

## DMCA Annual Meeting Minutes

January 14, 2018

6:05 PM meeting called to order.

Board Members Attending: Vince Snowbarger, Gordon Mull, John Young, Tom Seaman, Val Szwarc, Bill Lindler

DMCA Members Attending: Carolyn Snowbarger, Melinda Mull, Glenda Young, Laura McAlevy, Gary + Brenda Ratcliff, Henry Hooper, Rick Taylor, Judi Snelling, Kent Parkison, Larry Benasutti, John + Debra VerStraete, Steven Chevalier, Darrell Hartigan

1. Before the Annual Meeting commenced, Gordon reported that he had received a quote for a water tank inspection from a certified company in Grand Junction. The quoted price is \$750. The Board agreed that this is a good price and that we should accept it. Tom made a motion to approve the cost of the tank inspection. Vince seconded. The motion was unanimously approved.
2. Vince called the Annual Meeting to order at 6:05. Judi Snelling gave Tom, as Secretary, vote proxies signed by Remmler and Daniels.
3. Vince recapped the President's Report that had been distributed to the member with the Annual Meeting packet. He noted that the website is up and running, that the Board Minutes through Nov. are posted; he noted that board meetings are held the 2<sup>nd</sup> Monday of each month and that they are open to the membership unless otherwise stated; he noted that the board has been attempting to deal with the Nightly Rental issue and that an open meeting had been held in February to discuss the issue and that a Survey was sent to the membership in August; he thanked John and Glenda Young for doing a good job with the DMCA financials; he thanked Bill for his work with the ACC; and he thanked Val for overseeing insurance.
4. Vince stated that one of the board's tasks for 2018 is to codify the rules and regulations in the CC+R's. He noted that, while we have a number rules and regulations in placed, they can be confusing. Vince observed that rules regarding dogs, ie-leash laws within DMCA, also need to be addressed. And, he stated that we can't ask renters to abide by our rules and regulations if they are not clear, f they are not written down, and if they are not posted for all to see.
5. Gordon provided an update on legal matters. He summarized Garth Valentine's pending appeals to the State Supreme Court. He observed that the court is not likely to hear the appeals but that we have to wait and see what the court rules. He also summarized Lynn LaCourt's ongoing non-compliance with DMCA rules

regarding her fence. Gordon noted that Ms. LaCourt continues to incur fines and fees as a result of her non-compliance.

6. Henry Hooper questioned whether the court had approved adding our legal fees to the amounts due from Garth. Gordon affirmed that they had up through the award date of the judgment. We can add additional legal fees later. Rick asked how much the legal fees are at this point. Glenda responded that they are roughly \$46,000. Vince noted that judgments earn 8% interest in Colorado.
7. Kent questioned when was the last time that Garth paid for water. Vince responded that it was a long time ago and that Garth owes for water and for dues.
8. John VerStraete observed that the Wood-Perry Ditch Company is also owed significant money from Garth. Gordon noted that Garth's total combined debt is probably near \$100,000. Gordon stated that Garth can not sell his property without satisfying these debts. Gordon asked if Garth is living in Montrose. Deb VerStraete thought he might be living there with his mother.
9. Kent asked whether we should just buy Garth out. Vince noted that he is asking \$1.5 million. Judi observed that his property, based on comparables in this area, is probably worth closer to \$500,000.
10. Tom gave a summary review of where we are with the website. After determining that it would be more efficient and more cost effective to re-build our website from scratch, we hired Kate Burke of San Juan Publishing to be our web developer and to oversee the ongoing maintenance. The site is currently up and running, and we continue to improve it and to upload minutes and other documents. John VerStraete commented that he has been using Kate and San Juan for over 25 years for his business's website and he is very pleased with her services and the quality of her work.
11. Val provided a summary review of our insurance policies and related issues. Our liability and our D+O insurance is in full force and effect. Val noted that our insurance agent is encouraging us to make sure that all our subcontractors, of which there are currently two, have their own coverage. Val mentioned another HOA in this area that lost its coverage because it did not get insurance certificates from its subcontractors.
12. Rick noted that we should be sure to get an insurance certificate from any contractor who does water tank repairs for us. Vince and Gordon stated

that any contractor we hire for tank work will be one that does that kind of work full time and will have insurance.

13. Bill Lindler discussed his reasons for resigning from the board, namely to spend more time with his family. We all acknowledged Bill's service. He has decided not to run for re-election to the DMCA Board. He will remain on the ACC if requested. We all acknowledged thanks to Bill for his years of service.
14. Bill then summarized what is in his ARC Report. He noted that a new ARC Approval Form was created and approved in 2017. It is posted on the website and should be used going forward. Bill noted that plans were submitted for a member's garage apartment, but that the approval process was not properly followed. He recommended that, in the future, the new approval form be used and that the proper process be followed.
15. John VerStraete mentioned that he had been on the ACC for 17 years, and that he would be pleased to volunteer to go back onto the committee.
16. John Young summarized his Financial Report. John said that he had found a 2003 Water Report that showed there were 13 vacant lots at that time. Today there are only 6 vacant lots. When the remaining 6 are sold and built out, the water system and related infrastructure will be maxed out. As we reach that point, it is likely that more repairs to the system will be needed.
17. John summarized our financial condition by saying that we are not moving forward; neither are we moving backward. In 2017, water overage fees and water tap fees, both of which are one-time items, allowed us to make up the operating shortfall in actual expenses vs budget.
18. John went on to point out that water related expenses are our largest operating expenses. And, as water usage and leaks increase, the well pump has to work harder which increases our electrical expenses. There was some discussion about Ralph Lowery whom we have used for the past few years to repair water leaks as needed. Ralph's father installed the original water system. Gordon noted that Ralph has done a good job for us and been very fair with his charges. Glenda observed that we should also recognize Larry Benasutti's contribution. John also noted what a good job Larry has done for us.
19. John summarized the water leaks that we have had over the past year. There were three. John and Darrell worked together with Ralph Lowery to get them repaired. John appealed to the membership for more members to volunteer to assist on the Water Committee. Bill noted that none of the new members in DMCA were in attendance this evening.

20. There was a general discussion about our water system. Larry noted that, over the years, we have looked at tapping in to Tri-County Water. Henry observed that going this route would be very expensive compared to the system we currently have. John VerStraete noted that we have the best water around and that Tri-County water has a bad taste. Rick asked if we could tap into Tri-County Water to be used in an emergency. Henry noted that we could not do that, primarily due to the high pressure in the Tri-County system. Gordon observed that it not a question of whether our water system will ultimately fail and need replacing. It is a question of when.
21. Vince noted that the 2018 budget had been sent out to the membership, and that it needs to be formally approved at this meeting. John reviewed the budget line-by-line and noted a \$12,000 shortfall based on estimated expenses vs budget. There was a discussion about whether annual dues should be increased accordingly. It was agreed that we should wait to see how actual expenses develop in 2018 and also to see what happens with the Valentine lawsuit and judgment. John VerStraete moved to approve the 2018 budget as presented. Gordon seconded. The budget was unanimously approved.
22. Vince provided a review of the Nightly Rental survey that was done last summer. He stated that the results were inconclusive and that none of the issues received the required 2/3 majority to effect any changes to the CC+R's. However, most respondents want the Board to regulate nightly rental activities. John VerStraete stated that he and Deb moved here because DMCA is a "single family" community. Vince responded that there were not a sufficient number of "No" votes to change the CC+R's to eliminate nightly rentals.
23. John VerStraete observed that we are in the worst water drought in 25 years and that it would be in our best interests not to further burden our water system with additional folks saying in DMCA. Gordon responded that our water system is working well for now. He questioned whether any members want to spend the additional money to futher improve the system.
24. Kent noted that the system was designed to accommodate 43 lots. Rick Taylor suggested that we consider undertaking a study in 2018. Vince commented that we look at it every year. Henry Hooper noted that the last time we undertook a study, it was clear that switching to Tri-County Water would be less expensive than upgrading our existing system. Bill observed that, in California, farmers have flooded their fields to both irrigate and to replenish their aquifers.

25. Glenda suggested that the Board establish a committee to look at key issues including our water system.
26. Darrell stated that our well pumps 26 gallons per minute. However, we don't know what the capacity of the aquifer is. He also observed that we have a single pump system, and should the pump fail, we could find ourselves without water. He suggested that maybe it is time for a moratorium on nightly rentals until we better understand the health of our water system and what our water capacity is.
27. There was some further discussion about the capacity of our water system. Gary asked how many people per household were figured into the original water system plan. Darrell responded 4 people per household. Glenda noted that Daniels had spilled 90,000 gallons of water last year and the pump light did not come on.
28. Vince reminded the members to submit their votes for Board members. He also asked for 2 or 3 volunteers to serve as Tellers to count votes. He noted that no candidate should be a Teller. Henry volunteered to be Head Teller. Bill volunteered. Rick requested whether we could have the ballots read "Postmarked by" rather than "due by". Vince agreed to consider the request for future votes.
29. Other Business. Vince stated that dogs will be a subject that the Board takes up in 2018. Rick asked what is the problem with dogs. Vince reviewed the issue of Gretchen Lindler being bitten by a dog off the leash and also the issue of dogs running free and chasing wildlife. Bill noted that, in Ouray County, a dog can be shot for chasing wildlife. John VerStraete recounted the story of his dog Buzz, a self-defense Rottweiler. John eventually spent \$12,000 on a fence to keep Buzz at home. John noted that he is concerned for the safety of his grandchildren if dogs are allowed to run free. Vince stated that any members who see dogs running free or chasing wildlife should call the Sheriff. John VerStraete requested that the Board send out a notice to all members regarding either fencing or leashing their dogs. Vince agreed.
30. Darrell stated that the Ouray County dog regulations are clear. He stated that he had confronted Andrea Sokolowski who had dogs running free and that Andrea informed Darrell that there is no leash law in Ouray County. Darrell asked if the Board had the ability to enforce a leash law. Vince responded that the Board does not and that members with complaints need to file them with the Sheriff. Darrell also asked that the Board send out a letter to the members. Carolyn noted that it is each member's responsibility if they see something to say something. Bill requested that the Board's letter state that there has been

an incident. Darrell then requested that the Board notify the members whenever there is a public safety event in Dallas Meadows. Gordon offered to assist in drafting the Board's letter to the members.

31. John Young summarized the fire that occurred last fall. Melinda saw it and called the Fire Dept. who responded quickly. Melinda suggested that all members have fire extinguishers and keep them handy.
32. Gordon moved to adjourn. John seconded. It was unanimously voted to adjourn at 8:15 PM.