

DOUGLASS RANCH PROPERTY OWNERS ASSOCIATION

Minutes of the Board of Directors

July 22, 2020

Call to Order: Regular meeting of the Board of Directors was called to order on Wednesday, July 22, by Aaron Reilly, President, at 6:03pm.

Location: Virtual meeting 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: Jay Genender
Lore Genender
Mike Rheinberger
Cathy Rheinberger
Brian Senjem
Pam Senjem
Dallas Ostrom
AJ Ostrom

Absent: None

I. Approval of the Agenda

- Commence Review and Evaluation of the Covenants, Conditions and Restrictions (CC&Rs)

II. Additions to the Agenda – None

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- III. **Approval of Minutes** – Approval of the minutes were waived for an undetermined future date.
- IV. **Business from the Previous Meeting** - None
- V. **The Review and Evaluation of the Douglass Ranch Covenants, Conditions and Restrictions (CC&Rs).** – The following outlines endeavors undertaken by the Board of Directors, and in part by the suggestions and recommendations from the Members at Large, to review and evaluate the Douglass Ranch Property Owners Association’s **CC&Rs**. All determinations and proposed suggestions for revision, rewrites, or updates will be submitted to the DRPOA Attorney, Kim A. Porter, for review. The final product therein shall be submitted to the community for final vote to be ratified at a Special Meeting of the Members. All references stating, “attorney” from this point forward means the DRPOA Attorney, Kim A. Porter.
- **Declaration of Protective Covenants, Conditions, and Restrictions for Douglass Ranch.**
 - i. **First paragraph “...herein called “Declarant”** - If legally permissible, request attorney remove any outdated references to “Class A” and “Class B” members.
 - **Article I – Definitions.**
 - **Sub-Section (j) “Member...”** – Request attorney revise definition and clarify what “Member” means, and clearly establish an owner, irrespective of the collective persons (2 or more), as being one member, effectively being consistent with our [Bylaws, Article X, Section 2. Determination as to Membership](#).
 - **Sub-Section (m) “...Private Access Drive.”** – Change all references stating, “*Private Access Drive*” to state, “**Private Access Roads.**” Add definition that outlines irrefutably the distinction between the owner’s *driveway* versus the *privately owned* Douglass Ranch Roads (i.e. Baldwin Court, Gordon Court, Meadowridge Lane, May Long Court, and Drake Court, respectively).
 - **Article II – Memberships and Voting.**
 - **Section 2.1 Members** – Request attorney quality check all definition relating to “member” and make consistent reference throughout all our governing documents.
 - **Section 2.3 Voting.** – Request attorney remove all references to “class” membership and “Declarant,” and revise and update definition. At the same time, define what a “vote” means by drawing the definition directly from the DRPOA’s [Articles of Incorporation and Bylaws](#) to effectively cross reference in our all our governing documents to mean one vote per lot owned.

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▪ **Article III – Association.**

○ **Section 3.2 Board of Directors and Officers.**

1. Request the word, “*initial*” be removed.
2. **Board Member Configuration** - Change “*composed of three members*” and request attorney rewrite to be consistent with the DRPOA’s [Articles of Incorporation](#), **Article VII – Board of Directors, Section (a)**, which states, “*The Board shall consist of no fewer than three [(3)] and nor more than five [(5)] directors, and the board may increase the number of directors from time to time in the manner set forth in the bylaws.*”
3. **Compensation** - Rewrite the last sentence of **Section 3.2** to disallow compensation of services. That a board member may not compensate themselves without a 2/3 majority member vote of approval on an annual basis. Furthermore, revise to state to the effect *that no board member may serve as a manager.*

- **Section 3.3 - Douglass Ranch Rules.** – Request attorney revise all references to “rules,” and in other cases referenced elsewhere, “policies,” and employ a single term throughout the CC&Rs. (i.e. employ one term or the other but not both interchangeably). This includes, if needs must, changing the title of our collection of policies to, “Rules.” However, will let attorney advise best approach.

- **Section 3.4 - Personal Liability.** – Once again, request attorney remove all references which state, “Declarant.”

▪ **Article IV Assessments.**

- **Section 4.1 – Purpose of Assessments; Assessment Lien.** – Forced Fire Mitigation - Consult with attorney whether or not it is permissible to forcibly perform fire mitigation on a Lot in which the owner refuses to properly fire mitigate their property. Such inaction puts the entire community at risk. There is some precedent, for instance, under Colorado State law and Jefferson County ordinances which allow authorities access onto the private property of a non-compliant owner to mitigate noxious weeds.

Motion I: Aaron Reilly moves to request authorization to consult our attorney whether or not the Board of Directors have legal authority to forcibly implement fire mitigation and other forest services the recommended, and/or required maintenance such as noxious weeds and tree diseases, similar to state law and Jefferson County ordinance regarding such inactions.

Motion I Second: Veris Simms

Motion I Passed: Unanimously.

- **Section 4.2 - Annual Assessments.** – Remove last sentence of this section, “*Until January 1, 1989, the Annual Assessment for all Lots shall be \$180.00 per lot.*” It is outdated.
 1. **Sub-Section (a) and (b)** – Request attorney delete these sections entirely. It no longer applies.

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2. **Sub-Section (c)** – It was determined by the Board a need to establish some sort of a maximum annual dues increase which does not require a member vote of approval, as outlined similarly in Colorado State law for non-profit organizations. It was decided to poll the community for feedback on the subject with three options: 20%, 40%, 50%, or write in other percentage. Consult attorney as to legal merit then implement language accordingly.
 - a. Randy Jensen recommends creating a 5 year Roads Maintenance Plan, highlighting the current road conditions and projected deterioration. The plan will explain the need for dues increase which will be appropriated toward the anticipated expenditures. Other unforeseen expenditures will be added to Special Assessments. Furthermore, Randy Jensen recommends creating a similar plan for fire mitigation, also allocating those expenditures to Special Assessments. The remaining funds in savings or any money saved in road repairs can be re-allocated to pursuing grants.
- **Section 4.5 – Establishment of Annual Assessment Period.** – Request attorney remove the clause, “...*the first Assessment Period shall commence upon the filing of this Declaration and terminate on December 31 of such year.*” It is outdated.
- **Section 4.6 - Effect of Non-Payment** –
 1. Request attorney insert language which declares to the effect, *any member who is delinquent on their dues more than 30 days past due will temporarily forfeit their right to vote.* This will draw a direct cross reference to our **Policy I** (See [Policies and Procedures](#)). The Board will included the proposed clause to our list of poll questions for community feedback, then submit to the attorney for legal review. After which, if the proposed clause has legal support, it will then be added to the official ballot for final community vote.
 2. Request attorney insert language around “...*a reasonable rate...*” to draw direct reference to **Policy I**, and cite not to exceed beyond Colorado State limitations.
- **Review and Evalutaion of the CC&Rs Concludes Here to Allow Open Forum Discussions to the Members at Large**

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VI. Open Forum Discussions for the Members at Large – Community Members were given opportunity to provide commentary, submit recommendations, or ask questions in response to the CC&R review and evaluation. All discussions put forth by the Members were be duly taken under advisement by the DRPOA Board of Directors.

- **Brian & Pam Senjem** –
- **3.2 Board of Directors and Officers: Salary.** – Suggest adding a salary cap to ensure check and balance.

Board of Directors Response:

- If a 2/3 majority members vote to approve the clause to add a dollar amount, a salary cap is inherent in the approval not to exceed. However, the Board will take the recommendation under advisement to recommend adding a clause that clearly defines a salary pay rate amount not just the approved dollar amount for the salary.
- **4.1 Purpose of Assessments; Assessment Lien: Forced Fire and Weed Mitigation.** - The majority demographic within the DRPOA community are retired seniors. Suggests creating a mitigation plan which outlines costs and labor schedule, as approved by Firewise and Fire Department, and offer the plan as an alternative assistance to seniors to maintain their property. To relieve the financial burden, a payment schedule would be integrated into the plan so that costs to the owner can be paid over time. This plan could be adopted by other members of the community as well.
 - **Board of Directors Response:** Agreed. And appropriated Pam Senjem’s suggestion to **Article V Maintenance, Section 5.3 Improper Maintenance**, incorporating the restriction that failure to comply with established maintenance schedule may result in the DRPOA hiring a contractor to assess costs billed to the property owner.
 - Although the challenge with this concept is who will be responsible to track which owner is following the mitigation plan, the Board will recommend a maintenance schedule according to what is in compliance for fire mitigation. Mitigation of noxious weeds, however, cannot be done over time and must be done in accordance to the CC&Rs.
- **Section 4.2 - Annual Assesments: Dues Increase.** – Requests that when the proposed dues increase is put on the ballot to state what the reasons are for that dues increase.
 - **Board of Directors Response:** The Board is responsible for enforcing the CC&Rs and ensuring proper busines practices. Stating a reason for dues increase is not appropriate for the CC&Rs. If the Board does not demonstrate transparency, the community should recall the Board and elect new Board members.

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- **Section 4.6 - Effect of Non-Payment: Invoices.** – Whatever new changes are adopted, include the new changes on the invoice advising to the effect, “remit of payment is due within the 30 days of receipt of invoice,” and include the compounded percentage rate of interest for payments past due.
 - **Board of Directors Response:** Reminds this is already accounted for in the previous annotation made for Section 4.6

- **Jay & Lore Genender –**
- **Section 3.2 Board of Directors and Officers.: “Initial Board”** – Recommend to remove this statement. It is outdated.
 - **Board of Directors Response:** Agreed. An annotation was appropriated for **Section 3.2** to remove the word “*initial*”.

- **Section 3.3 - Dougllass Ranch Rules.** - Cites this section authorizes too much power to the Board, and leaves open for possible abuse. Suggests adding a set of parameters and limitations that define what is permissible for adding a rule and what a rule is.
 - **Board of Directors Response:** The **Policies and Procedures** on our website are the only set of rules, according to Colorado state law, that can be set by the Board. The statutory reference: [C.R.S. §38-33.3-209.5\(1\)](#) [and http://www.statebillinfo.com/bills/bills/08/1135_rev.pdf], ensures these are the only rules in which the Board has authority to adopt and enforce. The DRPOA members duly elect a Board of Directors to run their community. It does not follow that we heap more restrictions which, essentially, micro-manages the Board. This will guarantee no business will get accomplished.
 - **Motion II:** Andréa Swenson moves to table this discussion to allow the Board of Directors opportunity to more thoroughly review the Policies and Procedures.
 - **Motion II Second:** Aaron Reilly
 - **Motion II Passed:** 4-1 (Voting yes: Mrs. Swenson, Mr. Simms, Mr. Reilly, and Mr. Ferguson. Voting no: Mr. Jensen)

- **Firewise Compliance** - Suggest define requirement and how much.

- **Weed Mitigation: Enforcing Jefferson County Requirements** – Because the mandates are delineated on Jefferson County’s website, it seems redundant to insert same requirements in the CC&Rs, since it is fundamental to complying with County ordinances

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Board of Directors Response:

- Inserting a said statement in our CC&Rs is what allows us to assess fines for non-compliance. Otherwise, we are relegated to run to Jefferson County for every non-compliance.
 - The main goal is twofold: 1. To stop the spread of noxious weeds and promote the environment. 2. Promote education and to bring awareness of the kinds of problems noxious weeds presents.
- **Tree Disease** - Recommend to explore the idea of engaging a contractor to do a community-wide spray for pine beetles, etc.
 - **Board of Directors Response:** Will take this recommendation under advisement.
 - **Question:** Is it possible to request the Fire Department to assess the defensible space for the entire community?
 - **Board of Directors Response:** The Board took this request under advisement and will contact the Fire Department to ascertain if this is possible.
 - **Section 4.2 - Annual Assessments, Sub-Section (c): Dues Increase.** - Recommends adding 0% as an option without a vote of the members to the poll question. The Board has the ability to appropriate a special assessment during the year. If it to be raised it should be with the vote of the membership to approve.
 - **Board of Directors Response:** Agreed and took this recommendation under advisement. Agreed to insert, "...or write in other percentage..." to the poll question. An annotation was appropriated. (see previous **Article IV Amendments**).
 - **Dues Increase** – Suggest to consider language providing the converse situation for *decrease of dues*, citing that a situation will present itself where the DRPOA will not need a dues increase.
 - **Board of Directors Response:** The Board took this recommendation under advisement and determined the best approach is to use the word "adjustment." The advantage is that an increase of dues when needed can also be adjusted down to a lower rate.
 - **Section 4.6 - Effect of Non-Payment:** What "a reasonable rate of interest" means? The concern is that the rate may be subjective and leave open for Board abuse of power. Therefore, recommends adding some sort of limitation.
 - **Board of Directors Response:** Will take this under advisement and seek counsel from our attorney to add language as per Policy I and cite not to exceed Colorado state limitations. An annotation was appropriated. (see previous **IV. Section 4.6 - Effect of Non-Payment**)

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- **Forced Weed Mitigation** – Concerns about the costs to the owner after the DRPOA hires a contractor. Citing, this presents a problem if the owner sells their house immediately following the mitigation. It should be in the form of a lien at the sale of the house.
 - **Board of Directors Response:** Reminds all assessments are subject to liens, citing **4.6 in the Form of Assessment Lien.**
- **Dallas & AJ Ostrom – Comments:**
- **Dues Increase** – Agrees with the Board: A cost of living increase should be included in the yearly Assessments, which is ~ 5%. Anything else additional should come under Special Assessments.
- **Fire Mitigation** – It is understood that when one buys an acreage lot, it is the responsibility of the owner to maintain their property not only for their sake but the sake of their neighbors. Especially, in an a high risk area such as ours which is prone to wildfires. Therefore, individual cost to the owner to contract fire mitigation should remain Individual. Language should be inserted, however, outlining a minimum requirement. However, it is not reasonable to coerce fire mitigation. If an owner is in a situation that prevented them from performing the minimum required task then, we, as a community, should band together to help our neighbor.

V. Future Action Steps –

- **Veris Simms** - Will research state law and forest service’s mandate on mitigating both noxious weeds and tree disease. Also, will contact the Fire Department to ascertain the possibility of assessing defensible space for the entire community.
- **Aaron Reilly** – After Board’s review the nine (9) Policies and Procedures, will continue the topic of **Section 3.3. Douglass Ranch Rules**, on whether to limit Board power, and will add to the agenda for discussions at the next regular meeting.

VI. Next Regular Meeting of the Board of Directors – Wednesday, July 29, at 6:00 p.m.

- **Motion III:** Aaron Reilly moved to adjourn meeting.
- **Motion III Second:** Randy Jensen
- **Motion III Passed:** Unanimously
- **Meeting Adjourned at 8:40 p.m.**

VII. Board Action without a Meeting - Minutes for July 22, 2020 was approved unanimously December 02, 2020 (see voting record attached)

Submitted by, Andréa Swenson, DRPOA Secretary