

**MINUTES**  
**Annual Meeting of the Mt. Harvard Estates Property Owner's Association**  
**Sunday, August 5, 2018 – Noon – 3:00 pm**  
**33800 Vista Verde Loop – Buena Vista, CO**

Called to order: 1:05

**Welcome and Introductions**

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|--|--|
| 1. Karen & Earl Bjurstrom (#30)            | 20. Carole & Jim Vowell (#40)                                |
| 2. Marilyn & Bob Box (#31)                 |  |
| 3. Jaime Hagen & David Billesbach (#19)    | 21. Dave & Cathy Burchett #16 (proxy held by Harwood)        |
| 4. Corrine Fowler & Michael Dooraghi (#39) | 22. Bob Groeger #15 (proxy held by O'Donnell)                |
| 5. Susan Golicic (#34)                     | 23. Sharon Hughes #11 (proxy held by Walker)                 |
| 6. David Griswold (#9)                     | 24. Tana & Patrick Lawler #18 (proxy held by Peukert)        |
| 7. Pam & Denny Hogan (#10)                 | 25. Teresa Loftin & Shawn Rhoads #12 (proxy held by Harwood) |
| 8. Adelle & Steve Jackson (#29)            | 26. Carolyn Plyler #23 (proxy held by Harwood)               |
| 9. Lisa Lamb & Kirt Hine (#33)             | 27. Cheri & DJ Swearengin #2A (proxy held by Harwood)        |
| 10. Becky & Mike Landreth (#3A)            | 28. David & Sharon Trenkle #20 (proxy held by Vowell)        |
| 11. Ellen Marshall & David Harwood (#1A)   | 29. Gail Tubbs #6 (proxy held by Harwood)                    |
| 12. Cheryl & Bill Mehaffey (#39)           | 30. Jim & Pam Camp #3 (proxy held by Harwood)                |
| 13. Jenna & John Nale (#5))                |  |
| 14. Barbara O'Donnell (#14)                |  |
| 15. Felix Peuckert (#28)                   |  |
| 16. Karen & Alan Robinson #26              |  |
| 17. Bonnie & Jim Stohlquist #8             |  |
| 18. Bonnie & Jim Stohlquist #27            |  |
| 19. Charlene & Larry Walker (#36)          |  |

30 of 44 votes were present in person or proxy, substantially more than the 40% required for a quorum..

**Fire Mitigation Efforts & Emergency Preparedness** – Bob Box introduced Glenda Torres, Bureau of Land Management Natural Resource Specialist, who is the point person for us on the BLM land surrounding the subdivision. She recently returned from working to put out several of Colorado's most significant 2018 wildfires.

Glenda welcomed the neighborhood's interest and work on fire mitigation and was pleased BLM could take mitigation measures on the lands adjacent to the subdivision. These measures were undertaken in November 2016 on 140 acres to the north and east of the subdivision to reduce fire risk and enhance forest health. She noted that piles of cut branches are still on the ground. BLM wanted to burn them last winter, but the lack of moisture and other adverse conditions prevented that. Plans are in place to burn this winter when there is snow present or significant moisture in the ground.

A second phase of thinning is planned on 186 acres to the south of the subdivision. Funding is obligated and a contractor is set to do this work. It is also possible that the US Forest Service might undertake additional efforts across from Railroad Bridge for habitat/forest health.

In answer to a question, Glenda said those interested in acquiring young trees might want to contact the Colorado State Forest Service nursery in Ft. Collins. She noted that both pinon pines and junipers are very well fire adapted because they are low to the ground and have a thin bark.

Glenda provided copies of the Ready Set Go brochure, which has good information about steps homeowners can take to mitigate fire risks around homesites. The information is available online at [http://www.readyforwildfire.org/docs/files/File/Ready-Set-Go-Plan-09\\_CALFIRE\\_sm.pdf](http://www.readyforwildfire.org/docs/files/File/Ready-Set-Go-Plan-09_CALFIRE_sm.pdf). **2017 POA Meeting Minutes** – Pam Hogan moved that the minutes be approved. Cheryl Mehaffey seconded it. The motion passed unanimously.

### **Thanks & Updates**

Volunteer Day: A big crew helped on the volunteer day on June 2. Megan Robinson and Felix Peukert led a chipping crew; Alan Robinson led a crew on trenches – which he does solo all the time; and David Harwood led a team that replaced the bridge runners. Thanks were extended to other volunteers Tony Pingatore, David Griswold, John Nale, Denny Hogan, Bob Groeger, Steve Jackson (and his drill!), Bill Mehaffey, Jim and Carole Vowell, David and Sharon Trenkle and Mike Landreth – and apologies and thanks to anyone that may have been left off of this list.

The new owners of lot 4 – Jim & Pam Camp – helped with installation of a new solar light on the north side sign at the subdivision entrance.

Thanks were extended to all the Board members and Officers for their service.

MHE Property Map and Roster – The roster and map have been shared with the Chaffee County Sheriff's office for emergency response situations. Please notify the MHE Secretary (currently Ellen Marshall) should contact information change so the roster can be kept up to date.

### **Road and Bridge Updates**

Shawn Rhoads, Tony Pingatore and others have taken the lead on keeping the roads bladed, smooth and plowed.

In 2017, the association financed application of a road stabilizer and dust inhibitor – known as Durablend – on just over a mile of subdivision roads. Durablend is expensive, costing about \$6000/per mile. As a practical matter, we can't afford annual or even biannual applications. In general, people thought it helped, but remain concerned about the cost-benefit ratio. It was suggested that it may be possible to focus on priority areas for dust control, such as key road segments proximate to houses. Some raised concerns about the impacts of Durablend and thought it may have caused damage to vegetation. Rather than chemicals, it was suggested that more gravel might help stabilize the road, especially on the hills. It was requested that when new gravel is purchased a request should be made for clean gravel so all the nails and other metals found in the last load don't put tires in danger.

In June 2018 the runners were all replaced on the bridge, and should last a few years. People were reminded to try and hit the runners square-on because tires sliding off them can cause splits and chips. Careful driving and prudent maintenance will help the bridge last and reduce costs to the association.

Observing subdivision speed limits was encouraged as a means of keeping down dust and maintaining road quality. Because people think that UPS and Fed Ex drivers go particularly fast, the board will explore if there are ways to address that (including through a potential delivery drop box at the entrance).

### **Treasurer's Report and Proposed Budget**

Steve Jackson presented the Treasurer's report. The fiscal year started on September 1, 2017 with \$7,962 in the bank, and will end on August 31, 2018 with \$12,037. The checking account balance is \$5985 and the savings account balance is \$6046.

Assessments were paid by property other than #3, the Loeb Family Trust. The board will explore if there is anything that can be done about the non-payment.

The key budget priority this fiscal year was to increase reserves, which was achieved through a bare bones approach to spending and additional revenue from the association’s decision in 2017 to increase assessments, the first increase in 8 years.

Looking ahead, the Board recommends approval of a steady-state budget that again minimizes expenditures and increases reserves, as follows:

	Actual Income and Expenses for 9/1/17 - 8/31/18			Proposed Budget for 9/1/18 - 8/31/19	
	Income	Expenses Budgeted	Expenses Actual	Projected Income	Projected Expense
	11,231			11,000	
<b>Expense Categories</b>					
Government/Legal/Fees		400	100		400
Insurance		1,700	1,654		1,700
Snow removal		300	0		300
Road maintenance		2,000	1,722		2,000
Postage/Mailing		50	0		50
Fire Mitigation		500	389		500
Miscellaneous		400	21		400
Entrance lights		0	860		0
Tractor payments		2,150	2,150		2,150
Water Meter Reimbursement		300	0		0
Balance applied to reserve account		3,200	3,200		3,500
<b>TOTAL</b>	<b>11,231</b>	<b>11,000</b>	<b>10,096</b>	<b>11,000</b>	<b>11,000</b>

Larry Walker moved to approve the budget. Barbara O’Donnell seconded the motion. The motion passed unanimously.

### Short-term Rentals

At the 2017 MHE annual meeting the issue of short-term rentals was raised, and the Board agreed it would gather relevant information, consult with property owners, and make a proposal at the 2018 annual meeting.

David Harwood opened the discussion by noting that Mt. Harvard Estates Covenants do not prohibit short-term rentals. He noted that it is unusual in this community for differences of opinion to arise – but there are various opinions about this topic in our neighborhood. New technology, platforms and consumer behavior have made short-term rentals an issue of discussion in HOAs and jurisdictions all over the state.

The Board collected information to guide next steps, including on state, county, and town policies, as well as how other nearby HOAs deal with short-term rentals. The following information was gathered:

Under Colorado law, short-term rentals are not considered a commercial enterprise, which are prohibited in our bylaws/covenants. Both the county and state require sales and lodging taxes to be collected for short term rentals. In addition, certain filings are required such as a personal property tax declaration that may require a tax to be paid. Septic and safety inspections are required. Chaffee County also requires local HOAs to agree that it is OK to rent.

Based on Board outreach, it was learned that about half of other HOAs in our area prohibit short-term rentals. The other half allows short-term rentals, including some with specific limitations (e.g. the number of days a property can be rented). Several HOAs that allow short-term rentals require acknowledgement by renters of the obligation to comply with HOA rules (speed, noise, fire).

Based on the learning and property owner input, the Board proposed approval of motion, as follows:

Short-term rentals will continue, with the stipulation in the Covenants or Responsible Governance Policies that all short-term rentals must be in compliance with all State and County laws, rules and regulation on inspections, taxes, etc; and that a common form be developed by the Board that all renters must sign to acknowledge that they agree to abide by all relevant HOA and County guidance on speed limits, noise, fires and other rules.

Noting that every viewpoint is valid and that people should listen carefully to the perspectives of others, the floor was opened for discussion. A long discussion ensued during which the vast majority of attendees offered viewpoints, as follows:

- Places should not be advertised as B&Bs, as that insinuates that it is an “every day” enterprise and there are likely additional regulations on kitchen safety and more.
- The estimate is that currently there are about 6 properties that do short-term rentals – typically less than two weeks.
- This is a private community, as indicated by signage on the road. Allowing will encourage the public to explore the subdivision.
- Concern was expressed about impacts of increased traffic on our roads.
- The demand for vacation rentals is going to grow – as evidenced by the growth in BV and on the highway over the last 5 years.
- A concern was raised about what will happen when people start selling time shares, but it was noted that the covenants prohibit the sale of time shares.
- Renters need to understand the trash and recycling situation here so as not to impose or create problems for other homeowners.
- Some mechanism should be in place if/when there is a problem with a renter.
- If renters don’t follow the rules, there need to be consequences, especially if it is going to create a community expense. The same goes for property owners.
- Rentals are a way for property owners to create income from an asset they own.
- Those who provide rentals are willing to have a response team to address the situation if there is every a problem with a renter.
- To date, renters have been responsible and respectful. A concern was raised that this isn’t something that can be guaranteed into the future. Again, this could be true for property owners as well.
- Security was raised – having extra people on the road, getting lost and bothering neighbors and shining lights into homes.
- Regulations need to be developed about what the rental terms are. Clarify who monitors it. Require them to sign an agreement about terms.
- Some short-term rental internet platforms encourage good behavior by renters, for example by allowing for customer ratings. The industry is professional and well maintained.

- People expressed their positive experiences using short-term rentals in their own travels.
- The lack of prohibition on short-term rentals was an important factor to some when deciding to purchase property in MHE.
- Chaffee County lacks lodging, and short-term rentals assist with county revenues.
- The same due diligence is undertaken whether friends/family are coming for a visit or renters are.
- Some people purchased property here because it was a private residential community, and allowing short-term rentals appears to change that.
- Short term rentals are more on people's minds and in their awareness, but they are not new and have been happening in the subdivision for some time.
- The cost of rentals here in some way self-selects who would rent here.
- Part of the appeal of living here is not having too many property restrictions or rules and regulations about how to live.

The chair thanked all property owners for their viewpoints and insights and restated the proposal from the Board. Bob Box moved to approve the Board proposal. Susan Golicic seconded the motion. The motion/proposal was agreed to by a vote of 26 to 4.

### **Water Meters & Reporting**

Jenna Nale provided an update on water meters and reporting. The reporting year is November 1 – October 31. Meter readings should be taken near or on October 31 and reflect the number of gallons pumped. For part-time (normally summer) residents, the meter should be read at the end of their last visit to their home prior to October 31. Meter reading instructions and forms should be email or mailed (for those without internet or computer) to homeowners in early October with a reminder email toward the end of October.

The final report is sent to the State of Colorado Water District II Commissioner. Annual usage is computed by subtracting the previous year reading from the current year reading. Each homeowner's reading should be included in the final report along with any notes explaining irregularities. Homeowners' names are NOT included in the final report sent to the state.

The total number of gallons for the subdivision is converted to acre-feet using the conversion, 325,851 gallons = 1 acre-foot. Mt Harvard Estates owns 2 shares of Twin Lakes. This equates to as little as 0.54 AF and as much as 1.25 AF depending on the amount of precipitation drains into and is available in Twin Lakes. Only 10% of the total number of gallons for the entire MHE is reported as 90% of the water is presumed to be returned to the ground through the septic systems. 10% is presumed to be consumed.

### **Report Summary**

- 31 of 32 homeowners in MHE reported meter readings; 1 of the 31 did not report a reading in 2016, and their water usage was estimated. The remaining 30 reported actual usage.
- 1 of the 32 homeowners did not report a meter reading and does not have a meter; this was reported as a default (127,750 gallons). This situation was reported to David Harwood.
- The total for the 31 homeowners reporting meter readings was **1,039,686 gallons (3.19 ac-ft)**.
- The total including the one default was 1,167,436 (3.58 ac-ft).
- The amount consumed is estimated to be 10% of the figure above or **116,743 gallons (0.36 ac-ft)**.

Property owners were reminded that they can legally collect water in 2 rain barrels now for garden use. Thanks were extended again to Alan Robinson who did this reporting for many years.

### **Board Elections**

David Billesbach nominated Cheryl Mehaffey, Felix Peuckert and David Harwood to new terms on the board. Jim Stohlquist seconded the motion. The elections to the Board were approved unanimously.

### **New Business/What's On Your Mind?**

David Harwood summarized the priorities for the upcoming year: monitoring road conditions and dust; building association reserves; and next steps on short term rentals. Other suggestions were:

- Refinishing the posts at the subdivision entrance;
- Removing algae from the pond, though it was noted the ponds are private property and not part of Mt. Harvard Estates.

Please use caution when driving by the lower pond. It is on a curve and water eats away at the edge of the road above the pond and could cut into the road. Regular road maintenance includes reinforcing a berm that guides water away from the edge. In addition, metal edging will be placed around the berm to help protect against that erosion. If you do see any problems or wear, please let David Harwood know.

People are appreciative that the blading and plowing has been leaving more vegetation, particularly on the hills, to protect against road erosion.

The meeting adjourned at 3:30.