

## DMCA Board Meeting Minutes

3/18/19

Meeting called to order at 6:10 PM.

Attending: Vince, Gordon, Val, Gary, Rick, Tom

The meeting began with a conference call with Attorney Jon Pfeiffer with regard to the Garth Valentine lawsuit.

Jon stated that he needs to file the complaint which can be done soon. He needs to get service on the parties which may take 2 months. A per-trial conference may need to be scheduled. Then the trial needs to be scheduled which may take 8-10 months.

Gary asked Jon to give the board regular updates, monthly in advance of our meetings. Jon agreed. The conference call ended at 6:45 PM.

Val commented that DMCA should have an attorney for general matters relating to the HOA. There was a discussion about identifying a local attorney who would be available as needed. Vince agreed to look into it.

Vince stated that, since we are not yet ready to approve the minutes of the January and February meetings, they should be scheduled for our next meeting when we can approve the January, February and March minutes.

Rick made a motion to appoint Vince DMCA's Corporate Contact with the Colorado Secretary of State. Val seconded. The motion was unanimously approved.

Rick provided the Financial Report. There was a discussion about Judi Snelling's water overage bills. While they have not yet been paid, Judi has agreed to pay them. It appears that she may have a water leak which will require further investigation.

Tom asked if the Alpine Bank statements for our three accounts could accompany the monthly Financial Reports. Rick agreed. Rick also agreed to ask San Juan Accounting about what type of annual audit is required of HOA's. He agreed to report back to the board next month.

Rick presented a revised Annual Dues Payment for consideration. He proposed that at least 50% of annual dues be due on or before March 31 of each year with the balance due by July 31. The board unanimously concurred. Vince suggested that the revised policy become effective for 2020.

These followed a discussion about whether \$100 of each member's annual dues is really for water. We discussed whether we even need to break out the water portion of annual dues, whether we should increase dues given upcoming water tank repair costs, and whether we should increase water overage rates. Tom observed that we should do a better job collecting monies that members owe and replenishing our reserves that way before raising dues and water overage rates. Gary suggested that, rather than

increasing water overage rates, we implement an escalating rate structure that would become significantly more expensive as members use increasing amounts of water. Vince noted that we already have that.

Gordon moved to approve the Financial Report. Gary seconded. The Financial Report was unanimously approved.

There was a discussion about Tri-County Water's ongoing investment in infrastructure in our area. Gordon observed that, eventually, it is likely that DMCA's water will be provided by Tri-County, and that there will be significant costs to DMCA to tie in to their system.

Val provided an update on our efforts to hire a management company. He noted that he had spoken to four prospective managers and provided them with RFP's. Only two, John Howe and Michael Underwood, responded with bids. John Howe's did not address specific tasks in the RFP. Val had questions about Michael Underwood's license. He requested clarification from both. Neither responded.

Rick observed that, based on their proposals, John Howe would cost us roughly \$6,100 per year plus mileage for less tasks than outlined in the RFP, and Michael Underwood would cost us \$6,300 - 7,000 per year. Rick questioned whether DMCA can afford this level of annual expense.

Vince noted that enforcement is the board's biggest problem. Val noted that, without a management company, our year-end tasks relating to re-election of board members and organizing our Annual Meeting will be cumbersome. Gordon agreed to talk to John Howe and Witkowski about them possibly providing management services.

There was a general discussion about Tri-County Water.

Tom provided an update on our website. We have been waiting to see if we were going to hire a management company who may have taken over management of our website as part of their duties. Now that we will be managing our website ourselves, Vince moved to accept StudioKind's proposal to become our Web Administrator. Gary seconded. Vince's motion was unanimously approved. StudioKind's costs are very similar to those of San Juan Publishing, the prior Web Administrator. Rick noted that our web hosting contract comes up for renewal in May. Tom agreed to get StudioKind engaged in the next week or two.

Val provided the ARC report. There was a discussion about Don Daniels' privacy fence. Vince noted that it is acceptable to him, the neighbor most affected. Val summarized our current privacy fence guidelines. There was a brief discussion about privacy fences, including perimeter fences. Vince offered some additional language which Val and Gary agreed to incorporate into the final ARC documents.

Gordon gave the Water report. He has spoken to, and received price quotes from, a number of candidates to perform the needed repairs to our water tank. He has two proposals that he would like the board to consider. One is in the amount of \$15,697; the other is in the amount of \$17,900. They are both from the same company. The

difference in price reflects two different repair processes. The less expensive process is to sand blast and paint the inside of the tank. The more expensive process includes the use of epoxy to repair corrosion spots.

After some discussion, Gordon recommended, and the board agreed, to accept the less expensive proposal. The primary reason is because we should get roughly 15-18 years of extended life out of the tank with the less expensive process, after which time the tank may well need to be replaced.

Tom asked how we will pay for the repairs. After some discussion, Vince recommended that we use a combination of savings and reserves which we will replenish with an assessment to be spread over 3 years. Gary noted that some members may question why we would do an assessment when we have sufficient funds in hand to pay for the repairs.

Rick moved that we approve the less expensive proposal. Gary seconded. The motion was unanimously approved.

There was then a general discussion about our water system. Gordon noted that it would probably cost \$500,000 or more for DMCA to tie in to Try-County Water's system. Gary suggested that we engage a hydrologist to evaluate the health of our aquifer. Gordon agreed to contact Valley Pump to see if they could give us an estimate to evaluate our aquifer.

There was a general discussion about the board establishing a Water Committee, as we had preliminarily discussed at our January meeting. Val recommended that the Chairman be a Board member. Vince stated that we should take up this discussion at our next meeting and establish the committee.

Tom moved to adjourn the meeting at 8:50 PM. Val seconded. The meeting was adjourned.