

EATON PAGOSA ESTATES PROPERTY OWNERS ASSOCIATION
Board of Directors Meeting Minutes
JULY 24, 2023 6:30 PM
PLPOA CLUBHOUSE
PAGOSA SPRINGS, CO 81147

BOARD MEMBERS PRESENT: Elmer Balvanz, Desi Dundics, Al Gonzales, Glenn Woodruff, Gary Pederson

BOARD MEMBERS ABSENT: None

ADDITIONAL OFFICERS PRESENT: Steve Dayton (Treasurer), Julie Pederson (Secretary)

ADDITIONAL MEMBERS PRESENT: John Thomas, Kellie Gonzales, Richard Gonzales

Call to Order: The meeting was called to order at 6:43 by Desi Dundics and was officiated by Desi. Meeting minutes were taken by Julie Pederson.

Discuss options for filling the vacancy on the board:

Desi announced that there is a vacancy on the board as a result of the resignation of John Scahill. Steve Dayton expressed a willingness to be on the board but has reservations about not doing all the work. Gary Pederson has also said that he would be willing to step up if needed. Gary introduced himself and his business experience, especially with insurance. Discussion about the many duties that Steve already fulfilled as treasurer. Steve agreed that he would continue as treasurer and Gary could fill the board vacancy. Desi made a motion to select Gary to be on the board. Glenn Woodruff seconded the motion. A hand vote was taken. Motion carried unanimously. Gary joined the board at the table.

Confirm the term of each board member:

As per the bylaws, board member terms are two years which are staggered so that under normal circumstances there are two board members elected on even numbered years and three board members elected on odd numbered years. This year was unique because of the vacancies and four new board members needed to be elected. Al Gonzales has one year remaining on his term, so one of the four new board members will need to agree to a one-year term, Glenn expressed interest in being on the board for only one year. Glenn and Al have one-year terms. Desi, Elmer, and Gary will serve two years.

Selection of officers:

Desi announced the need to select officers: President, Vice President, Treasurer and Secretary.

Treasurer: Al made a motion for Steve Dayton to be Treasurer. Glenn seconded the motion. The motion carried unanimously.

Secretary: Gary nominated Julie to serve as secretary. Desi made a motion that Julie be secretary for the next year, Glenn seconded. The board voted unanimously; motion carried.

President: Al made a motion for Desi to be president, Glenn seconded the motion. Desi asked for discussion and expressed his willingness to serve as president with conditions. Desi's interpretation of the duties of the Board is that board members are to oversee the officers and the committees. Officers and committees should do the work they are tasked with and bring it before the board with issues outside the norm, if disputes arise within a committee, or if recommendations need to be approved. Desi is only here part-time and so committees need to take care of the duties they are assigned. He can organize, coordinate, and interface with committees. There must be others to be involved to operate the committees. The President and the Board cannot and should not be doing all the work. Steve Dayton expressed that many people in the neighborhood are willing to step in and help but need some guidance. Might need to be told some of what they need to do. Desi stated that it didn't make sense for him to be President and be here parttime if others expected him and a few others to do all the work. He is willing to step up and fulfil the role of president with others providing support. Called for a vote. The vote was taken and passed unanimously. Desi is President.

Vice President: There was a nomination for Glenn to be vice president, but Glenn refused. Steve said part of the issue or reluctance for accepting positions is that he's not sure there are job descriptions. Desi said descriptions are minimal and that they are in the by-laws. The VP basically steps in if the president can't do his duties. Gary expressed his willingness to serve; although, he'd prefer to wait a year to see how things on the HOA board work, but if he's needed in that role, he's willing to do that. Steve discussed that if Gary does take the VP position, then the others can fill in the other needs on committees. Desi made a motion for Gary to be VP; Al seconded the motion, and the board voted unanimously. Gary is VP.

Appointment of Architectural Review Committee members:

Al said he has previously worked on roads and would be willing to continue doing that. Al said that Curtis Door requested to be on the ARC committee. Richard Gonzales said he'd like to be on the committee, and Elmer said he would be on the committee. Discussion on whether the board makes final decisions. Desi said you look at the declarations which give the ARC committee a lot of power. If there's anything the ARC committee wants to do that isn't in the declarations, then the ARC should bring it before the board. It was agreed that the committee will select their own chairman. Desi made a motion that the following members be appointed for the ARC: Richard Gonzales, Elmer Balvanz, and Curtis Door. Glenn seconded the motion. Unanimous vote Yea.

Discuss ARC procedures:

ARC does not need to report to the board as long as everything is covered by the declarations. Desi discussed that there should be a procedure as to how the ARC committee interfaces with the homeowners: procedures on what's submitted, how

quickly the ARC committee responds, what an appeal process is if the homeowner doesn't agree with the ARC committee. The ARC should come up with their own policies and procedures and bring that before the board for approval. Steve stated that a document was developed by the ARC about three years ago. Desi requested that any documents that exist be turned over to Richard and the ARC committee to formulate the desired procedures and then bring that before the board for approval. It needs to include an appeals process. Richard stated that normally ARC works independently. Al Gonzales indicated that the ARC should bring the decision to the board for approval. Elmer said the ARC committee has been going by what's posted on the website. Desi agrees with Richard that we should take everything that we have now (construction guidelines, policies and procedures and declarations), give it to the ARC for their recommendations which can then be brought before the board. Steve also thinks that ARC should go through everything and then the board can help decide but nothing can be changed from the declarations without a vote of the entire HOA membership.

Discuss committees and makeup:

Desi asked who is currently on the landscape committee. Steve believes there are some who expressed interest, but besides Elmer no formal committee was actually formed. Steve wants to know the actual duties of the landscape committee. Current understanding of Landscape Committee responsibilities: maintenance of all common areas, the dock, the path to the dock, the path between Glen Eaton and Lakeside, snow removal from roads and dock. Board members questioned whether that dock is part of landscape committee responsibilities or ARC. Elmer said he would be willing to keep snow removal under the landscape committee since he already has been doing that and has a good working relationship with the snow removal contractor. The board agreed to keep dock with landscape committee. Someone asked if Don was on the landscape committee since he did weed control. The association owns the sprayer and buys the Roundup but Don owns the tractor. He should be on that committee.

Landscape Committee Duties: Maintenance of all common areas, maintenance of the dock, and the path to the dock and the path between Glen Eaton and Lakeside. No formal committee other than Elmer, but there are homeowners who have expressed interest.

Roads committee: Al, Elmer, Michael Berndt.

Discussion on other committees we might need or want. Desi mentioned having a social committee. Someone to organize social events. Steve expressed his thought that maybe social activities don't need a formal committee but could just be someone who steps in and wants to organize an activity.

Discussion of rules, fines and enforcement:

Desi expressed that we need a committee for Rules and Enforcement. We have bylaws and declarations which have rules, and we are part of a master association which has rules. The master association will allow us to govern ourselves if we govern in accordance with their expectations. If we are going to have the rules, we need to enforce the rules. We should evaluate the rules and see if the current rules are still

appropriate. There are rules that some people don't think we should have. A survey from last year showed that a majority of homeowners would like enforcement which includes fines. Desi suggested that as a general practice that any enforcement process with fines should go before the general membership but is not a requirement by the bylaws. He expressed that we need to have rules, fines, and a process by which violators are notified, a process for appeal, etc. Al said that homeowners were overwhelmingly for having enforcement and fines. He said that Kate had that paperwork. The previous board sent out letters with infractions/fines. For the most part, the infractions were taken care of. The PLPOA General Manager had made a previous comment that EPEHOA rules and fines can be stricter than PLPOA rules and fines but that they cannot be more lenient. PLPOA will enforce rules we have in common with them if asked to do so, but they won't enforce rules that we have that don't exist with the PLPOA. Gary asked about the history and the magnitude of the problems. That is needed before we can decide how to address this. Al said he can provide a copy of the previous discussions and decided-on procedures. Al said no one pushed back when approached about fixing issues so maybe we should just keep things the way they are. Steve suggested we tighten up what the rules are and a fine schedule and that should take care of it. Al will provide what is available as far as previous violations and how it was handled. Desi said that once we all have that info, we can decide how to proceed but that we don't have enough information to make a decision right now.

Update of dock repair:

Elmer has talked to PLPOA about using their dock crew to come fix it. The funds for repairs are in the approved budget. He has another crew that can work on weekends. He also has some neighbors who have expressed interest in helping. Elmer thinks the repairs can be finished in the next couple of weeks. The only unknown issue is how hard it will be to remove bolts and if any of those can be reused. He expects the repairs to be completed by the end of the first week of August. The old dock will have to go to the landfill. That has been budgeted.

Discussion of reserve fund investment options:

Steve said it was suggested at the annual meeting that our reserve fund be invested in higher return investments. Currently funds are in CDs and/or Treasuries with different maturity dates. Higher yield investments are something to be considered. If we are going to invest in something that is not low risk, we need to come up with an investment policy statement, direction from the board authorizing it, clarification of duties such as who will make those investment decisions. There are many considerations. Need to better understand our liabilities to know what monies are actually available for investments. Steve thinks this can be decided by the board. He's willing to do the work needed. Other members believe this would need to be voted on by the HOA membership and majority agreement. Gary brought up concerns about liquidity, liability, and true 5-10-year projections. How much risk would members be comfortable with. There are a lot of considerations here. Al suggested that the road committee could come up with 5-10 year projections regarding cost of roads over that time period. Archuleta County owns the road but the association is responsible for the road maintenance. Steve suggested that the board decide on whether to go forward with this and then decide whether it needs to go to a vote of the general membership.

Discussion of liabilities, risks, and return. Would the board be indemnified to go further? This isn't something that an individual can decide. Right now, we're getting about 5% interest in safe investments, but that could change and go back to zero. Appetite for risk has to be evaluated. Maybe now is the time to start getting things set up on how we'd go about this but hold tight right now.

Richard asked if we are a not-for-profit organization and if we pay taxes. Do we file with state? Richard's concern is that we are a non-profit organization whose money is really earmarked for roads. We aren't an investment group looking for profits. There is too much risk with stock investment. What is our liability with not maintaining roads to the specifications that the county would suggest. Are we insured on this road if someone gets hurt? Would the association be sued and be held liable. We do have liability insurance policy through American Family. Gary has volunteered to look over the policy. Back to investments, Richard thinks we need to keep our safe place for money. He asked if we write checks and who signs. Steve writes and signs all checks. We don't do many checks. He brings major expenditures to the board. Richard is suggesting that someone besides Steve is on the signature card. The current officers should be on there. After the current road expenditures are paid for, we will have approximately \$175,000. The consensus is that we should not change how we are investing funds. Keep the funds very safe. A letter will be drafted and signed by the board responding to Mr. Bates

Other:

Steve is ready to send out dues invoices. It was suggested that invoices be sent out after Walter completes the mowing so that mowing costs can be included as appropriate.

There was a water leak at the front entrance and our bill jumped by over \$700. The leak has been fixed. Elmer will investigate the process for submitting a request for leniency to PAWS.

Desi thanked everyone who is serving and encouraged the board that we can do this. Richard asked when the next board meeting will be so ARC can bring their recommendations before the board. Will look at possible dates, maybe late September.

Adjourn:

There being no further business on the agenda, Desi adjourned the meeting at 8:15 pm

APPROVAL OF MINUTES

These minutes have been reviewed and approved by all directors.



Desi Dundics, Chairman of the Meeting