Dallas Meadows Homeowners' Association
2nd Quarter Board Meeting Minutes
April 24, 2025 Via Zoom

Roll Call and Introductions: The meeting was called to order at 4:02 pm by Mark Dollard.

a) Board members present: Mark Dollard – President, Val Szwarc – V. President and ARC Chair, Tom Seaman – Treasurer, Jacob Sklar – Secretary, John Harper – Chair of Water Committee & Member at Large, Erik Fallenius – Member at Large- Quorum met.
b) Committee Members Present: Russell Cosby-ARC Committee, Caroline McAndrews – Water Committee
c) Homeowners Present: Larry Benasutti (Lot 23) and Chris Kuptz (Lot 30). RaeAnne Hadley with Design HOA was also in attendance.

Proof of Notice of Meeting or Waiver of Notice: Mark verified the meeting packet was sent out via email within the required 3 days' notice per CCIOA

Approval of Q1 Meeting Minutes: John made a motion to accept the meeting minutes as presented. Tom seconded, and the motion passed unanimously.

ARC Updates: The Committee is Val Szwarc - ARC Chair, Russell Cosby, Gary Ratcliff, Erik Fallenius, Steve Chevalier, and recently added Michael Edwards. Val discussed the committee reported reviewing plans for Bob Keith's new porch and patio and two new homes at Lot 7. The Committee reviewed and provided detailed comments to the architect. Val stated they are in the process of updating the plans to include the ARC information. The previous submission did not include underground infrastructures such as septic tank, leach field and where the water meters will be. The ARC Committee also received new building plans for Lot 30. Val discussed the plans were much more inclusive and complete. Val explained he will be getting feedback from the rest of the Committee tomorrow to meet the target date. Val explained there have been some exterior improvements on lots, but they had not received approval through the ARC Committee. Val discussed sending out a friendly email to the membership reminding them to submit their plans for external improvements for review. The Board agreed on Val sending an email out to members. Val discussed that there were currently 6 members on the ARC Committee, which helps when a member is unavailable to look over the ARC forms. Mark wanted to clarify that the members who serve on the Committee are for the benefit of the Board and not an independent agency. Mark thanked Val for his thorough report.

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Water Committee Updates: The Committee is John Harper – Chair, Wally Hall, Martin Bouliane and Caroline McAndrews. John explained there was an ongoing reading issue with Lot 39, but they got it worked out back in February. John believes it was the extreme cold causing the issues. John explained there is a second remote sensor that is not working. John explained he believes the homeowners are working with someone to get their system operational. John and Caroline have been working with them to gather manual readings and John explained he will update the Board at a later time. John explained that the Committee is in the process of streamlining the system to figure out where the water loss issue is. He explained it has been ongoing for a while. John explained he has been working with Martin, Wally, Mark and Caroline and when the system is further along in the development, he will share it. Mark thanked John for his update and wanted to clarify to members that some of the electrical systems in the pump house are very old and there is some equipment that is no longer in production, so parts are not available. Mark discussed bringing in a master electrician or Valley Pump to get the systems updated. Mak explained water system shows anywhere from 50,000 to 80,000 gallons of water unaccounted for each month. Mark explained there is no evidence of a leak anywhere and members are not experiencing any service disruptions. Mark asked RaeAnne if she was aware that the Board had previously agreed upon a forgiveness for water overages in situations like this. Mark explained there is a fixed fee that was explained in the Bylaws for extreme situations if members provide an invoice that there were repairs that needed to be done. RaeAnne explained she was not aware of the water overage forgiveness and would work at the Board's discretion for forgiving part of the water overage fee. Caroline explained that in 2020, there was a resolution that was documented and available on the DMCA website under Board Resolution. Mark discussed talking with the members who went over on the water and members of the Committee and Design HOA to work on approval of how much will be forgiven. John discussed adding on to Val's email to the homeowners to include having members do a visual inspection of their property to see if there is any indication they are losing water. Mark explained the pipes are five feet down and it would be rare to see any surface water due to a leak. Mark explained the homeowner's meter will indicate a leak and that has not happened. Mark explained he believes the leak is somewhere in the common line

Financial Review (YE2024 & YTD 2025) Mark explained Design HOA sent out the financials in the meeting packet and handles the bank reconciliation every month on the Alpine Bank Operating Account and Reserve Account. Mark commented that the P&L shows there is a bit of a deficit according to the reports and asked if the income is spread throughout the months. RaeAnne explained the new software does spread it out monthly, but she is working with the software company to have the reports created similar to QuickBooks. RaeAnne explained there was just under $7,000 in assessments that were still outstanding when the report was created, but many homeowners are starting to use the software to pay their assessments. RaeAnne clarified there was $4,000 in Pay HOA

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scheduled to be deposited into the Operating account. Mark explained there was some mailing issues with a couple of the homeowners that he communicated with but was confident the issues were figured out. Mark asked RaeAnne to give an update when the PO box was processed again. Mark asked that the reports moving forward contain detailed reports of the P&L. RaeAnne agreed to update the reports to detail instead of summary. Tom asked RaeAnne if the reports are pulled as an accrual or cash basis. RaeAnne explained they are pulled from a cash basis. Tom discussed the budget vs actual report for 2024 that stated there was an administrative expense of $27,000 and asked RaeAnne what it was for. RaeAnne explained that the reports were from ACCU. Tom discussed getting a vendor detail from Design. RaeAnne explained that she is able to pull vendor details from QuickBooks, but ACCU did not use QuickBooks for their accounting software and the files that were sent to Tom were sent to Design HOA. Mark explained the 2024 year-end financials were not in the annual meeting packet. Mark explained he would like detailed reports from the 2024 P&L and Budget sheets. RaeAnne explained she does not have access to any of the reports other than what ACCU had sent her, which had been shared with Tom. Mark explained he believes the $27,000 in administrative expense were the checks ACCU sent to the HOA when they closed the bank accounts. Mark explained the $27,000 was not misplaced, that the Board was keeping an eye on the accounts with ACCU. Mark explained that ACCU ignored the Board for months and then abandoned the HOA. Mark will go back through the files to clarify the $27,000 was the balance in the bank accounts at ACCU. Tom explained in the 2025 preliminary budget there is an expense listed to transfer to the reserve account. Tom asked if it was in the wrong category as the reserve account is the HOA profit for the year. Mark explained that a portion of the dues is allocated to the reserve account during the budget preparation and designated to the capital reserve account. Tom explained that if the money was going to a third party, it would make sense to keep it as is, but that moving it to another bank account wouldn't constitute an expense. RaeAnne explained that the HOA is a non-profit business and allocating money to a reserve account is allowed by CCIOA, but as a non-profit, you do not want to show a profit or income or else you will have to start paying taxes and will lose your non-profit status. Tom thanked RaeAnne for the explanation. Tom explained he and Martin Bouliane went into Wells Fargo to renew the CDs and added him as a signatory on the accounts. Tom explained they decided to keep Martin's name on the accounts as a backup. Tom explained if you don't roll over the CD's and pick a renewal option, they automatically go into a 6-month renewal at a penalty rate. Tom explained they were successful in renewing both CDs for 11-months. Tom discussed Wells Fargo had specials to offer and they enrolled both CDs at the special rate. One CD currently has $136,827 and the second CD is $27,162. Tom explained they decided to keep the CDs separate if there was a situation where the HOA would need the money, the smaller CD could be broken at a much lower cost. Tom explained that the HOA has $163,989 at Wells Fargo and $102,894 at Alpine Bank which includes both the operating account and reserve account. Val asked if the reserve account at Alpine Bank was in a non-paying account. Tom explained that both

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accounts at Alpine Bank were interest-bearing. Mark clarified that Martin spearheaded the financials last year to get everything on interest bearing accounts. He explained that it was important to have the correct numbers during the meetings as Design HOA does not have access to the Wells Fargo account. Val asked if Martin should still be a signer on the accounts since he no longer serves on the board. Val explained that due to the size of the CDs, it would be wise to have a secondary signer on the account. Tom agreed and suggested that a dual signature account would preserve the integrity of the account and not give just one person access to the accounts. Val expressed his concern that the D&O insurance only covers officers and since Martin is no longer an officer, could cause conflict with the insurance policy. Jacob also agreed that there should be more than one signer on the account. Caroline discussed that from a historical perspective, the President, Vice President and the Treasurer were signers on the account. She explained it was a challenge as the board turned over every year, but members did not have to be there at the same time to make the updates. Mark agreed that the board should go back to the protocol of having three members of the board having signature authority with two being required to move or withdraw any funds. Tom asked if there was anyone on the board who was overseeing the insurance policies and coverage. Mark explained there was not, and insurance was in renewal mode. Val suggested assigning a board member to oversee the insurance policies and make sure the HOA has proper coverage. Mark commented that would fall under the Secretary position and asked Jacob if he would work with Design HOA to review the current policy. Mark thanked everyone for their participation and great update. Val suggested that the 2024 P&L statement should be put on the website for members to review. Mark agreed and stated it would go on the dallasmeadows.org website and asked RaeAnne to post it on Design's website.

Old Business

HOA Paying Invoices. Mark asked if there were any outstanding invoices to be paid. RaeAnne clarified the HOA was up to date with vendor payments.

Bylaw Amendments. Mark explained the Bylaws conflicted with state law and needed updated. It will require a membership vote of 75%. The Bylaw amendment was voted on by the board in October and passed. Mark explained once they had the complete package it would be sent to members.

New Business

Updating the Covenants. Mark explained that Altitude Law is making changes to the Declarations to stay compliant with CCIOA. He explained the changes were not suggestions from any members, but changes with state laws. Mark explained the updated documents will be mailed to the entire membership to be voted on. Mark explained that Val had concerns about the ability to rent and create multifamily housing and had written up new language to present to Altitude Law. Mark aske for other board members' opinions on this new language. The rest of the board did not have any objections. Mark explained he will take Val's letter and

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send it to Altitude Law with the updated amendment they prepared in the 4th quarter of last year. Mark discussed once the board gets back the final updated covenant amendment, it will be sent out to the entire membership to vote on.

Covenants Voting Deadline. Mark explained the board currently does not have a voting deadline at this time.

Plat Amendments. Mark explained Tom had put together a thorough memo after he and Val sat down with Brian at the county planning department. Mark would like the board to weigh in. Mark clarified that the governing docs state there is a 25-foot interior lot line setback and 40 feet from the roadway. Mark explained he filed a claim against his title insurance regarding the setbacks but due to exceptions they place within the policies, the insurance claim was denied. Mark discussed that a neighbor also filed with their title insurance company and they were also denied. Mark explained the plat filings on the community website are not the official recorded plats. The covenants do not refer to the plats and only the one-page planning document from the 70's. Mark explained he may talk with Chris Hawkins who used to be a town planner for Telluride, then opened his own business helping developers and builders to manage the process. Mark explained Chris was already doing some pro bono work for the HOA and will talk with the County and submit a proposal on how to get the plat issues resolved. Val asked how much Chris is going to charge. Mark explained the research Chris is doing is pro-bono at this time. Tom asked if the memo he created would be helpful for Chris. Mark agreed it could be helpful and will send it to him. Val stated his concerns of the $25.000 cost of updating the plat amendments for the HOA at $25,000. Mark explained he referenced that amount from the quote of $12,000 he received from Monadnock Mineral Services to do the survey work and the cost from Land Title to do a title commitment for all 42 lots. Val pointed out an amendment in the covenants that if a cost benefits less than the majority of the HOA, the costs should be allocated to the members it benefits. Mark explained it was an error in the covenants and the plat, so it affects the entire HOA. Val discussed that there are 14 or 15 lots who are labeled as nonconforming and according to State statues and the covenants, they will be responsible for paying that assessment. Erik stated that everyone was damaged because it is an error in the covenants for the entire HOA. Russell agreed, stating it wasn't a benefit, it's a document that represents the HOA. Russell pointed out that the HOA is responsible as the covenants were what was presented when each member bought into the HOA which includes all 42 lots. Erik explained it was why there were reserves for the HOA, to cover unexpected expenditures such as this. Tom commented that the reserve accounts were established to cover repairs and replacement to the water system. Mark explained the reserves were for any capital project expense and correcting the official plat for the HOA is a capital investment. Mark explained he will share Tom's memo with Chris Hawkins and once he has more information, he will update the full board. Mark explained they would not vote on anything in today's meeting but would set a target goal for the 3rd quarter board meeting.

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Corrupted Email. Mark explained the dmcaboard@outlook has been corrupted and not working. He discussed that emails may have been missed and he had been working with his IT guy who helps them with the OneDrive but he was unable to help with the email. Mark explained he attempted to get Microsoft's help but they were unable to provide assistance. He explained Martin was able to get the email to work in a couple of tests, but then it stopped working. Mark explained the need to update the ful membership that dmcaboard@outlook.com is not working and they will need to send emails to the president of secretary until something is figured out. Caroline discussed that she also attempted to fix the email issues but was unable to. Caroline volunteered to create a new email account for the DMCA Board. Mark agreed and thanked Caroline for volunteering to create the new email account. Mark explained that there will be an email sent out letting members know of the email issues and will receive the new email address.

Code of Ethics. Mark apologized for not being prepared for the Code of Ethics and explained it was updated to the recent CCIOA approved version. Mark explained it demonstrates to the full membership that the board is looking out for them. Mark explained he will get it sent out to the board members for signatures and keep a file in OneDrive and on Design HOA's website.

2024 Tax Return. Mark discussed that the 2024 tax returns were filed and the cost for the tax preparation reflected in the P&L report.

Water Tank Access. Mark explained the board would be discussing the item in the Executive Session but wanted to provide members with a chance to ask any questions. There were no questions or comments.

Member Comments. Chris Kuptz asked what the interest rates were for 11-month CDs. Tom explained the interest rates are 3.5% for both CDs. Caroline asked where the ARC submittal form is on Design HOA. RaeAnne pulled up the Design HOA website to see if the correct form was on the website. Mark explained to Caroline where the form is on the Dallas Meadows website which is under the Board of Directors towards the bottom under forms. Val explained he had not seen it on Design HOAs website. Caroline explained the forms Design HOA had up did not include the ARC form. RaeAnne apologized and explained she will get the correct form up on Design HOA's website. Chris explained both Dallas Meadows and Design HOA had old Ouray building permit applications from 2019 and the forms had been updated back in 2023. Val recommended that it was not put on the websites, only a link to the county so if the county made changes, there would be no errors on the websites. Val explained he made some changes to the ARC form and he will send the updated form to Caroline.

Adjourn Mark adjourned the meeting for members at 5:28 pm

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1. **Executive Session**
   Pursuant to CRS 38-33.3-308 4(e) Any matter the disclosure of which would constitute an unwarranted invasion of individual privacy; (f) Review of or discussion related to any written or oral communication from legal counsel. (Note - Executive Session is between the Board members, management, and legal counsel if requested to attend. All other owners present should be requested to leave the meeting area when the Board enters into Executive Session.)

   Discussed Water Tower Access

- Next Meeting Date TBD

- Agenda Items to follow up on:
- 2. Caroline to create a new email account for the DMCA board.
- 3. RaeAnne to post the 2024 P&L statement on the Design HOA website.
- 4. Val to send updated ARC application form to Caroline and Mark.
- 5. Jacob to follow up with RaeAnne on reviewing current insurance policies and renewal dates.
- 7. Mark to send Val's suggested language for covenant changes to Altitude Law.
- 9. Tom to scan and email CD renewal confirmations to RaeAnne.
- 10. Board to discuss updating signatories on Wells Fargo accounts.
- 11. RaeAnne to fix the ARC application form on the Design HOA website.

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