

EATON PAGOSA ESTATES PROPERTY OWNERS ASSOCIATION
Board of Directors Meeting Minutes
SEPTEMBER 21, 2023 6:30 PM
PLPOA CLUBHOUSE
230 PORT AVENUE
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, Jude and Janet McNally, Kate Crawford, Bob & Billie Taylor, Bobby Phillips, Joyce Scahill, Bonnie Pszola, Richard Gonzales

Call to Order: The meeting was called to order at 6:31 by Desi Dundics and was officiated by Desi. Meeting minutes were taken by Julie Pederson.

1. Road Committee Report (Al Gonzales)

- a. Al introduced Kip Strohecker, the contractor doing crack repairs on our roads.
- b. Presentation by road contractor (Kip Strohecker), reporting on the status of the road repair. Kip says it's too late in the year to start the sealing. Sealing is usually done by the end of September, first of October. He recommends waiting till next year to do the sealing. If any cracks come up because of the delay in sealing, he'll do that repair at no cost to us. Crack filling is a yearly thing: a maintenance issue. Our roads are not in bad shape. Roads need sealing every 4-5 years and patch where asphalt falls apart as needed. The areas where asphalt gets broken up is called "alligatoring". Patching only occurs when a hole starts forming. Then we suggest cutting that out and patching it. Kip was asked what he thinks about how much longer we might have before the road needs to be totally repaved and about what that will cost. Kip says that we must keep up with the maintenance, and we could get another 10-12 years out of the current road. He thinks a 2-inch overlay would be the next major step once patching and sealing aren't effective. He apologized for not getting the seal coating done. What is the potential for damage since it didn't get sealed? If the "alligator area" turns into a pothole, that's on him and he'll repair it at his cost. Can use a drone to take pictures to inspect the road. Al & Elmer are on the road committee and Kip should coordinate with them. It was requested that we have priority to get our work done first this spring, so we don't find ourselves in this situation at the end of next summer. Kip asked if it was ok to go ahead and bill for the patching of the cracks? Steve said we've paid \$15,000 so far for patching the cracks and \$10,000 for the mailbox area (of which \$8000 was

reimbursed by the PLPOA). There is still \$66,366 to be paid for crack sealing and 2 coats of sealer. The crack sealing has been done and Steve will need an invoice for that portion of the work.

2. Landscape Committee Report (Elmer Balvanz)

- a. Report on the status of the dock repair. We had planned to work on trails after dock repair was completed. Haven't found anyone to complete the work. Still working to see if we could get help through PLPOA. We have the money to do this but just can't find the people to do the work.
- b. Need to get rid of sign in middle of turnaround area to make it easier for snowplows to get through. No parking signs seem to be doing the job. Anything between 4-6" snow – snowplow will come through.
- c. Report on issues associated with lot mowing. Feedback was received about lots getting mowed that weren't supposed to be. From here on out, we will highlight on a plat map which lots are to be mowed by Walter. Next year, if you don't let the HOA know that you want your lot mowed, it won't be mowed. We have no control over how much he charges, and we're not sure how he's pricing the mowing. He might try to sell the company which means we might need to find someone else who does commercial mowing. A question was raised about guidelines for what needs to be mowed. Is it based on the size of the lot? Is it front yard or entire property? The rule has been anything over 8" needs to be mowed. There are areas that are marsh/wetlands which can't really be mowed. Don't seem to have any exact regulations regarding mowing. Desi asked if the board wants to establish any guidelines. Members expressed that it is hard to base it on a certain month since weather plays such a big part. It seems that the issues aren't with lots with houses, but with vacant lots. The PLPOA rules are that a vacant lot doesn't have to be mowed. We don't have a current standard – going by "grace". We have very few vacant lots left. If the homeowner lets the lot go, the ARC should be able to address that with the homeowner. Don't necessarily need a written rule. Too many variables to come up with a rigid policy.

3. Treasurer Report (Steve Dayton)

- a. Total funds available \$259,000
- b. Update on status of dues invoices: Billed out in August, due end of September – collected 25 lots and 12 remain unpaid which seems normal. Steve doesn't anticipate any issues. He will send out reminders for unpaid invoices at the end of September. The only out-of-the ordinary expenses have been due to the substantial water leak issue at the entrance, the repair and big water bill. Elmer

negotiated with PAWS for a reduced bill (would have been additional \$1100 but negotiated down to additional \$500). That's the only expense over what was budgeted.

- c. Update on status of financial investments. We spoke at length at the last board meeting about investment options. The board determined that we weren't willing to invest in more risky investments. We will continue with what we've been doing (US Treasuries – rates have gone up). We are currently earning, overall, about 4.3 percent (earning about \$800/month). We should be over budget on investment income. Based on what Kip said, we could come up with a better long-term projection regarding the road.

4. Architectural Review Committee Report (Richard Gonzales)

- a. ARC met three times since organizing. Richard was selected as chairman for 6 months and then see if someone else wants to step into that position. Curtis will serve as secretary and Elmer will be vice-chair.
- b. Status of current active projects/issues: Have identified four ongoing projects. Currently projects include AI Gonzales' new construction; Pederson landscaping which is going well; Desi has submitted an application for tree removal; and John and Janet had a solar application from years prior (we've not had much communication about the status, but we think it's happening and we don't see a problem with that.) The challenge is that ARC doesn't have a file to go by so it's hard to determine what applications are outstanding and whether those applications can be located so we have a reference where we can go by and look at them. We contacted AI because we didn't have a copy of a plan on file with ARC. AI provided the plan which is properly permitted by the county and there was a site plan with it. Provided that house is built within that improvement survey, there are no issues with the setback.

ARC has agreed to take on issues as a group, not as individuals.

Issues: Light issue – Is it ARC's responsibility to address and enforce the dark sky policy? Another issue: Use of common area for construction activity. AI was contacted by Curtis. ARC wants to encourage and assist in getting projects done as soon as possible. AI will be cautious using the trail if he had to use it and would recondition it when construction has been completed. AI has been asked to put that in writing and he has agreed.

- c. Other major issue – proposal to redo ARC – new guidelines, policies and procedures and what applications are necessary.

Is there a time limit for a permit on landscaping. No limit if it's actively being worked on. How about for the permit for Al's house? Elmer said he has a copy of the extension for Al's house which was granted by previous ARC. Again, the problem is not having a file in place for ARC.

Discussion on what files exist and where they are. From this point on we need to identify what files we need, where they will be stored, how they will be turned over to a new board. Maybe put a call into Debbie Sparks regarding the missing box of files given to Robert Sparks. Desi will give her a call. Maybe we need an inventory of what we do have. Each person who has any files will report back on what they have. Steve, Al, Julie, John Cahill (on his computer) and Joyce Cahill.

Need to get the insurance information to Gary for review.

5. Rules enforcement issues (Desi Dundics)

- a. What kind of association are we? What kind of board do we want to be? Do we want rules, enforcement, a fine structure, or do we not care? Al said we want rules based on properties he has for sale and the questions he receives regarding rules of the neighborhood. Properly structured rules and fines might be needed to keep up property values. Walking the neighborhood, we do see problems that need to be addressed. Desi has compiled a list of all rules he could find from our declarations and from our rules and regulations documents and from PLPOA. What is the rule, is there a fine (PLPOA), and a column on who enforces these rules. ARC has the authority to enforce all use of lot rules. In our declarations, Article 3, Use of Lot. Based on declarations, ARC is responsible for just about anything that goes on what goes on with an individual lot. The only things not included seem to be exterior lighting after 10 pm, outdoor storage, and more than 4 cars in a driveway. The PLPOA could also be considered as responsible for enforcement. But right now PLPOA ignores us since we have our own ARC. If we had the same rules as PLPOA then they could enforce them, but if we have rules that are different, we can't expect them to enforce the rules we have that aren't their rules. Overall, we have a pretty good self-policing neighborhood. The problem is that no one wants to volunteer to be an enforcer.
- b. What are obvious violations? Properties with pull behind trailers in their driveways, abandoned vehicles in driveway, construction vehicles in yard. Not a lot of violations, but the ones we have, have been there a very long time. If you enforce one violation, you must enforce them all. Kate previously sent out letters to everyone with guidelines and let people know if they were violating. Later sent a second letter to just the violators. Possibly sent a third letter. As of the annual meeting, everything had been corrected but has since reverted. There was discussion that this happens because there are no fines. We want a small

neighborhood where everyone is approachable, and everyone abides by the rules. That isn't where we are right now. What can we do to get back to that? We want to have rules and fines to enforce, and a vehicle by which to enforce them, but we want to do that in a friendly and neighborly manner and cannot have selective enforcement. A fine schedule would require a 2/3 membership vote.

Article 15, Section 3 – states who may enforce violations of the CC & Rs: the association, the master association, or individual homeowner. Not clear that ARC can do the enforcement. Desi proposes that he could draft a policy with rules, etc, and present to board to discuss and rework it and have it ready for next year's annual meeting for approval. We want the membership to agree to this. We then need to enforce the rules with a fines schedule. Desi would like to save this for the annual meeting to facilitate discussion. Even if it didn't get approved it might give us information about what we could do that WOULD be approved.

6. ARC Processes/Procedures and Construction Guidelines Review (Desi Dundics/Richard Gonzales)

- a. ARC met to address attachments sent by Desi which involved historical work done: policy and procedures, new guidelines, and ten applications which should be used to address projects members may have ranging from new construction, remodels, landscape issues. Looking at the historical data and work from previous members and board members of ARC has done, it's already there, we just must adopt it. ARC sent question to Desi on whether adopting it requires an endorsement of the board. The CC&Rs say that ARC has a responsibility to enact these rules and regulations as they see fit and as times and designs change as long as they don't conflict with the CC&Rs. In good governance, it's better to have everyone on the same page, particularly with the elected members. It makes sense for ARC to adopt these issues and the board to either agree with it or change it or say it won't work or throw it to the membership.
- b. The challenge that ARC has is that there is nothing to refer in order to see what precedence has been set by ARC when it comes to major approvals. There is a recognized issue as to the timing of getting application approved, what needs to go into the application, and the quality of plans and specs presented as part of the application.
- c. If it's done by an architect and stamped by an engineer (both must be licensed in the state of Colorado), this is enough for ARC to approve the application. ARC recommends that ARC adopts these policies and procedures which have been in place. How do we clean up ARC and be sure that in the future ARC is very consistent. Covenants give ARC the responsibility to enforce the policies, guidelines, and applications in the covenants. Applications for various requests to do work. The master association uses these; why can't we? We need consistency. Richard

has emailed the board with the recommendations that ARC has made and, unless told otherwise, ARC is adopting these policies, the manual, and all the applications. Still needs to be tweaked by ARC but we'll have it so it's consistent for everyone. ARC has sent the board a list of all recommendations of everything the ARC would like to adopt.

d. The main points are:

Technical issues: house/construction

Manner in which ARC operates

Permitting, applications (Forms were basically from PLPOA, same with applications, but adapted for EPEHOA)

- e. Desi sent out his observations regarding things which had been problems in the past. How do we partner with someone trying to build instead of being seen as an adversary. We need to make the process timely. Need to correct our CC & Rs. Current wording doesn't make sense. How many homes were designed by an architect? Elmer: Need a complete set of plans to get a building permit. Must be stamped by a structural engineer. Let the city/county building officials worry about the approval. We could just say it has to be approved by the building department. We only want the responsibility for how things look. We don't want or need the responsibility to determine structural integrity (this is already done in getting a building permit). Richard stated need to either enforce the current CC&R's or rewrite them. Elmer suggested simplifying and saying they must have approval by the building department with a building permit. Currently we must approve plans before going to the building department.
- f. Desi suggested we need some formality in any changes made. The board serves the membership, and the board appoints the ARC. Therefore, ARC works for the board and the board works for the members. Need to have the process and forms and guidelines on the website so it's obvious what someone needs to do to get project approved. Change is needed to the CC & R. Looking to clean things up so we don't have these inconsistencies in the future. To amend the CCRs, you will need a 2/3 vote of membership. To get a building permit, the homeowner needs to first have approval from ARC.
- g. Desi wrapped it up by saying there is a lot of work that needs to be done. Construction guidelines need to be in line with the CC&Rs. Someone needs to put out a document and send it out for review. Then the board can get together to discuss. Richard asks for endorsement from the board for applications that ARC has submitted.

8. New business

Rob, new resident of Lot 1, has offered to help with our website. He should speak to Desi since he did most of the original work. No one has been working on it.

Gary made a motion to adjourn. Al seconded the motion. Meeting adjourned at 8:12 pm.

APPROVAL OF MINUTES:

These minutes have been reviewed and approved by all directors.



Chairman of the Meeting