

EATON PAGOSA ESTATES ANNUAL MEETING MINUTES
JUNE 28,2023 PLPOA CLUBHOUSE 4:00 PM
PAGOSA SPRINGS, CO 81147

BOARD MEMBERS PRESENT: Elmer Balvanz, Kate Crawford, Bonni Pszola, Robin Struck and Treasurer Steve Dayton.

BOARD MEMBER ABSENT: Al Gonzales

MEMBERS PRESENT: Gary and Julie Pederson, Deb Balvanz, Desi Dundics, John Thomas, Joyce and John Scahill, June Ferguson, Mike Russell, Kellie Gonzales, Richard Gonzales, Kathy Lynch, Curtis and Candace Door, Michelle and Michael Berndt, John DeMarco, Glenn Woodruff, Dave Bates, Billie Taylor, and Don MacNamee

MEMBERS PRESENT ON ZOOM: Mike Crawford and Al Gonzales

CALL TO ORDER: The meeting was called to order by Secretary Kate Crawford at 4:03 pm.

2022 MEETING MINUTES: Secretary Crawford reminded all members that the 2022 meeting minutes were posted on our website and asked for comments. The only comment was that the roads are 26 years old, not 19 years old. Motion made and seconded to approve the minutes.

WELCOME NEW MEMBERS: Secretary Crawford welcomed Mike Russell at 1202 Lakeside Dr. and Gary and Julie Pederson at 983 Lakeside Dr.

REPORTS:

Financials Update- Treasurer Dayton

A review of the proposed budget for fiscal year July 2023-June 2024, as well as the actual numbers from 2021-2022 and the projected numbers from 2022-2023. Property owner's dues are paid in full and will remain at \$950 per year. Total funds in Road Reserve currently at \$225,313 and total funds in Operating Account are \$16,834. Expenses projected at \$16,110.

Landscaping increased significantly to \$2,000 which covers water and water line maintenance for the entrance, redoing the path, upper and lower sections down to the dock, Member John Scahill voiced that that the monies for the path should be re-directed for the Road Reserve funds as not many members use the path.

Snow removal costs are projected at \$3,750. This past year's expenses went up significantly due to the amount of snow that fell.

Maintenance costs are projected at \$6,271, up significantly from prior years due to completing the dock installation.

Treasurer Dayton reported that most investments are in treasury bonds ranging from 30-day terms to others ending August 2024. They range from 2%-4.8% yields. Member Bates feels we should be focusing on higher returns, like stocks. He feels the Board has been too risk adverse and investing in CD's has failed to keep up with inflation. He stated "The greatest risk is having insufficient funds to repave the road when it becomes necessary. Failing to invest more aggressively has significantly increased the risk. Simply increasing annual homeowners'

association dues will not resolve this failure. It is time for the Board to acknowledge that taking some investment risk is imperative. Scott Investments in Pagosa Springs could give some good advice on how to invest to meet our goal.” Treasurer Dayton stated if we had invested in stocks last year, we could have lost about 40% of our funds. Secretary Crawford reminded the members that to increase our risk in investments may require a majority of 67% of the members to approve. This item was tabled for the new Board to discuss later.

There is one home with a deposit on hold. Balance of \$2,700, which \$2,100 will be returned to the member upon completion of the home with a Certificate of Occupancy from the Architectural Review Committee, and \$600 will remain in the account.

Legal expenses projected to \$1,000 which were questioned. Treasurer Dayton stated we have not had any legal expenses in the previous (3) years but it will allow for any legal expenses that may arise in the next year. Counsel is Chapman & Dyer.

Finally, Treasurer Dayton advised the members that he had received a note from the PLPOA Master Association of a new bill which all members must be advised of. There will be a statewide committee formed which will review all HOA bylaws and provide a place to comment or complain to. The House Bill 23-1105 reads as follows:

“Pursuant to House Bill 23-1105, signed into law on May 24, 2023, an HOA Task Force is to be appointed by August 1, 2023, to examine issues regarding homeowners’ rights and to perform other duties as noted in the new law. Each homeowner association in Colorado is required to notify owners about this task force. If you have questions about the task force, the HOA Information Office (part of the Division of Real Estate within the Colorado Department of Regulatory Agencies) may have additional information.”

No action required by EPEPOA currently.

Discussion regarding reducing the landscaping line item from \$2,000 to \$500 was approved. Member Bates made a motion to accept the Proposed Budget Total expenses for operating expense approved at \$14,610 and it was seconded by Member Thomas. The budget was approved by a majority of 26 lot owners present and by proxy.

Road Maintenance- Vice President Balvanz

Strohecker Asphalt is repairing the (70) cracks in our roads. The second phase of repairs will be 2 coats of slurry extending the life expectancy of the road 10-15 years, but that will require regular maintenance of the road. Member R. Gonzales stated we should be chip sealing the roads. Member Thomas stated 2 years ago his board investigated doing that and was advised that with our snow load, snow removal by plows and the moisture makes the chips tear out. The original estimate was \$91,000 which included the roads, in front of the mailbox and turnaround. The PLPOA gave us \$8,000 because we are not the only homeowners using the mailbox and turnaround area. EPEPOA uses (2)0 mailboxes of the 63 mailboxes available. Vice President Balvanz advised that he has asked PLPOA for (2) no parking signs for the turnaround area and the current sign in the turnaround will be relocated. He also asked for a dog poop dispenser to be placed at the entrance.

Dock Repairs- Vice President Balvanz

EPEPOA received \$20,000 from the insurance policy to repair/replace the dock. The previous year budget allowed \$7,400 for dock repairs. Cost estimate was \$27,211. Existing parts such as

handrails and bolts will be re-used, if possible, to save costs. The expected completion date is end of July. Member Scahill asked if we could negotiate a deal with Larry Lynch to help us repair the dock in exchange for any leftover parts.

Landscaping/Mowing Update- Director Robin Struck

Member Berndt completed a partial mowing at the front entrance. Walter who has done our mowing in the past of the communal areas and vacant lots (billed to the homeowner). VP Balvanz will contact Walter to set up the mowing. Covenants require that no grasses be higher than eight inches. Member Russell has a vacant lot #34 and needs help to get it mowed. The maintenance of the front entrance needs to be addressed and volunteers are needed.

Architectural Review Committee- Vice President Balvanz

Member K. Gonzales commented on the status of their house completion on lot #16. She stated that work will resume in (2) weeks and it is planned to have it framed and closed in by mid-September. ARC chairperson Balvanz stated this is the house with a deposit on hold.

Members questioned if it was a conflict of interest for E. Balvanz to be on ARC and the Board. He answered that we need more people to volunteer for the committees and with only thirty-eight lots in our community, it is difficult to get volunteers. He asked if anyone was interested, to email the Board or ARC. Members want better communication and disclosure of what is going on will help prevent conflict of interest. Member Scahill asked ARC Chairperson Balvanz when his siding would be completed on his home. Balvanz stated he had shoulder surgery last November which kept him from completing it in 2022 but would complete it this year.

Snow Removal- Vice President Balvanz

The contract with Mitch at M&M has been renewed and they have done an excellent job with our roads. Members asked about them removing berms from in front of the driveways and that is not part of their contract. Secretary Crawford asked the members to help their neighbors who cannot remove their own berms. Member R. Gonzales asked if we should have snow accumulation areas designated, like vacant lots and communal areas.

ACTION ITEMS:

Term limits and new Board vote- Secretary Crawford

Term limits for Board Members was brought up by Member Dundics. Even years for a 2-year term and odd years for a 1-year term to alleviate too many Board members leaving at the same time. He stated that as a point of familiarity, we should approve each Board member nominee separately and that CO statute requires private voting if there are more nominees than open positions. He stated that we have (4) open positions, and (4) nominees so no private vote is required. Director Struck has one more year but asked to be replaced if there were enough nominations. President A. Gonzales has one year remaining. Members E. Balvanz, G. Woodruff, D. Dundics, and John Scahill submitted applications. Treasurer Dayton stated he would continue as Treasurer but not be a Board Member.

Secretary Crawford asked by show of hands to approve each nominee separately. All (4) nominees were approved. The new Board will be Al Gonzales, Elmer Balvanz, John Scahill, Desi

Dundics and Glenn Woodruff. Their positions on the Board will be decided later. The new Board agreed to hold Open Board Meetings with all members welcome, as it should be.

Community Gatherings and Committees- Director Pszola

Director Pszola reported that although a few members expressed interest in the Ladies coffee and the end of summer party, no one stepped up to lead the committees. Due to Covid in the last 2 years, members did not want large gatherings such as the progressive dinner Christmas Party. Director Pszola stated she thought these community gatherings would instill a sense of community and to meet our new neighbors. She will send out an email to all members to sign up for the various gatherings. The neighborhood clean up day had volunteers who signed up and those names were given to VP Balvanz.

Violations- Secretary Crawford

Secretary Crawford stated that all members were mailed a letter about violations dated April 10, 2023. Those that had violations were asked to resolve them within 35 days or no later than May 15, 2023. A certified letter was mailed on June 10, 2023 to those members who did not resolve their violations.

Secretary Crawford reported that as of this day, June 28, 2023, all members had resolved or were in the process of resolving their violations. She reminded the members that when each of us built or bought in this community, we agreed to abide by the Covenants and Bylaws of this Association. She suggested if you see a neighbor with a violation, go to them first and discuss and if it cannot be resolved amicably, then report it to the Board. Member MacNamee asked about the definition of an inoperable vehicle. Secretary Crawford read out loud the Covenant pertaining to his concern.

NEW BUSINESS: (Any member can comment up to 3 minutes on any concern)

Member B. Taylor said we live in a beautiful neighborhood, and we need to keep an eye on the budget to keep it beautiful.

Member J. Scahill addressed the concerns about what would happen if our HOA was to dissolve. He spoke to PLPOA manager Allen Roth on June 9, 2023. Mr. Roth told Member Scahill that our Covenants would remain the same and valid, thus no short-term rentals would be allowed. The PLPOA would take care of snow removal. The PLPOA may increase our dues if the roads need to be repaired in the future and they would assume the liabilities and charge us accordingly and may do a reserve study for long- and short-term issues. Member Dundics stated he was confused about Member Scahill's conversation with Mr. Roth. Member R. Gonzales agreed with Member Scahill's report, and Secretary Crawford stated she was informed that any monies we had in our investments and bank accounts would be turned over to the PLPOA. Additionally, the building standards would follow PLPOA standards unless a different standard was mandated by our Bylaws.

Member M. Russell asked for help getting his #34 lot mowed. The Board advised that when Walter would start the mowing, he could do his lot too but would be charged separately for it. Member R. Gonzales asked if he could put up a "no trespassing" sign in the area between his property and Member McGuire's property. The Board advised that in our Covenants, Section 8, no signs of any kind can be placed on your property unless approved by the ARC.

Member Pszola requested the new Board be mindful of the dock and pathway and their needed repairs as those amenities are listed on every Zillow property description. She stated we maintain our roads, the front entrance, and other components of the neighborhood. Members G. Pederson and J. Pederson stated their reasons for wanting to buy in this neighborhood was that it was well-maintained, both properties, the dock, and the roads.

ADJOURNMENT:

Member Thomas made a motion to adjourn, and it was seconded by Member Bates. The meeting adjourned at 5:47 pm.