

DOUGLASS RANCH PROPERTY OWNERS ASSOCIATION

Minutes of the Board of Directors

2020 Annual Meeting

Call to Order: The 2020 Annual Meeting was called to order on Wednesday, October 28, at 7:17p.m. by Aaron Reilly, President.

Location: The Annual Meeting was conducted virtually via Zoom

Attendance

Board Members Present:

Aaron Reilly	President	512-769-6400	drpoa.president@gmail.com
Veris Simms	Vice President	720-220-5631	drpoa.vicepresident@gmail.com
Andréa Swenson	Secretary	612-201-0289	drpoa.secretary2020@gmail.com
Randy Jensen	Treasurer	303-8385117	drpoa.treasurer2020@gmail.com
Mark Ferguson	Roads & Grounds	720-403-3939	drpoa.randg@gmail.com

Others Present:

Advisory Committee Member: Tricia Jensen

Members at Large:

Todd Williams & Gail Hite	Mike & Cathy Rheinberger
Anamaria Popescu	Bill Martindale
Barb Benning	Brian & Pam Senjem
Carl & Susie Price	Dallas & AJ Ostrom
David Froman	Colleen Jorgensen
Joe & Seana Nestegard	Tom & Joan Grawe
Ching-Shyan & Hsiu-Mei Chen	Tom & Kate Washburn
Rick & Magda Koth	Jeremy Sector & Ken Siefert
Jay & Lore Genender	Gayle & Dave Wacker
Paul Swenson	

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I. Agenda

- **President's Report**
- **Treasurer's Report**
- **Secretary's Report**
- **Roads and Grounds Report**
- **Vice President's Report**
- **Discussion Topics**
 - i. **Progress Report on Updates on Changes to DRPOA Governing Documents.**
 1. Articles of Incorporation
 2. Bylaws
 3. Covenant, Conditions, and Restrictions (CC&Rs)
 - ii. **Douglass Ranch Drive Culvert Replacement by Jeffco Member Comments**
- **Election of new Board Members**

II. Additions to the Agenda - None

III. Roll Call of Signed Proxies

- Up the advice of our Attorney Kim A. Porter, taking a vote by Proxy is not valid during a virtual meeting. However, the names of the signed proxy holders will be recorded here.

Proxy Holder	Authorized By	LOT
Tricia & Randy Jensen	Gary & Cyndy Lenhart	07
	Ken Siefert & Jeremy Spector	41

Mike & Cathy Rheinberger	Wayne & Jane Spooner	19
	Keith & Susan Festag	20
	Mark Wallace & Susan Ley	21
	Peter & Andree Krause	23
	Doug Benning	25
	Richard & Carol Merrick	39

Bill Martindale	Tandy Martindale	29
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IV. President's Report, By Aaron Reilly -

- **Introduction of Board of Directors and Acknowledgement of Thanks**
Aaron Reilly began with an introduction of the officers. And mentioned an acknowledgment of thanks for all their efforts this year. Additionally, it was announced the terms ending for three of the five officers: Neither he nor Randy Jensen will be seeking another term. Veris Simms' term expires this year but will seek another 2-year term.
- **Progress Report on the Updates and Changes to the DRPOA Governing Documents:** Mr. Reilly presented a brief outline of each governing document of the following: **What it Does** (purpose), **Will it Change**, and the **Objective**. In order to be in accordance with current state and county law, our aging governing documents required revision. Also, it was apparent that clear and consistent language was lacking. The attorney will be tasked to write clear and consistent language to be in line with current state and county law, but effecting a cross-reference between all documents, to minimize confusion and conflicts.
- Mr. Reilly assures, whatever the case, annotated requests, comments, and suggestions will be submitted to the DRPOA Attorney, Kim A. Porter, for legal review and will be authorized to modify the language to effect the aforementioned goals. (**Note:** All reference stating, "attorney" from this point forward means DRPOA attorney, Kim A. Porter.)
 - i. **The Official Development Plan (ODP), Established 1988. –**
 - 1. **What it Does** - This document sets our policies for land use. The ODP is the guide upon which all governing documents adhere to. It is our zoning and associated restrictions.
 - 2. **Will it Change** - Never. This document does not change.
 - ii. **Articles of Incorporation of Douglass Ranch Property Owners Association, Inc. (1989) –**
 - 1. **What it Does** - This establishes that Douglass Ranch is a non-profit organization.
 - 2. **Will it Change** – Yes.
 - 3. **Objective** - Many items contained outdated references such as "Class A" and "Class B" members or lacked sufficient clarity. For example, distinguishing the term, "Private Drives" versus "Private Roads." In summary, the attorney will be consulted for legal support of any necessary changes and revisions.
 - iii. **Bylaws (1989) –**
 - 1. **What it Does** – The rules and principals that govern the day-to-day operations of the Board of Directors.
 - 2. **Will it Change** – Yes. The authority to make or revise any portion of the bylaws is under the purview of the Board of Directors. As such, this does not require a vote of member approval. (See [Article XIII Amendments](#)). Nevertheless, Mr. Reilly assures that in the process of review, there was much community input which was annotated.
 - 3. **Objective** - Many portions of the Bylaws contained sections which were outdated, or lacked sufficient clarity, while others indicated overreach.

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- a. Example: one item highlighted gave Board of the Directors authority to pay themselves a salary without member approval.
- b. The attorney will strike this item and redirected to the CC&Rs, to put under the purview of the community.

iv. The Nine (9) Policies and Procedures –

1. **What it Does** - Also called, “Rules,” These are mandated by the State of Colorado. They provide the governing structure for the Board of Directors.
2. **Will it Change** - Currently under attorney review.
3. **Objective** – Certain portions of our documents states, “rules” and elsewhere, “policy.” We will request the attorney to review legal support to engender a single term for all DRPOA governing documents. These documents may be amended by the Board of Directors without a vote of approval from the members.

v. Covenant, Conditions, & Restrictions (CC&Rs) –

1. **What it Does** - Governs the community of Douglass Ranch which protect the rights and outlines the obligations of the property owner.
2. **Will it Change** – Yes. However, in this case, a 2/3 majority vote of approval of the membership is required.
3. **Objective** – Many items were found to be inconsistent with the Articles of incorporation. For example, the configuration of the Board of Directors, (See [Article VII, sub section \(a\)](#) vs [CC&Rs 3.2](#)), or lacked sufficient clarity, or was simply outdated (i.e. Class A, Declarant, and Class B members). Additions or deletions are to be made according to either community feedback or attorney recommendation.

vi. Design Review Standards –

1. **What it Does** - Governs the overall aesthetic of the community which is meant to preserve, maintain, or improve the Douglass Ranch community in keeping with its natural surroundings. It also provides guidance as well as mandates property owners to seek prior approval to achieve this overarching purpose which goes to promote property value.
2. **Will it Change** – Not at this time. However, the name will change from, “Design Review Board,” to “**Design Review Committee.**”
Note: Committee members are appointed by the Board of Directors.
3. **Objective** – Avoids confusion between the two governing entities.

- **President’s Acknowledgment of Thanks to the Community** - Sincere thanks is acknowledged for the outpouring of community interest and participation, and contribution during the process of review of our governing documents. Special thanks were acknowledged to the following member residents: Rheinberger, Ostrom, Genender, Benning, and Senjem. Also special thanks to Brian and Pam

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Senjem for their proactive efforts working with South Park Telephone to install fiber optic internet for our community.

- **Poll Results: Dues Increase - The** results of the community-wide response to the poll on dues increase allowed *without* the vote of approval from the membership came to 12%. Upon attorney review for legal support and approach, the final results will be amended into the CC&Rs.

V. Treasurer's Report, by Randy Jensen: 2020 Budget Summary.

- At our current rate of total income of \$21,000, the DRPOA will be running at a deficit for both for 2020 and 2021. (See [2020 Budget Summary](#)). The difference between current total income and the 2020 projected expense budget of \$27,652.00 leaves a remaining deficit balance of \$5,092.63.
- **Additional Expenses:** The cause for the budget deficit is due to the following:
 - i. **The Feasibility Study Fee, Fiber Optic Internet:** \$3,000.
 - ii. **The Augmentation Pond:** \$2,500 in fees to the excavation company to remove the vegetation that is restricting the flow of water to the pond.
- **Other Expenditures -**
 - i. **Attorney's Fees & Snow Removal** – Attorney fees ~ \$3,000 - \$6,000. The projected cost to rewrite the governing document is expected to be low, due in part that much of the review of the governing documents were done by the concerted efforts of the Board of Directors, and by community input.
 - ii. Cost for Snow Removal have increased since the budget 2020 was approved.
- **Overall Budget for 2020:** These expenditures combined raises the 2020 budget ~ \$30,000 by year's end.
- **Reserve Study -** a reserve study is required by law (see [Policy IX](#)). Our Reserve Study is, essentially, the Road Replacement Study (see document attached) which determines projected cost for asphalt overlay and/or repair, and fog/chip seal. Drake Court needs the most attention.
- **Budget for Roads Repair and Savings Balance** – Per our [Policy IX](#), the balance of \$75,000 in savings is required. However, the amount available to the DRPOA for road repair is actually ~ \$16,000. The required Reserve minimum is \$49,214.76.
- **Road Repair Strategy** – Use the opportunity to have the road conditions assess, whenever a CDOT or Jefferson County contractor is in the area. During that occasion, obtain best pricing for the aforementioned road repairs, and determine the best course of action at that time.
- **Projected Lifespan of DRPOA Roads -** Given the current rate of deterioration, and implementation of preventative maintenance, the predicted lifespan for DRPOA roads is 10 years.
- **Defraying Cost:** Our attorney has laid out two options for dues increase:
 - i. Set a certain percentage rate increase, whereby the Board of Directors may implement a dues increase without member approval.
 - ii. Adopt a budget with member approval.

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- **Projected Budget for 2021 –**
At our current rate of income of \$21,000, (without dues increase) against \$27,000 projected expenses, and the additional expense of \$5,000 for the Jefferson County Culvert Project, the DRPOA will be running at a deficit. (See [2021 Projected Budget](#))
 - i. **Jefferson County Culvert Project –** The culvert which drains directly to the pond needs replacing. The cost is ~ \$5,000, which is much less than the quoted price of \$200,000 to replace the entire stretch of culvert.
- **Approval of the Budget for 2021:** Current state law requires that the community reject an annual budget. However, per our attorney, voting during a virtual annual meeting is prohibited. Therefore, the budget for 2021 will have to be approved by mail in ballot.

VI. Secretary's Report by Andréa Swenson

- **Website –** Mrs. Swenson reported that the website has been re-designed and re-organized to access information quickly.
 - i. **Main Goals –**
 1. **Promotion** - Make it attractive to visitors and realtors
 2. **Information** - Make it useful for Association Members to access the information both current and historical.
 3. **Social** - Make it interactive fun to grow our community involvement.
- **Members Resource:**
 - i. **Directory –** The hard copy directory has been revised to reflect two (2) new incoming neighbors: Graver (Lot 03) and Elam (Lot 35). Although, a .pdf copy of the directory is uploaded to "Members Resource", a fresh directory packet will be printed, and packaged together with an environmental field guide appendix. (Weed mitigation and Tree Disease). It will be delivered at doorstep.
 - ii. **Online Directory –** For quick access, an online directory is now available with additional email links at the ready.
 - iii. **Email Directory –** The email directory has been revised to a single list. The downloadable Excel spreadsheet contains an option to sort either by last name, first name, or just by lot.
 - iv. **Mailing Labels –** Downloadable sheet of address labels of Association Members are now available.
 - v. **DR Social Network –** To grow our community around shared interests, Groups and Forum pages were added as an online social interactive like Next Door but private, reserved for community members only. The secondary aim of the Forums discussion platform is also to carry on discussions about important DRPOA concerns in place of straining through a long email thread.

VII. Road and Grounds Report, by Mark Ferguson –

- **Budget –** Mr. Ferguson acknowledges sincere thanks to Randy Jensen for his assistance and involvement in working with CDOT and Jefferson County as part of a proactive effort to care for our roads and grounds. Also, acknowledges Mr.

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& Mrs. Rheinberger and Gary Lenhart for their role as advisors. Mr. Ferguson reports the budget for Roads and Grounds is ~\$12,000 per year. However, due to the repairs, Roads and Grounds will run slightly over budget. The expectation, however, is to maintain spending within the budget limits of \$11,000 - \$12,000.

- **Five Year Plan** – It is expected that repairs for each of the private roads within the Douglass Ranch subdivision will need some sort of repair once every five years.
 - i. Certain unforeseen conditions may incur increases to the budget, such what we experience this summer: the cost to replace the drainage system at Baldwin Court washed out by a storm, or the aforementioned \$2,500 excavation at the upper pond to remove constricting vegetation. To achieve these goals of the **Five-Year Plan**, the roads will be assessed every spring to do the following:
 1. Execute a repair rotation schedule, prioritizing the road on needs must basis.
 2. Repairs will be limited to structural based rather than cosmetic.
- **Augmentation Pond** – The pond is vital for fire suppression. Mr. Ferguson acknowledged thanks to Gail Hite and Todd Williams for their cooperation with the excavation project as much of the work will take place on their property. Mr. Ferguson assures that he will do everything possible to limit property damage.
- **Snow Plowing** – Our previous contractor left. Finding a replacement has proven to be difficult due to limited availability, and drastic cost increases. Of the current pool of snow removal contractors, the least expensive bid came to \$75 Mr. Ferguson will explore new options next season.

VIII. Vice President's Report, by Veris Simms

- **Firewise** - A national volunteer program, established through member, Tom Washburn, help communities learn what actions to implement in wildfire safety precautions to make their home and property safer.
 - i. **Slash & Chipping Project Update** – Changes were implemented to the program this year. Rather than providing service to the whole community, each property owner was required to register with the Fire Department, otherwise they were ineligible for the slash/chipping service.
 - ii. **Next Year** - Mr. Simms assured he will closely monitor the situation and send a general email announcement to insure all property owners in the subdivision have opportunity to enroll in the slash and chipping program next season.
 - iii. **Firewise Eligibility for Certification – Good News Report** - Due to the diligence of seven property owners, Douglass Ranch has exceeded the required amount achieving the sum of \$2,492.14. To requalify, Mr. Simms asks that property owners who were involved with the chipping program & fire mitigation to please send their hours, money spent, and dates to him. The information will be added to our application for the 2021 season and qualify us to apply for grants.

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IX. **Jefferson County Culvert Project, By Randy Jensen –**

- Mr. Jensen presented a power point presentation on the situation with the upper pond culvert.
 - i. The culvert that runs under Douglass Ranch Dr. (~ 1,000 ft.) beginning at the west end of the bridge, and stretches along the north end of the pond, is rusted out and collapsing. The cost to replace the entire length of the culvert is ~ \$200,000.
 - ii. Jefferson County has agreed to realign the culvert at bridge at the time of repair so that it will simply run directly into the pond. The cost will come to only \$5,000.
 - iii. **Structural Integrity of the Spillway and Dam** – Both the spillway near the dam, and the outlet on the north side, which was rebuilt some years ago, should withstand the impact of a major storm. In the event a major storm collapses the dam, the cost to rebuild will be considerably less expensive in comparison to replacing the entire 1,000 feet of culvert. (Mr. Reilly acknowledges thanks to Paul Swenson, PE in water resources and hydrology, and for Mr. Lenhart's for lending their expertise.)

X. **DRPOA Attorney, Kim A. Porter, Comments and Recommendations - Presented by Aaron Reilly** –The following reflects our attorney's opinion on Questions 8, 19, and 21, (formerly "Ballot Questions" See attached handout)

- **Question 8 Dues Increase: Preface** – The Board of Directors are obligated by law to present an annual budget before the community no matter which option is decided. The two options are:
 - i. **Option I – Automatic Acceptance without a Vote to Reject by the Members:** At the owners meeting, unless a majority or more (with the actual percentage set by the Declaration) of all owners reject the budget, it is deemed approved. If rejected, the previous year's budget would stay in place until a new budget was ratified.
 - ii. **Option II - Establish a Maximum Annual Percentage Increase in the CC&Rs:** For instance, using the model of a 12% limit in dues increase.
 1. Any percentage rate of 12% or lower will give the Board of Directors authority to automatically adopt the budget without the vote of approval of the membership.
 2. If the percentage increase exceeds the cap of the 12% model, then the budget must be presented to the Membership for vote of approval a majority.

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- **Question 19, Section 8.15, “...Mechanical projections...” Proposed Rewrite: Recommendation.** – Advises the following:
 - i. The language in the CC&Rs must be written to follow Federal and state law guidelines and mandates of what may or may not be permitted.
 - ii. It must also align with state legislation with regards to “energy efficiency measures” (i.e., evaporative coolers, solar panels, wind turbines, etc.).
 - iii. Question 19 comes under the purview of Federal and State law. Although the question will not be put to a vote, however, appropriate language will be written by our attorney.
- **Question 21, the Number of Passenger Vehicles Parked Outside: Comment.** – Whether to allow up to four (4) vehicles parked outside. Whatever the outcome, the Board of Directors will have discretionary authority to grant any temporary variance.

XI. Question & Comments from the Floor –

- **Cathy Rheinberger –**
 - i. **Documents:** Does the attorney have any recommendations as to how often [governing] documents should be updated? **Response:** A complete rewrite should be done sparingly and few between. However, if state law changes, then we make an amendment. Otherwise, we hope the governing documents will last several decades before another rewrite is needed.
- **Lore Genender – Question 8:** In the poll, some advocated 40% while others 20%. Mrs. Genender was concerned that those numbers may have skewed the results. **Response:** The numbers were equally weighted. Normally, a dues increase would occur incrementally. However, the 40% was in response to the lack of dues increase overall in the 30-year history of Douglass Ranch. Even with the rate of inflation Douglass Ranch is still behind.

XII. Final Consensus on Question 8 – Mr. Reilly opened the floor to give the Members at Large an opportunity to advocate or change their preference for dues increase or change their choice of either Option 1 or Option 2.

- **Rick Koth:** Option 2; Advocates 20%, instead of his original input of 10%.
- **Dallas Ostrom:** Option 2; Advocates 15%.
- **Todd Williams & Gail Hite:** Option 2; Advocates 20%
- **Veris & Cairon Moore-Simms:** Option 2; Advocates 20%

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- XIII. Election of Board of Directors** - Our attorney advised we cannot hold an election of Board Members during a virtual meeting, nor can we hold elections via email, since we have a contested election (i.e., four candidates running and only three seats available); Elections must be held by secret ballot. The Board of Directors will seek advice from our attorney on how to handle proxy voting. The information will be made available directly.
- **The Candidates Running:**
 - i. Veris Moore-Simms
 - ii. Dallas Ostrom
 - iii. Dan McAtee
 - iv. Todd Williams
- XIV. Future Action Steps –**
- **Meet with Attorney** – The Board will schedule a conference call to discuss next steps, obtain advice on proxy voting for Board elections, and the process leading up to the vote to approve the new governing documents.
 - **Obtain Final Consensus on Questions 8, 19, and 21** – Once collected, the Board of Directors will authorize our attorney to commence drafting a complete new set of Bylaws and CC&Rs.
 - **Timeline** – the process of rewrite will take approximately 3-4weeks, followed by a final review by the Board of Directors.
 - **Vote to Ratify New Governing Documents** - The new governing documents will be sent to the membership for review.
 - i. For ease of tracking the changes, a reference chart will be included so that members may compare between the old sections and the newly revised sections. A letter will accompany the chart with instructions and a reference key.
 - ii. **Voting** – The voting process will be a mail in ballot. A two-thirds (2/3) majority vote is required to ratify the governing documents. The deadline therein is 60 days from date of mailing.
- XV. Annual Meeting of the Members Adjourned –**
- **Motion I:** Aaron Reilly moves to adjourn the annual meeting at 9:50p.m.
 - **Motion I Second:** Andréa Swenson
 - **Motion I Passed:** Unanimously

Respectfully Submitted by, Andréa Swenson, Secretary