

Meeting Type: Executive Board Meeting (OPEN)
Meeting Location: 230 Port Avenue, Pagosa Springs, CO 81147
Meeting Date: Friday, September 18, 2020

Nominated Directors Attending: John Thomas
Al Gonzales
Steve Dayton
Kate Crawford
Bobby Phillips

No directors absent.

- 1. CALL TO ORDER:** Meeting was called to order at 10:01am. Five Directors were present at the start of the meeting and a quorum was announced. The meeting was being chaired by Kate Crawford, who also took the minutes of the meeting. The members attending were:
 - Kellie Gonzales, Richard Gonzales, Kathy Lynch, Janna Lilly, Mike Crawford, Desi Dundics, Sheila Manzanares, and John Vander Horck.
- 2. SELECTION OF OFFICER POSITIONS:** The nominated Directors discussed who would fill each officer position and for what period or term each position would have. John Thomas nominated Bobby Phillips for President. There was no 2nd. Bobby Phillips said he would prefer to serve on the ARC committee and felt if he was elected as an officer, he could not perform both tasks and it may be considered a conflict of interest. Bobby Phillips nominated John Thomas for President and it was 2nd by Al Gonzales. John Thomas stated he was willing to serve and that it was mandatory that no decisions be made outside of any Board Meeting or committee meetings. He stated he wanted complete transparency and never wanted to be surprised or blind-sided. Steve Dayton stated that one person cannot act as decision maker on Board or committee decisions, and we need to follow processes and rules. Vote was taken and all nominated Directors agreed unanimously that John Thomas be the President. Kate Crawford nominated Al Gonzales for Vice-President and Steve Dayton 2nd. Al Gonzales stated that he agreed with John Thomas' format. Vote was taken and all nominated Directors agreed unanimously that Al Gonzales be the Vice-President. John Thomas nominated Steve Dayton for Treasurer and Bobby Phillips 2nd. Vote was taken and all nominated Directors agreed unanimously that Steve Dayton be Treasurer. Steve Dayton nominated Kate Crawford for Secretary and Bobby Phillips 2nd. Vote was taken and all nominated Directors agreed unanimously that Kate Crawford be Secretary. Kate Crawford nominated Bobby Phillips to remain a Director on the Board and chair the ARC committee. Steve Dayton 2nd. Vote was taken and all Directors, now Officers agreed unanimously that Bobby Phillips serve as a Director on the Board and chair the ARC committee. Term limits were discussed by the Officers. It was agreed that Officers John Thomas and Steve Dayton will serve a 2 year term and Al Gonzales, Kate Crawford and Bobby Phillips will serve a 1 year term, then in July 2021 when the next Annual Board Meeting takes place, 3 people will be elected for 1 year terms. All Officers and Directors agreed unanimously, no opposed.
- 3. Newsletter:** Kate Crawford asked member and Past President Desi Dundics if he would be interested in continuing the publishing of the monthly newsletter. Mr. Dundics declined stating that he was dealing with some personal issues and could not continue that. Kate Crawford asked the members present if anyone would like to take the newsletter over, and no one

volunteered. Kate Crawford stated she would email the membership to see if anyone would like to publish the newsletter in the future. The newsletter administrator position remains vacant.

4. **Document Sharing and Treasurer report:** Kate Crawford thanked Mr. Dundics for providing the new BOD with the Association documents he had in his possession while he served as President, and those documents were handed over to President John Thomas. President Thomas indicated he had looked over them briefly and stated that he did not see any documents that were produced prior to Mr. Dundics tenure. Kate Crawford asked Mr. Dundics if he knew where any previous documents may be, and Mr. Dundics stated no. Kate Crawford suggested to President Thomas to inquire with previous Board Members. Kate Crawford thanked Past Treasurer Glenn Woodruff (not present) for providing the new BOD with the Association financial documents and they were released to Treasurer Steve Dayton. Treasurer Dayton stated he had met with Glenn Woodruff and the documents included the past 2 years of financial records, the bank account information with TBK Bank in Pagosa Springs, a current list of members who had paid their dues and a current copy of the last tax return filed. Treasurer Dayton stated he had called and spoke with Association accountant, Stacy Mergens, who advised she no longer would be the accountant of record as she was semi-retiring, but, had a referral for us if we were interested. Treasurer Dayton stated the final bill for the accountant had been paid (\$625.00) and assumed that was for a year's worth of work as the budget allowed for \$700.00. Treasurer Dayton stated there was one member who's dues had not been paid from last year and they needed to be sent a certified letter. Also, there is confusion as to whether the annual dues are paid in advance or in arrears. All the evidence (bylaws, Covenants, normal HOA conventions, PLPOA process) suggests that dues are paid in advance; however, the invoices sent out by EPE indicate they are in arrears. This becomes a significant issue when ownership changes hands. Member Dundics stated it was clearly written on the invoices for what period it covers and has always been in arrears. Treasurer Dayton indicated that just because "it's always done that way" does not make it correct, and he agreed to talk to past Board Member Susan Hampton who may know the history of that. Treasurer Dayton stated he had possession of the key to the PO Box and mail was picked up, all checks for dues paid were deposited and there are no outstanding bills due at this time, but he had seen a \$1,275.00 discrepancy on the Balance Sheet and would do further research on that. Treasurer Dayton stated to the membership that his background was in finance and he felt comfortable reading and deciphering financial statements. He stated that he had reviewed the last filed Tax Return, short form and it was consistent with an HOA or non-profit tax return. He felt he could file the tax form himself in the future in order to keep costs down with the accountant. He said he would talk to accountant Mergens and get her records from the last 7 years and research purchasing a software program to do the accounting himself. Cost for software is \$30/month for QuickBooks, but other programs were free and he would research those. The BOD agreed Treasurer Dayton could spend up to \$700/year which was what the budget allowed for. He stated we have 3 insurance policies through American Family Insurance. One is a Liability Policy for Officers and Directors, a Commercial Property Policy that covered things like our dock, and a Commercial Liability Policy for the Association and its members. The policy costs approximately \$700.00 per year, August-July. Member Richard Gonzales asked if we could change the fiscal year to a calendar year for ease of handling dues. Treasurer Dayton stated it was challenging to change from fiscal to calendar year, but he would investigate it.

Member Richard Gonzales asked if we were considered a 501 © (3). Treasurer Dayton stated the records showed us as a Colorado non-profit but not specifically a 501 © (3) and the Association was incorporated in September 1995. Treasurer Dayton stated that the state filing was done every year, costing \$75.00 to file, and the registered agent was Susan Hampton. Treasurer Dayton stated he would be willing to take over as registered agent and that it needed to be filed by the end of December. Treasurer Dayton stated that the checking account with TBK Bank needed (3) new authorized signers. Treasurer Dayton volunteered, Kate Crawford volunteered, and John Thomas volunteered. Treasurer Dayton stated that in the past, any transactions over \$750.00 had to be approved and signed by 2 officers but under that amount only one signature was required. Secretary Crawford stated she had heard from a previous TBK Bank employee that the bank may be leaving Pagosa Springs due to staffing issues and did we need to consider moving the account to a different bank. Treasurer Dayton suggested he review their financial statements and see how secure and liquid they were before considering any changes. The BOD unanimously agreed. Treasurer Dayton stated that currently we have about \$153,000.00 in investments such as CD's, and currently we do not have a financial planner and did not see a reason to research other investment options besides the CD's at this time. He stated the CD's were not a bad option for now. Member Janna Lilly stated when she was on the Board, Past Treasurer Woodruff got Schwab set up for investing and back then the CD's were getting 2.5% return. Treasurer Dayton stated he would look at the CD's every 3 months and see if any changes would be warranted in the future.

President Thomas asked if we owned the dock and the bridge and should we confirm that the insurance policies we have cover those and are the limits adequate. Member Richard Gonzales stated the Association's best protection is to be properly insured and the BOD needs to review the current policies and ensure they are adequate for what we need because he felt the premium the Association was paying was low for 3 policies. Secretary Kate Crawford stated her background was in insurance and she would meet with American Family Insurance and go over all the policies and report back to the BOD. Treasurer Dayton volunteered to join Secretary Crawford to that meeting. Member Dundics stated that the Association has a document retention policy and he has turned over all the records he ever had in his possession. Treasurer Dayton stated Past Treasurer Woodruff may have additional documents and he would check with him and with past Board Member, Susan Hampton.

5. **Roads and Bridges:** Treasurer Dayton stated that at the Annual meeting two weeks ago, a letter from 2017 addressed to Past President Joyce Scahill from Archuleta County Administrator Henderson, was discussed concerning the ownership of the paved roads within our Association. Treasurer Dayton felt that Vice-President Gonzales along with one or two other members approach the County Road & Bridges representative and confirm what the Board considered that letter clearly said that the County owned the road, and not the Association. Member Richard Gonzales stated that he was aware of a deed that showed our subdivision deeded the road to the County back when our subdivision was established. He stated he would like to see an accounting of every piece of property within our subdivision and who owns it and that the initial developer of our subdivision set it up that the County was to maintain all common areas which included the roads. He stated we need a strong position before we meet with the County and that it might be necessary for the Association attorney to review the letter and give his opinion and find out if any negotiations between the County and the Association were done in the past to change what was originally established concerning the roads. Treasurer Dayton stated he felt the Road & Bridges committee that was agreed to at the Annual Meeting two weeks ago, propose a strategy of how they will approach the County. Member Richard Gonzales

agreed to chair that committee and wanted to have the BOD's approval on the strategy before going to the County. Vice-President Al Gonzales agreed to be on the committee and would ask member Rich Hampton who has been in the Association for over 20 years, what his recollection was of who owned the roads and any new information he could share with the committee. Member Dundics stated the Counties position in that letter was very clear that the County owned the road 100%. President Thomas stated if it was ever determined that the Association owned the road, would the Association have control over access in addition to the maintenance and snow removal costs. Member Richard Gonzales stated that the letter indicated there were exhibits attached but where are those exhibits now? Member Gonzales agreed to have a strategy and report back to the BOD within 60 days. Treasurer Dayton stated that currently we pay Lewis LLC about \$180.00 each time the road is plowed in the winter. President Thomas agreed to call Lewis LLC and talk to them about a new contract but that also depended on what the Road committee (Richard G and Al G) determined after they meet with the County on ownership. Member Kellie Gonzales stated there is a Colorado state requirement when the public roads need to be plowed and how many inches must fall before the road is required to be plowed.

6. **ARC Committee:** Chairman Bobby Phillips stated that he felt a committee of 5 people rather than 3 was more appropriate. The members that had expressed an interest in being on the ARC committee were Barbara Alger, Bob Taylor, Curt Door, Robert Sparks and Richard Gonzales. Vice-President Al Gonzales suggested that the ARC members be homeowners, not just lot owners and that they live here. President Thomas and Treasurer Dayton felt it was helpful to have 5 members rather than 3. The BOD voted unanimously to have the ARC committee consist of Chairman Bobby Phillips, Bob Taylor, Curt Door, Robert Sparks and Richard Gonzales.

7. **Construction Guidelines, Design Standards and Rules & Regulations:** President Thomas stated that at the Annual Meeting two weeks ago, a committee was established to review the current 2004 Construction Guidelines and Design Standards. Treasurer Dayton stated the PLPOA does enforcement and we could incorporate those if we chose to in our Guidelines. Member Dundics stated the current Design Standards are in our Covenants and any changes we make to the Covenants must be by 67% or greater of the membership agreeing to change them but that does not apply to the Construction Guidelines since those are an internal document of the Association. Treasurer Dayton stated he thought the intent of the committee that was formed at the Annual meeting was to get the membership to eventually vote on the Construction Guidelines and Design Standards the committee came up with. Vice-President Gonzales asked if we were implementing more Rules & Regulations. Member Dundics stated the Rules & Regulations were separate and asked how we should implement and enforce those. Member Richard Gonzales felt that the Construction Guidelines and Design Standards should be up to the ARC committee to review and propose any changes and present to the BOD for approval. He stated it was important for new members intending on building in our community should have an architect do the plans and that the design and exterior are harmonious with existing homes in our community. Treasurer Dayton asked if our Design Standards need to be included in our CC&R's. Member Dundics stated that the PLPOA's design standards are not in their CC&R's and previous EPE boards allowed this which made it very difficult when you have to get 67% or greater membership to vote on any changes proposed to the CC&R's. President Thomas stated that our Design Standards do not need to be part of our Declarations, and we should review the PLPOA's Design Standards document and implement any of theirs with ours that we wish to, but

that the PLPOA has made it clear they will not enforce any Design Standards that EPE sets through our own ARC. Treasurer Dayton stated we need to make sure there is no conflict between PLPOA's and ours. Member Dundics stated it was always a challenge to maintain consistency. ARC Chairman Phillips stated information was scattered between multiple documents and needs to be streamlined. Chairman Phillips stated he and his committee will take on reviewing PLPOA's design standards and Construction Guidelines and determine what we want to adopt or not into our documents. President Thomas stated that was a good plan but that the ARC needs to come back to the BOD's for approval on those internal documents before implementing them. The BOD voted unanimously to agree to that plan.

8. **Landscaping Committee:** Secretary Crawford stated currently the Association pays member Susan Hampton to maintain the front entrance and felt it was unnecessary to continue paying someone when at the Annual Meeting two weeks ago, member Kellie Gonzales and Secretary Crawford agreed to help with the maintenance going forward. Member John Vander Horck stated the reason the previous boards had agreed to pay member Hampton was because no one else volunteered and she was doing it alone. The BOD unanimously voted and agreed that we would no longer pay member Hampton for maintaining the front entrance. President Thomas stated that member Don "Mac" MacNamee had a sprayer that attached to his ATV to spray the gravel areas on the sides of the roads for weeds but had not done it recently because he had run out of weed killer. The BOD agreed to notify member Hampton of the changes.

9. **New Business:** Treasurer Dayton offered to be the EPE Website Administrator. Member Dundics also offered since he was doing it prior and clear on what it needed to include. Treasurer Dayton nominated member Dundics to be the Website Administrator and it was 2nd by Member Mike Crawford. The BOD agreed. President Thomas reiterated that the BOD will communicate openly with each other and with the membership and asked that all committee's do the same with the BOD and that committee recommendations be approved by the BOD before implemented. President Thomas asked the attending members if they had any new business they wished to discuss. Member John Vander Horck stated he was wondering why the BOD wanted to change banks and if one of the insurance policies that we had covered the dock from property damage. He also stated that the guardrail was damaged last year and was it going to be repaired or replaced. President Thomas stated that member Richard Gonzales' road committee would look at the guardrail but that it may be owned by the County like the roads. Secretary Crawford stated that the reason the BOD was looking at changing banks was because TBK Bank may leave Pagosa Springs due to staffing issues and she was also going to meet with the Insurance carrier and review all the policies and make sure the dock is covered for property damage.

Member Richard Gonzales stated he was aware of "Robert's Rules" which is a rule that a lot of HOA's and BOD's use and it would be something we should look at as we need consistency in how we hold our Board meetings. He stated he was alarmed by 4 things that the previous BOD's had done:

- Amendment to the Bylaws passed in 2019. He does not agree with the restriction of who cannot serve on the Board. He has repeatedly asked to see the legal opinion on this and has never received it. He stated all lot owners should have the same right to serve on the Board.
- The CC&R's govern property and conduct and cannot restrict ownership and the deed restriction that was placed on his property earlier was illegal. Fractional

ownership passed by a previous Board is illegal and he has asked for the legal opinion from our atty on that but again has never received.

- Our paved roads are still in question on ownership between EPE and the County and it needs to be clarified.
- Who owns the open or common areas, and is there a deed on those areas? The original developer subdivided the area into lots and deeded those to someone. Believes it needs to be deeded to EPE HOA and there should be a document stating that. A title company can do a search of the open or common areas and what will that cost? A records search at the County Clerk's office is another option and use the origination date of the HOA to start with. It is the duty of the BOD to protect our HOA.

President Thomas asked member Richard Gonzales what his most important issue was, and member Gonzales stated it was the Amendment to the Bylaws done last year. President Thomas stated he felt that the fractional ownership issue was not enforceable and the Amendment to the Bylaws on ownership was not enforceable. Treasurer Dayton stated that any changes made in the future to the Bylaws need to be on individual sections of the document rather than 1 entire document. Member Dundics stated the Amendments do just that. Member Richard Gonzales stated the current Amendment keeps more than 1 person allowed from purchasing your property and that is not right. The BOD needs to look at Fractional Ownership again because the way its written could be illegal. No other new business was brought forward.

Adjournment of the meeting occurred at 1:05pm with Treasurer Dayton making the motion and Vice-President Gonzales 2nd the motion.