

**2022 Annual Meeting Minutes**  
**Spread Eagle Homeowners Association**  
**Saturday, September 3, 2022**  
**Zoom Meeting**

- Welcome and Introductions-Don Mc Monagle President, called the meeting to order at 10:02 AM.  
The SEHOA Board was introduced:
  - Don McMonagle, President
  - Gary Cauble, Vice President
  - Janis Cicerchi, Secretary
  - Diana Hicks, Treasurer
  - Kimberlee Salimeno, Board Member at large
- Architecture Committee: John Raydo
  
- Quorum Report- Jan Cicerchi We have a quorum (6 Proxies, 35 attending=41 total)
- Old Business
  - SEHOA 2021 minutes were approved and accepted.
- Water-Kimberlee advised that our water system must be updated. The state is now requiring daily testing of water instead of the weekly testing currently being conducted. She estimates that it would cost \$6000 for the sensors/equipment to automate the testing. Jack Barker is doing an amazing job of testing currently. Kimberlee reported that we 'cannot have another feed.' She was of the understanding, per a conversation with Bob Senderhauf, that we can apply for and drill wells as individuals. During the meeting it was reported that Water Commissioner Jerry Livengood had indicated that individuals cannot drill individual wells because of the augmentation plan. Maynard Pullman suggested that we consider one or both of two solutions to the long-term need. The first would be adding a limited use well with approval of the state (don't take "no" for an answer). It was also suggested that we investigate our rights to the Chalice 2 spring water. There was discussion as to how this would require pumping water to our existing treatment facility or installing an expensive second water treatment facility. The second solution would involve increasing storage that could provide water during periods when the water source is inadequate. A third solution was suggested by Shawn Davis which would limit the excessive and inadvertent use of water by using auto monitor and shutoff technology called a "Smart Water" system. Shawn agreed to forward information about this system to next year's SEHOA board for consideration. John Raydo suggested the installation of water meters at each lot and David Meyers suggest that we require individuals to install cisterns in each lot. Don concluded that discussion that all these suggestions be considered by the upcoming 2022-23 Board of Directors.
- ACC-John Raydo- John Raydo reported the activities of the Architectural Control Committee stating that there had been no new construction during the past year. He addressed the issue and resolution of the issue on property rentals and, with Jan Cicerchi, reported the results of the vote on the amendment to limit (with limited exceptions) rentals to more than 30 days. He also discussed the process for satisfying the SEHOA requirements for rentals. Three members of the association expressed discontent over limited communication with the members on this issue

prior to bring it to a vote. Don represented the board in stating that better communication is a lesson that should be taken into future board processes. **Voting results 39 votes for the covenant amendment, 7 against the covenant amendment**

- Roads-Diana Hicks presented the status of the roads and pending grading required that would need current year funding carried over to be spent in the 2022-2023 year. There was no discussion on the road's status.
- Website update-Diana Diana also discussed that status of information added to and available on the SEHOA website. There is a new page on fire mitigation. Diana was asked whether the google drive documents had been "taken care of" and Diana confirmed that they had been. There was no further comment.
- 2021-2022 Financial Report-Diana Hicks
  - Annual Financial Report 2021-2022 and Operating Budget 2021-2022 shows expenditures of \$55,380.31, assets in Checking account \$8240.16, Saving \$9639.88. The money in the Checking account is promised already- road work \$5040.16, water \$3200.00 (remainder of sensor equipment payment) \$3000 already paid. This leaves the Treasury at \$0.
  - No reserves due to several incidents:
    - Insurance increase \$1700-new insurance policy as old policy was not renewed
    - Attorney fee \$2100
    - Snow removal increase \$1800
    - Water testing, ~\$1000, now being done by Seiferts 3 weeks/month during the winter months not in the budget.
    - Water maintenance and repair over by \$4000.
  - Don McMonagle-Budget: inflation is increasing costs. The BOD is obligated to be frugal and accountable to the community, to take care of incidents that are stretching the budget to the limit and unknown expenses coming up.
    - Concerns of insufficient funds, insufficient reserves to deal with issues is inevitable.
    - We need an increase of dues to increase reserves to avoid having unforeseen losses.
    - Next year's budget does not address an increase of annual dues. The BOD will have to address impromptu special assessments.
    - Questions?
      - David Meyers- is there a need for a special assessment now? The costs for water and roads, are they a 1 time or specialized cost?
      - Jack Barker, our water manager, suggest we consider a 10% increase each year.
      - Occurring costs include-inflation increase in filters and chemicals.
      - Non-occurring cost are the installation of the sensor monitoring equipment.
      - Dan Mispagel-Attorney fees
      - After last year's annual meeting, the BOD received feedback from the community to

modify the covenants concerning STRs. The BOD hired an attorney to research other HOAs, court rulings. He provided language for the covenant amendment.

- New Business
  - Budget 2022-2023
  - We are projected to spend every penny. The Treasury is under budget.
    - Decreased road budget, \$7900, is ½ of usual.
    - Snow removal has been being budgeted at \$4,000.00 and has gone over budget the last few years. If the snow plowing overage comes out of road maintenance, there will be no road maintenance next year.
    - Water is eating ½ our budget.
    - Insurance increasing
    - Chemicals increasing
    - Water testing was being done by Kimberlee last year, now Seiferts is doing the testing October 1-May1, 2023 (7 months instead of 4 months).
    - We used to roll over any fund not used at the end of a year. There is nothing to put back this year.
  - Don-Advocate to increase the annual dues.
    - We are rapidly depleting savings (<10K) Deposited 8/31/20 \$9,512.49 Balance 6/30/22 \$9,639.88  
The Board voted not to increase dues for this year (2021-2022)
    - The new Board will have to do a special assessment or increase dues going forward to be solvent. It's the Boards responsibility to protect the community from increased costs and emergency costs. The Board must be more foresighted.
  - Comments on budget
    - How much of an increase in dues?
      - 57 lots x annual dues are ~57K/year.
      - New water well will easily be \$57,000-\$100,000
      - Attorney costs for water rights-\$10,00-\$50,000
      - Don is not an advocate to double dues this year, but we need to gradually increase dues. Double current dues in 5 years? \$200-300/year in the near term is necessary. We could still have a special assessment if needed.
      - We do not have a cost for things done by Diana/Kimberlee. Logically, it should be done by outsourcing which would cause an increase in costs. A more managed approach to incremental migration of outsourced work would be needed. We don't need to hire a full-time management company, but over

time there should be an incremental change to decrease workloads on residents.

- Discussion of a 20% increase in dues would be appropriate. Maynard Pullen discussed the HOA he is involved with in Colorado Springs. Their dues are \$2600/year/lot compared to \$1000/year/lot in SE. The CS HOA does not have a water treatment plant. We need to bite the bullet and need to increase dues 10-20%. The CS HOA reserve study recommended a 15% increase to fund their reserves.
- Motion was made and seconded to discuss a \$250 increase of dues for the 2022-2023 year.

○ Discussion:

- Shawn-increase dues for built lots vs. unbuilt lots.
- Diana-Water system and roads give lots value. Not helping to pay for these, is not fair.
- Unknown-we are not receiving benefits currently due to the local builders being 5 years out.
- Jim Beeber-rather than a 20% increase, have dues 10% this year and 10% next year.
- CJabin21-each lot should have to pay the same. When you join a community HOA, you pay equal dues as part of the HOA experience.
- Maynard-do the covenant allows a different dues? A terrible slippery slope to go down.
- John Raydo- I have 1 built lot and 1 unbuilt lot. Value of lots are directly related to activities of the association pays through unfinished lots.
- David Cryderman-increase dues should be consistently applied across everything-meters/cisterns. Current and future construction is saddled on new not older.
- Don-Not sure covenants allow different dues structure. It's a slippery slope if we don't have consistent segmentation. Enforcing rules separately will be hard to manage.
- Maynard-10% will not solve the current problem. Will probably need to have the increase next year, too.
- Diana-The 2 years increases-10% might not be there at the end of next year.
- Jan-Covenants do not say there could be segmented dues to built vs unbuilt lots.
- John Raydo-Less than ½ lots have dollar value, trying to achieve increased value, increasing built lots due to \$600 dues = \$250 we all are paying. He recommends the same amount of dues for each lot.



- Budgeting
  - Water issues
  - Fire mitigation
- Election of Board
  - Each position last 3 years. After Board members are elected by the association, the Board chooses the specific officers. Currently there are 4 of 5 Board offices open. The current openings are President, Vice President, Secretary, and Treasurer.
  - Don is reluctant to be on the Board again. He found the Board rewarding and challenging.
    - Gary Cauble is not up for election.
    - We need a progressive board to see things coming not always catching up.
- Nominations
  - Diana Hicks, Jan nominates, Elizabeth 2<sup>nd</sup>- Unanimous
  - At large seat
    - Kevin Carpenter nominates Robert Webster
      - Good vision, prior experience, long time owner, worked on water plan.
    - John Raydo nominates Kimberlee, full time resident, realtor, knows the water system, when chemical tanks nearly depleted, she has the know how to refill tanks.
    - Don, thankful of Kimberlee's work over the past 3 years. Robert Webster was President briefly. Doesn't agree with everything Robert wanted to do. The community did not need that right now but he looks at issues progressively.
    - Elizabeth - Robert was on the Board and then he quit.
    - Don -Robert had resistance on the board as hee felt the Board needed to be progressive.
    - Vanessa Davidson-Does Kimberlee want to continue.? Diana and John Raydo say yes.
    - Jan - Kimberlee has lots of knowledge but has indicated that her business is taking much of her time making her occasionally unavailable for board meetings including this annual meeting.
    - There are currently 3 open seats on the board -Several attendees indicated conditions under which they would volunteer to be considered for board positions.
  - Votes:
    - Kimberlee received 13 votes.
    - Robert Webster received 20 votes.
    - Abstain 1
    - Robert will serve a 3 yr. term.
  - Jan, John Raydo Nominates, Elizabeth 2<sup>nd</sup>-Unanimous.
  - Don McMonagle, Jan nominates, Kevin Carpenter 2<sup>nd</sup>-Unanimous.

- Final Comments-Don
  - Agrees with Elsa Pollack - People who want to be on the board should make themselves accessible to the board and to the annual meeting.
  - The vote for Board positions will happen 9/9/22 at 7 PM MST (via Zoom)
- Meeting was adjourned.
- A copy of each report is attached to and made part of these minutes. Each report was reviewed. All questions were discussed and answered. Documents were approved as presented.