

EATON PAGOSA ESTATES PROPERTY OWNER'S ASSOCIATION (EPEPOA)

Meeting Minutes- Annual Board Meeting

Friday, September 4, 2020 at 9:00am

Pagosa Lakes Property Owner's Clubhouse, 203 Port Ave.

Pagosa Springs, CO 81147

Directors in Attendance: Desi Dundics-President

Susan Hampton- Vice President

Glenn Woodruff-Treasurer

Bobby Phillips-Member at Large

Al Gonzales-Member at Large

Kate Crawford-Acting Secretary

**1. CALL TO ORDER**

The meeting was called to order and members welcomed by President Desi Dundics at 9:07am.

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

Members in attendance: Dave Bates, Kellie Gonzales, John Vander Horck, Mike and Barb Bruni, John and Joyce Scahill, Steve Dayton, Sheila Manzanares, Curt and Candace Door, Don MacNamee, Bill Bentley, Lucinda Hundley, John Thomas, Janna Lilly, and Richard Gonzales.

No attendees by Zoom.

**2. PRESIDENT'S REPORT**

Desi stated we had to limit the attendance to 25 due to Covid-19 restrictions, and the other members could attend via Zoom.

- Focus on our Differences and our Accomplishments
- Property values- we all want them to increase
- Safe and secure neighborhood and keep crime down
- Association assets and common areas to be kept in good condition
- Association budget- how do we manage the monies properly
- Individual freedoms- not give up just because we live in an association and keep our community friendly

Accomplishments:

- Website re-design
- Communication- be transparent as a Board and continue monthly Newsletter
- Activities- Christmas Dinner, Meet & Greet, Ladies coffee, Men's coffee- all to bring members together
- Summer picnic and fish fry canceled due to Covid.
- Updated Bylaws and Declaration- both passed overwhelmingly

**3. TREASURER'S REPORT**

Glenn Woodruff reported there were corrections to the Profit & Loss statement. The fiscal year which is from July 1-June 30. The mowing costs showed up twice because the bill wasn't submitted until July 1 and got paid in this fiscal year instead of last fiscal year.

Under budget analysis, weed control was covered separately and in the landscaping figures so that amount for weed control needs to be deducted from the landscaping amount.

Schwab account currently has \$152,000.

As of June 30<sup>th</sup>, 2020, checking account had \$7,800.00 in it. Currently the checking account has \$5,100.00 in it.

The Schwab account is federally insured and consists of (4) CD's which mature every 3 months, with interest rates under 1.5%.

The members need to decide about raising dues every year or every other year to maintain the road fund, which currently has \$23,000 in it. The decision needs to be made do we spend some money now to fix the cracks, seal it and do annual maintenance on it to extend its life and when do we replace the road surface.

Rich Gonzales questioned the balance sheet with a \$600 discrepancy. Glenn stated the \$600 was interest in the Construction Fund and the members could decide if we move it to the general account or into the road fund.

Under Fixed Assets, doesn't the Association own the common areas? Are we taking a value for that? Do we pay taxes on those assets? Is there a deed on those assets?

Glenn did not know if there was a deed on them but did advise we do not pay property taxes on the common areas/land or the dock.

Rich suggested we need to find out if there is a deed on those common areas.

Dues were due by end of July, but statements were not sent out timely. That is being done now. They are due upon receipt. They are currently \$850.00 annually as approved by the membership last year.

Budget: Road Income is at \$24,570.00. Of our \$850.00 in annual dues, about \$635.00 goes to the Road fund and the remaining \$215.00 goes into the general fund. Fiscal year July 2020 to June 2021. Proposed budget approved with 20 voting yes and 11 voting no including proxy votes. Expenses very similar to what we spent prior fiscal year. Treasurer's report approved.

Richard Gonzales stated we should not look at increasing the dues until we determine who owns the road and who will maintain them before we ask the membership for more money.

Steve Dayton stated we need to look at getting Road Maintenance into the next years budget as now it's at zero and that's unrealistic. Desi asked if the Board has the authority to spend any money to determine road ownership and repair road's? \$9500.00 is the limit the Board has without members voting which is \$250.00 per lot (38 lots) and monies would come from the surplus in the checking account.

#### **4. ARCHITECTURAL REVIEW COMMITTEE**

Bobby Phillips reported processed and reviewed the current guidelines and Member Steve Dayton wrote and submitted a report which was based on a committee that was formed to look at the current guidelines and make any changes. That committee consisted of myself, John Thomas, Steve Dayton, Kate Crawford and Curt and Candace Door. A draft of the ARC process/guidelines has been written and will be submitted to the new Board of Directors for review and then will be sent out to the membership.

The homes of Rich Gonzales, Al Gonzales, and John Thomas have all been completed and occupied. Robert and Debbie Spark's home is still under construction and should be done in 6-8 weeks. It was delayed due to Covid and materials being back ordered and labor issues. Exterior is complete except for roof. Geothermal should be completed in the next 4-5 weeks.

Construction Guidelines for future building will be reviewed.

No new plans for building have been submitted.

Currently there are 10 vacant lots. The Streets have 2 lots and so do the MacNamee's. Neither have plans to build on those lots.

Steve Dayton asked that emails be sent to both emails even if its under the same lot, so it is more consistent. Kate Crawford advised she is updating the list and will be sent out soon. Desi suggested they be sent out by "blind copy" so those that don't want their information shared with other members won't have it shared, and that includes the mailing list.

## 5. ROAD COMMITTEE

Don MacNamee (Mac), Mike Crawford and Desi Dundics. Desi reported that our road is our biggest asset and biggest expense. It is deteriorating and we are trying to determine how much we spend on repairs to extend its life, when it will need replacing and what are the issues. We have alligator cracks, transverse cracks, lateral cracks. We divided the road into 20 sections. The ones with the alligator cracking are most severe and will turn into potholes. The transverse cracks are everywhere, 136 in total. There are 9 alligator cracks and 6 longitudinal cracks in 1.2 miles of road in our neighborhood. We spent a lot of money last year sealing the road and the year before adding gravel to the sides of the road. What does the membership want to do?

Mac felt it was important to extend the life of the road by doing annual repairs and maintenance to it, even if we spend \$15,000-20,000 annually.

Steve Dayton wanted to know what the annual repair costs are vs. the replacement cost of the road now and in the future.

Joyce Scahill felt repairs to maintain it and continue to seal it which keeps the holes and cracks from getting worse. Moisture is the worst offender.

Glenn Woodruff stated \$23,000 goes into road fund annually. If you spend a lot to repair every year, then fund is diminished, and we would have less to use when it needs to be replaced. Suggest we fix the worst one's, which are by Al & Kellie's home and by Dave Chadsey's.

Rich Gonzales does not want to replace the road as it would be a hardship on everyone. We also have a drainage issue. Do we have enough slope, culverts, as run-off will impact the road? Agree that some parts are worse than others. If some of these damaged areas are due to ongoing construction vehicles using our road, then the member who is doing the build, maybe part of their refund is reduced for the damage they did to the road.

Desi wants to have the road assessed every spring.

Al Gonzales agreed with Rich Gonzales. Al met with Road & Bridges here at the County offices. The bridge on N. Pagosa near our entrances was supposed to be replaced this year. Now it is set for 2021. How is that construction going to affect our neighborhood and more specifically, our roads. Will they have to re-route the traffic through our neighborhood? Al stated that the guy at Road and Bridges suggested we form a committee and have a discussion with the County prior to the work being done to work out the best possible option for EPE.

Joyce Scahill stated she heard last year they would do one lane at a time but there will be those that don't want to wait and may cut through our neighborhood to avoid the delays.

Kate Crawford stated they could always re-route traffic through the east side of Lakeside and Northlake and avoid us all together. She also asked if we could legally put up concrete barriers at one side of our entrances to keep people from cutting through.

Dave Bates stated he wanted the Board to look at reasonably safe options for our investments of \$152,000 rather than the current CD's they are in. Inflation is rising faster than our interest rate on those CD's. He also stated he lives in Anchorage Alaska on an asphalt road and they have earthquakes, garbage trucks, school buses etc. that are on the road and heavy moisture, yet their road is not failing like our road here. May be due to it being improperly installed.

Joyce Scahill stated our road is 24 years old and that is old for a road. She stated there are few asphalt contractors to choose from too.

John Scahill felt the road report was good but felt a cost comparison with dollar figures assigned to repairs and replacement was needed before the membership could decide on the road issue. Feels road won't last another 10 years. What are other associations with asphalt roads doing on repairs vs replacement and who have they used?

Desi agreed with John in that getting estimates are difficult as some contractors won't give us projected dollar figures, other contractors won't return calls etc. Asphalt at \$250.00 per ton for small jobs but larger jobs, that number decreases per ton. Capstone had a report done by third party and costs were very high. Desi did get one estimate just to do the bad area by Gonzales and Chadsey properties and it came in at \$6,300.00. \$30,000-40,000 could be the cost to do all the repairs we have identified.

Rich Gonzales asked is our road Private or Public? We need to establish that first before we spend any monies on repairs. Need clear understanding with the County. He spent his own money to put a culvert in when building his home which the county required. We all pay property taxes and maybe a joint venture with the county to fix our roads is an option.

Joyce Scahill stated that our road is public, and the county wrote us a letter to that fact.

John Thomas wondered why we are paying for maintenance of the road if the County owns it?

Joyce Scahill stated the County should be doing the snow removal as well and we've tried for years to get clarification.

Rich Gonzales stated he read the letter and it contradicts itself. In one part the County accepts dedication of the road and in another part, they state that it is EPE's obligation to repair their road. We should not spend any monies on road repairs until we get ownership clarified.

Joyce Scahill and Susan Hampton both suggested that Rich Gonzales talk to the County and get clarification. Joyce stated in the past they have tried to get clarification and couldn't. The reason some other communities, like Powder horn and Capstone put up gates, was to make the road their own and not the counties.

Rich Gonzales felt that the Board should discuss with our attorney and then approach the County. Don't want to spend another penny on our roads until we have clarification and 100% assumption that the roads belong to us.

Al Gonzales said it would help to sit down with Rick Perry, the Director of Public Works and discuss this issue further. Al stated he was told that there was money in a fund for this.

Mike Crawford stated we have all seen how the County currently takes care of our town's roads, which is not good and do we want them to take over the maintenance of our roads.

Desi asked for additional volunteers to be on the Road Committee and get these issues addressed.

#### **6. IMPROVEMENTS/PERMITTING/RULES/DESIGN STANDARDS/CONSTRUCTION GUIDELINES:**

Desi stated we are part of PLPOA and must abide by their rules as well as ours. In our prior Declarations, we followed PLPOA's rules but with our current ARC they no longer have authority over our HOA. PLPOA told us they do not perform permitting or inspections on new builds in our HOA, that was our ARC's responsibility. Other general rules not related to permitting or inspections, we still must abide by PLPOA's rules. Steve Dayton suggested a committee to research what PLPOA is responsible for and what our ARC is responsible for and report back to the Board.

Legal action took place years ago with a prior owner who submitted plans on his build and the exterior materials was not consistent with the neighborhood and would have lowered our homes values. ARC turned down their plans, the owner refused to submit new plans and hired an atty to fight the decision. We had to hire an atty and spend money to defend our position.

CO Supreme Court ruled in ARC's favor. The owner sold his lot and the lawsuit was dropped. Do we want a committee to review our current Design Standards and make changes? Did ARC ever do that? If so, the Board never received any reports from ARC on any proposed changes. Steve Dayton suggested a committee to review the current areas:

- ARC review
- Construction Guidelines and Fine Schedules
- Rules and Regulations

ARC stated they have reviewed their processes already. Existing Design Standards are inadequate, and the Construction Guidelines are from 2004 which may need updating. The new BOD will have to review and adopt. John Scahill of the ARC says their primary focus is how does the home design add or detract from our community and how the exterior is important on how it fits in with existing homes and the exterior materials are important from a design perspective and quality of materials because of our extreme winters.

Committee set to review these areas of concern are: Al Gonzales, Bobby Phillips, Richard Gonzales, Desi Dundics and John Vander Horck.

Desi stated we need to have an enforcement policy with a fine schedule if we have our own Rules & Regulations. He stated PLPOA has about 20 of their own rules we have to abide by and our HOA has 5 additional rules which are not part of PLPOA's rules. Same applies to Construction Guidelines. Without a schedule for fines, we cannot enforce a rule and all needs to be simple and clear. Bill Bentley stated we are a small HOA and PLPOA is huge with deep pockets and staff that can enforce rules and regulations and our enforcement becomes an issue if we don't have the money to handle legal issues that arise out of an enforcement issue.

7. **VOTING FOR BOARD OF DIRECTORS:** Currently no policy on voting by raising hand or secret ballot. 5 members running for BOD are Desi Dundics, Bobby Phillips, Al Gonzales, Kate Crawford and Steve Dayton. Per Rules, nominations must be done before voting. Before voting, Richard Gonzales talked about the definition in the Bylaws about "related persons" and what that really means and who can serve on the Board and feels that Bylaw is incorrect and infers a conflict of interest, slander and libel and that our Association has made a big mistake and maybe an atty needs to look at this and advise. Desi stated the Bylaws were already updated and approved. John Thomas felt the definition is ridiculous. Steve Dayton asked what was the intent of that definition and does it mean 2 officers from the same lot or 2 related people? Desi stated he could see why a husband and wife both serving on the board would not have a balanced perspective. Lucinda Hundley stated she thought it could be illegal to deny one property owner from serving if they have a relating in the neighborhood who also wanted to serve. Desi stated it was defined by the Association and not by a CO statute and it is legal. Richard Gonzales stated he would like to see an atty opinion on this and felt if a husband and wife owned two lots, they should have two opportunities to vote but he did not have any desire to serve on the BOD. John Thomas stated the membership voted on the Bylaws, but it never would have been approved if that clause was in there. Joyce Scahill stated Bylaws say one vote per lot. Bobby Phillips nominated by Richard Gonzales and John Thomas 2<sup>nd</sup> the motion. Susan Hampton nominated by Bobby Phillips and Richard Gonzales 2<sup>nd</sup> the motion. Al Gonzales nominated by Steve Dayton and Bobby Phillips 2<sup>nd</sup> the motion. Glenn Woodruff nominated Desi Dundics and John Vander Horck 2<sup>nd</sup> the motion. Barb Bruni nominated Kate Crawford and Glenn Woodruff 2<sup>nd</sup> the motion. Bill Bentley nominated John Thomas and Bobby Phillips 2<sup>nd</sup> the motion. Al Gonzales nominated Steve Dayton and Jana Lily 2<sup>nd</sup> the motion. Total of 7 nominations. Desi Dundics removed his name stating he was no longer interested. 6 people running for 5 positions, 3 of those for 1 year and 2 for 2 years. Secret ballot done. New BOD was determined

by tallying votes. John Thomas, Al Gonzales, Steve Dayton, Kate Crawford and Bobby Phillips. The Board will decide at the next meeting what positions each will hold. Desi Dundics and Susan Hampton were thanked for their service.

8. **OTHER BUSINESS:** Discussion on our lakes. Mike Bruni stated he keeps the PLPOA aware of what's going on with Lake Forest. Pagosa Lake most contaminated. Our Lake Forest is overgrown and may be contaminated. They are currently spraying to kill algae and grass from taking over our lake. The EPE of CO should be contacted to ask about the cat tail problem. They have grown into the lake 8-10 feet. Appears the other local lakes do not have this same issue. Larry Lynch at PLPOA #205 is one to talk to about what it would take to clean up our lake without killing the fish. Do we need to get other homeowners around the lake and on the other side involved to also call PLPOA? PLPOA has said their budget is only for chemicals to treat the algae etc., not to control the cat tails. Mike Bruni will contact PLPOA and have them come out and see what needs to be done.
9. Odor control: Dave Bates stated it's unreasonable for us to try and deal with the treatment plant about the odor and he's tried in the past with no success. Need someone with clout to do this. Maybe talking to the EPA of Colorado and see if they can help us out. There should be a protocol or strategy or process that the plant has about how it releases the odor out into the air. Is there a monitoring system or alarm that goes off if the odor gets to a certain point? The odor is intermittent. Do they have the money to fix this issue or not? Are there laws about exposing the community to this odor? Do we involve the County Commissioners by letter or in person about this problem? Dave Chadsey has already contacted Dept. of Public Health in Denver and was referred to our local San Juan Public Health.
10. Photo contest: #16, "Visitor on Patio" won the award for best photo submitted by Candace and Curt Door.

Joyce Scahill made motion to adjourn and John Vander Horck 2<sup>nd</sup> motion. Meeting was adjourned at 12:40pm.