Hydrants – Three Locations

Joyce asked for volunteers to ensure snow is plowed around the fire hydrants. Janna Lilly and John Thomas will maintain the one near their property. Mike Bruni and John Scahill volunteered to maintain the one on the Bates' property. Joyce will ask if Theresa's son Tom would be willing to take care of the one in their yard again this year.

Desi noted there is a water meter at both entrances. EPEPOA only uses one of them however we still pay \$25.00 per month to PAWS for each water meter. PAWS will remove the unused water meter for free however if EPEPOA wants it back, it will cost



\$6000.00. Desi asked for a motion to get rid of the unused water meter. Joyce and Dave Chadsey suggested the topic be tabled.

**ITEM VIII. COMMENTS, ANNOUNCEMENTS, HOMEOWNER CONCERNS** (Attendees may speak respectfully for three minutes)

- Mike Bruni expressed concerns about non-present owners not maintaining their property.
- Barb Bruni expressed concerns about the smell coming from the PAWS plant. Dave Chadsey said in his research, we would need someone to come out from Denver to test the odor and determining a date to do that is tricky. A pattern of the odor would need to be identified before asking for the odor testing. If it is tested and is out of compliance, the state is responsible to see the issue is corrected.
- John Vander Horck thanked the current board for their service.
- Dave Chadsey asked the new board to review the proxy form. Dave also asked if EPEPOA's affiliation with PLPOA is documented and recommended the new board research this.
- Ken Wilbert asked who to contact for mowing of lots. Answer: Ken's lot has not been mowed because of high brush. (Joyce) Ken also asked where he is to park when using the dock. Answer: You can park on the shoulder (Joyce)

**ITEM IX. ADJOURNMENT**

Barb Bruni made a motion to adjourn. Ken Wilbert seconded. The motion passed unanimously. The meeting adjourned at approximately noon.

\* Indicates an answer to the question provided after the board meeting was adjourned.

Minutes taken by Janna Lilly