DRAFT Minutes: Southern Bluffs HOA Meeting, October 2, 2021, 9:00 am

Meeting was called to order by Acting President, Karen Sheek, at 9:30 am.

Homeowners representing 35 lots were in attendance, and proxies representing 16 lots were recorded.

Board members and homeowners briefly introduced themselves.

* Sheek announced that Greg Felsen has been appointed President to serve out the term vacated by Robert Stump.
* The new Clubhouse manager, Naomie Molina, was introduced. Planalp reported that Clubhouse documents have been rewritten and include increased fees for owners, renters outside of Southern Bluffs, and for gatherings used for commercial purposes. See the southernbluffshoa.com for details and copies of contracts. The nearly-inoperable Clubhouse refrigerator and dishwasher have been replaced.
* Chuck Forth, the SBHOA accountant was unable to attend. Based on Forth’s accounts, Marty reported that SBHOA income was up 10% from last year because of new residents, and there are more surplus funds compared to last year for the same reason. The current account is ~$21K. Unpaid dues are still outstanding. Two residents claiming hardship agreed to meet with Marty but did not follow up. The issue of large amounts of unpaid dues for undevelopable lots was raised. It was suggested that liens be put on all properties with overdue accounts. The cost of placing a lien was unclear, but it was suggested that it should be included in costs for delinquent owners. One resident suggested a small incentive for paying dues on time or in advance.
* Eberhart led a discussion of the status of the streets in the subdivision, which are owned by SBHOA. He indicated that according to his calculations, there is almost a mile of streets within the developed area. He presented a map of streets and deferred maintenance projects. Eberhart solicited a bid from Four Corners materials (Marty) for resurfacing the streets. It was ~$167K+ at $1/sq. ft. for chip seal and coating. The bid did not include prepping (weed control and spraying), sealing, or the parking lot. One owner asked whether asphalt would be better, but Eberhart said it is more expensive than chip seal.

Sheek reported ongoing conversations that she and Eberhart have been having with the City of Cortez beginning in June. She indicated that sales taxes are allocated in part to roads and snow removal. Currently SBHOA pays for street maintenance or snow removal because the streets are owned by SBHOA. The City indicated willingness to take over the roads, although they have not yet committed to an exact cost. Sheek indicated that it would be substantially less than $167K. Phil, representing the City, indicated that they would be willing to do crack repair and charge only for the cost of materials and labor. They would need to wait until fall because the cold would expand cracks. Phil was estimating $7-10K for crack repair. The City engineer said the roads were in pretty good shape, but he said there are two corners where the road is washed out and the asphalt has dropped and cracked (estimated repair ~$20K). Ordinarily the City would cost-share for sidewalk repair but it does not apply to us because the streets are privately owned. Based on current information, The Board recommends turning the streets over to the City for maintenance.

Sheek also contacted the Chief of the Fire District about Southern Bluffs. He indicated that the Subdivision has grown substantially and should not have only one entry/exit. They will probably require the center gate to be opened. One resident indicated a feeling of security from gates. Sheek said that it was a safety issue and perhaps the gates offer a false sense of security. Rule said that in an earlier meeting the Fire Chief said that gates would not come down. Sheek said that the Fire Chief indicated there are more houses now, and more than one entrance is needed. Sheek invited Rule to give Jay (Fire Chief) a call. One resident suggesting looking into how other gated communities in other places handle it.

Sheek is waiting for a firm cost figure from the City for the cost of taking over street maintenance. The cost could be covered in several possible ways: a special tax district where owners are billed directly, or if the cost is low the HOA might be able to write a check or make payments over several years. Sheek said that SBHOA has other maintenance issues that cannot be handled because of the cost of roads (see Eberhart map). Sheek will keep the owners posted. Owners raised the issue of getting additional bids and were invited to do so. The point was also made that the City does not do a good job of repairing or plowing streets. Residents expressed reservations about whether City is the best option. One alternative to turning the streets over to the City is raising fees and building a fund to repair the streets. It was noted that if the streets were given to the City, they would be responsible for all maintenance from then on whereas if SBHOA maintained control, maintenance would be ongoing.

* A motion to approve minutes of the June 2021 meeting was made by John Sperling, seconded, and approved.
* Sperling raised the issue of increasing fees and having a reserve fund. Sperling proposed starting to build the fund now and argued that it makes sense that rate of HOA dues should go up as prices go up. He proposed 20% per year (based on current rate) over the next 3 years. Sperling made the motion, and it was seconded. Case said that, in his view, assessments are quite low. Marty said that expenses are unknown, so it is hard to foresee what will be needed in the future. Sperling wanted 20% used for reserve. Sheek argued for letting the Board decide because needs and costs are to be determined. The motion failed.

* A motion carried over from the June meeting on the Bylaws amendment (see below) passed with the required 2/3 majority (30 in favor to 11 opposed).
* Planalp briefly discussed the need for more community engagement, in part to take burdens off of the Board. In particular, volunteers are needed to address landscaping, Clubhouse oversight and back-up for Naomi, website updating, and welcoming/orienting new residents. There was also a call for community social activities/events and perhaps e-connections for residents.

Below are copies of the Bylaws amendment that was approved and the map distributed by Eberhart with information about deferred maintenance.

**SOUTHERN BLUFFS OWNERS ASSOCIATION**

**BYLAWS AMENDMENT TO SECTION 8.04**

*Amended Text*

*[Proposed changes are in* ***RED****]*

**Section 8.04: ADDITIONAL RESTRICTIONS AND DEFINITIONS.**

Building materials required by the Declaration (Section 7.2) to be consistent with other struc­tures on the property shall include newer type finishes as they become available, subject to approval by the Architectural Review Committee. No log-type homes, modular homes, trailers or mobile homes shall be permitted. No chain link fences are permitted. Non-licensed vehicles shall include drone aircraft operated by non-governmental entities. Required landscaping of Lots (Declaration Section 7.15) is the responsibility of each Lot owner; its purpose is for appearance and to help meet the following wildfire-protection goal: *Around each permanent building in the subdivision there should be a "defensible space" extending from the outermost edge of the building, including eaves, porches and decks, for a minimum of 15 feet, consisting of approved landscaping, pavement and such mowed areas of natural vegetation as needed to provide the required space*. "Permanent buildings" do not include fences, yard or garden furniture or ornaments, gazebos, playground equipment, paved streets and sidewalks, electric meters, and the like. "Mowed areas" means areas where natural vegetation is kept cut to a height of 6 inches or less. "Natural vegetation" does not include irrigated gardens and supplied ornamental plantings, nor isolated trees. Landscaping shall be further defined as follows:

(a) for Lots with dwellings certified for occupancy: as approved by the Architectural Review Committee;

(b) for Lots with ongoing construction activity: none, while construction equipment is on site;

(c) for vacant Lots with developed streets and infrastructure: compliance with State, County and City requirements, plus any additional mowing which may be required to meet the wildfire protection goal.

(d) for all other Lots: compliance with State, County and City requirements.