

DMCA Board Meeting Minutes

2/12/18

Meeting called to order at 6:10

Attending: Vince, Gordon, John, Tom, Val, Gary (ourayimage@gmail.com)

1) John passed around the DMCA 2017 federal tax return, prepared by San Juan Accounting, for review and comment. There were no comments or questions.

2) Vince reported on the Report of Tellers regarding the recent election of board members. Henry Hooper, John VerStraete and Kent Parkison were the Tellers. They opened each ballot, recorded the votes by lot, and discarded the ballots after counting. The existing board was re-elected with the exception of Bill Lindler who had resigned. Gary Ratcliff was elected to replace Bill. John moved to adopt the Report of Tellers. Val seconded. The adoption of the Report was unanimously approved.

3) The new board proceeded to elect officers. Tom nominated Vince as President. Val seconded. Vince was unanimously elected President. John nominated Gordon as Vice President. Vince seconded. Gordon was unanimously elected Vice President. Gary nominated Tom as Secretary. John seconded. Tom was unanimously elected Secretary. Tom nominated John as Treasurer. Vince seconded. John was unanimously elected Treasurer.

4) There ensued some discussion about insurance. Vince pointed out that insurance chair is not an elected official board position. Vince observed that Val has been the point person on the board responsible for insurance matters for the past year. Vince recommended that Val continue with that responsibility. Val agreed.

5) There was some discussion about requiring our subcontractors to carry their own liability insurance. Gary asked if we could just require our subs to sign liability waivers. Vince responded that that is not an option since our insurance carrier requires that our subs have their own coverage. Val stated that Larry has gotten his own policy and that he is billing us for the cost.

6) Val brought up the matter of the Daniels lawsuit. Don Daniels is in a legal dispute with an ex-tenant to whom he had rented his house. The tenant had left the outdoor water on causing in excess of \$1,600 in water overage bills. Daniels applied the tenant's security deposit toward that cost. The tenant sued Daniels in Ouray County Court to get his security deposit back. Daniels counter-sued. Vince and John have been subpoenaed to testify as witnesses in the case. Val questioned whether DMCA could get sucked into the suit and whether there may be some liability to us if Steve Sheu had made an error in reading the water meter.

7) There was a brief discussion of Bill's departure from the board and what that means for the Architectural Control Committee ("ACC"). Vince stated that Bill wants to continue as a member of the ACC, but since he is no longer on the board, he cannot continue as ACC Chair. Vince nominated Val to take over as Chair of the ACC. Tom seconded. Val was unanimously elected ACC Chair.

8) Val gave his opinion that there should be at least one other board member on the ACC. Gary agreed to serve. The other members are Bill Lindler, Tom Bennett, Kent Parkison and Steve Chevalier. Val noted that Steve does not want to serve any longer and that John VerStraete would like to go onto the ACC. Val agreed to send out an email to the existing and prospective ACC members to schedule a meeting to finalize the ACC membership.

9) Val moved to approve the Minutes of the December 11 board meeting. John seconded. The minutes were unanimously approved. Vince asked if the minutes of the Annual Meeting were ready for review. Tom responded not yet but soon.

10) John gave the Financial Report for January. He noted that, while annual dues are not due until July 1 of each year, it is helpful to our cash flow when members pay their dues early in the calendar year. He reviewed the January expenses which are shown on the attached Financial Report. The payment to Philadelphia Insurance represents the annual premium for our D+O coverage. He discussed our bank balances and reserves which total \$60,235. Val questioned why we have two savings accounts. John responded that, when the balance exceeds 20,000 in Savings, the excess funds roll into Reserve Savings. There was a brief discussion about whether we could be earning a higher return on our reserves. Vince agreed to look into it.

11) John reviewed 2017 Actual vs Budget. He noted that water tap fees in 2017 helped us meet our expenses, but he observed that we cannot count on water tap fees going forward since new construction is not guaranteed. Tom moved to approve the Financial Report. Val seconded. The Financial Report was unanimously approved.

12) Vince updated us on Old Business. We continue to bill Lynn LaCourt fees and penalties for not removing her temporary fence. The Board's next option would be to foreclose on her property if she fails to pay, and we are not prepared to do that. Val noted that he continues to be the only Board member whom Ms. LaCourt will communicate with.

13) Vince gave us an update on the Valentine lawsuit. Gordon has distributed a summary of where we are with Garth's suit. Jon Pfeiffer was going to update his billing but so far, we have not seen it. Vince questioned whether there is a way for DMCA to coordinate with the Wood Perry Ditch Company to consolidate our liens. Garth owes the Ditch Co. roughly \$50,000, so if that debt were combined with ours, together we would be owed in excess of \$100,000. Gordon asked who the attorney is who is representing the Ditch Co. Vince stated that it is Michael Hockersmith. Vince suggested that DMCA might purchase the Ditch Co.'s debt in return for a promissory note thereby effectively

consolidating Garth's debts. Vince agreed to look further into this option. After we consolidate Garth's debts, we can then serve him with Interrogatories. Vince asked that Gordon call Jon Pfeiffer to make sure that our judgment against Garth is up to date. Gordon agreed.

14) Vince noted that he and John Young will be going to court later in the week of Feb. 12 to testify as witnesses in the Daniels' lawsuit. Tom LaScala had rented from Don Daniels. LaScala is now suing Daniels claiming that the property was uninhabitable due to a gnat infestation. Vince will testify that, living next door to Daniels, there is no gnat problem. John will be testifying as to the extensive water usage during the LaScala tenancy.

15) Re: ACC business, Val noted that there are no new construction applications pending.

16) John did not have a Water Report but brought up the \$746.40 bid from Apex Consulting to inspect our water tank. Gary questioned how an inspection is actually done. John explained that the inspector suits up and physically goes inside the tank. Then it depends on what he finds. Gordon moved to accept Apex's bid. John seconded. The bid was unanimously approved. Vince signed the Apex proposal. Gordon agreed to call Apex to schedule the inspection.

17) Vince informed us that we have received a notice from the Secretary of State's Office regarding our annual HOA Report. It was noted that the Report is addressed to Gordon at John Young's address. The Report also reflects DMCA's PO Box address. Gordon agreed to file it. John will give Gordon a check for the SOS.

18) Vince reviewed the issue of dogs off the leash. He stated that Bill wants the Board to take action against Andrea whose dogs had attacked Gretchen and their dog. And, the Hartigans and the VerStraetes want complaints filed with the Sheriff and the Game Warden regarding Michael Pennings and Sara Born's dogs that have been chasing wildlife. There was a discussion about whether the Board should send specific letters to Andrea, Michael and Sara. Gary mentioned that he used to live in an HOA that sent out a monthly newsletter which can be a good way to update residents about recent events and issues. Gary thought that Brenda would be willing to coordinate a DMCA newsletter. Gordon noted that he had written letters in the past. Vince noted that he had sent out Ouray County dog regulations right after the Annual Meeting. There ensued a general discussion about fences and dogs.

19) Vince noted a request that we distribute email addresses of all members to the membership, but that we need people's permission to release their email addresses. Vince stated that it is time to update contact info for all members, and he will distribute a form accordingly.

20) Vince stated that a high priority for the Board in 2018 will be to pull together our rules, regs, policies, etc. and get them updated and posted on the website. He suggested that we add an "FAQ" section to the website. Vince also agreed to look at

other local HOA's websites to see what Rules + Regs they have posted ... possibly to be used as a template for ours.

21) There was some general discussion about nightly rentals. Vince asked if the ACC has a copy of the Taylor's plans for their garage apartment, and how did the final structure compare to the approved plans? There was further discussion about the ACC conducting a final inspection of all approved construction projects to assure that the final as-built project complies with what was initially approved. It was agreed that the Board can utilize fees and penalties if necessary to ensure compliance.

That concluded the evening's business. Gordon moved to adjourn. Tom seconded. The meeting was adjourned at 8:20.