

Reminder:

- The gates must always be closed after each use per the Court Order.
- All pets must be on leash and under control.
- Members will be fined for violations. See www.beaverlakes.org/documents/ for more information.



Board Meeting

January 19, 2019 - 9:00 A.M.

Board Members Present:

Bob Dixon, Adam Wiens, Eric Flora, Ken Berendt, Rich Boon, Andy Olear

Board Members Absent:

Karen Runowski, Floyd Strader

Lot Owners Present:

B&B DuBrosky, Ed Batterson, Marty Stevenson, Ursula Gilgulin, Glenn & Leona Brenchley, Warren Flint, Jeff & Kim Pierrun, Scott Magill, Kelly Stiefel, Ann Stiefel, Curtis Over, Larree Morgan, Lacy Dunham, Kristine Prickett, Nancy Fox, Jonathan Bratz, Demertia Ray, Lila Land, Dan Batwinas, Dale Halverstadt, Troy & Jill Oliver, Ken and Beth Donoher, Nancy Berendt, Teresa Olear, Susan Klein, Chris & Lauren Ruskey, Elaine Pacheco, Ryan Lotman, Margaret Sjoden, Jeff Anderson

Caretaker:

Mark Larsen was unable to attend due to snow plowing duties

Agenda

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| 1. Open meeting | Bob, President |
| a. All members please sign in | |
| b. Board members present; | |
| c. Excused absences – Karen Runowski, Floyd Strader, Rich Boon | |
| 2. Approval of Minutes Posted on BLE Website | Rich |
| 3. Treasurer Report | Andy, Treasurer |
| 4. Caretaker’s Report | Mark, Caretaker |
| a. Progress Report | |
| b. Equipment Status | |
| c. New Equipment | |
| 5. Architectural Controls Committee Report | Marty |
| 6. Lot 91 Sale Discussion | Bob |
| 7. Implementation of Budget Goals | Bob |
| a. Implementation goals of 2019 improvements based on approved budget plan | |
| b. Items to be done by contract / outside vendors | |
| c. Caretaker to do list for next quarter | |
| 8. Record keeping procedures | Bob |

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| 9. Short Term Rental Update | Bob |
| a. Ratification of motion made at the ELHA Board conference call on November 13, 2018 with regards to next steps on STRs in BLE | |
| b. Letters to Members | |
| 10. Other Topics from Members | Members |
| 11. Adjourn | Bob |

Minutes

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|--|-----------------|
| 1) Open meeting | Bob, President |
| a) Board members present Bob Dixon, Adam Wiens, Eric Flora, Ken Berendt, Rich Boon, and Andy Olear. | |
| b) Board members absent: Floyd Strader and Karen Runowski. The Board voted unanimously to accept these as excused absences. Adam held a proxy for Karen. | |
| 2) Approval of minutes as posted on BLE website | |
| Ken moved the minutes be approved as posted, Eric seconded, and the motion passed unanimously. | |
| 3) Treasurer Report | Andy, Treasurer |
| Andy summarized the current financial status. We are on target with the budget with some budgeted items a little higher and some a little lower. The caretaker was able to find a lower cost option for health care so that item is well below the budget. Bob indicated this will also be the case for next year since we had budgeted for the higher health care prior to knowing he found a lower cost option. Bob noted that we soon be getting a bill for \$4,500 to refill the lower lake after it was drawn down due to request for water from the ranch downstream. Our expenses for collection of debts is lower than budgeted since we only have a few remaining overdue debts. BLE recently purchased a used front-end loader for approximately \$44,000 which will be much better than the prior one for maintenance and repairs. The old front-end loader was traded-in for approximately \$11,000. | |
| Bob relayed that our assistant treasurer and bookkeeper, who had been with BLE for over 20 years, indicated his intention to retire. We hired a new person, but she recently resigned. We have hired another person that does similar tasks for other organizations. She was meeting with the retiring accountant the same day as this meeting. | |
| 4) Caretaker's Report | Mark, Caretaker |
| a) Progress Report | |
| Mark was busy plowing so was unable to attend. | |
| b) Equipment Status | |
| Bob reported we've replaced the backhoe and front-end loader. The truck blew its engine and we're in the process of installing a rebuilt engine. | |
| c) New Equipment | |
| The big expense coming will be the grader in the next few years. | |
| 5) Architectural Controls Committee Report | Marty |
| James Reinhart was approved to build a firewood shed. | |
| 6) Lot 91 Sale Discussion | Bob |

We found a realtor willing to represent BLE for a lower commission. We're currently waiting to get a survey and will then sign a contract with the realtor to put it on the market. It's approximately 2.1 acres and the listing price will be determined when we sign the contract with the realtor.

7) Implementation of Budget Goals

Ken

a) Implementation goals of 2019 improvements based on approved budget plan

The Board has been working on a long-term capital improvement plan including road upgrades, dam repairs/maintenance, cabin repairs, camp/lodge/cabin septic replacement, equipment replacement, ditches, maintenance yard improvements, etc. We're now working on prioritizing the items and determining the budget availability. Marty noted that the dam must be done between mid-April to mid-May to allow the lake to be drawn down then refilled while there's ample water available.

b) Items to be done by contract / outside vendors

Since there is far too much work for a single caretaker, we are working with the caretaker to determine what we need to contract out this year.

c) Caretaker to do list for next quarter

The Board is working with the caretaker to determine the priorities for the next few months.

8) Record Keeping Procedures

Bob

Nobody at this meeting was able to recall why this item was added to the agenda so the meeting moved to the next item without discussion.

9) Short Term Rental Update

Bob

a) Ratification of motion made at the ELHA Board conference call on November 13, 2018 with regards to next steps on STRs in BLE

Bob read a motion that had been passed at a Board call in November. Our attorney indicates we need to establish fine structure up front. Currently our maximum fine is \$250 which, in the attorney's experience with other HOAs, isn't enough to deter violations. The attorney suggested \$1,500 and Bob provided a suggested amendment to the motion from November reflecting this change. Rich moved and Adam seconded to accept the new motion which authorizes a membership vote whether to modify the covenants to ban STRs at BLE. The motion passed with 6 yes, 1 no, and 1 abstain. The wording of this new motion is provided in a separate file posted with these minutes and provides what BLE will be asking the membership to vote upon in the coming months. Bob encourages all members to vote so we can get the 50% needed to pass or reject the change to the governing documents. With the current governing documents, we are unable to regulate STRs other than fishing, pets, and other rules applied to all members. If the change does not pass, the governing documents will still have to be changed to implement additional rules for STRs.

Bob appointed two committees to each provide a one-page argument for and another one-page argument against allowing STRs. These are due no-later-than February 4, 2019 and will be included with the ballots. Dan Batwinas is chairing the committee to provide the argument for allowing STRs and John Boak is chairing the committee to provide the argument to not allow STRs. There was a discussion of how the vote will be used, e.g. what if it's evenly split or not enough people vote. If we don't get 50% of the members, which is 91 votes, we will send out reminders and attempt to get a

definitive decision. If the vote is to allow STRs, then the Board will need to reactivate the STR committee to complete that effort and address the areas it had not yet addressed.

Dan Wilkie asked about using Nextdoor to discuss this issue. Bob and Adam noted that Board does not regulate or manage Nextdoor, but suggested people be careful using it for contentious issues and be respectful. Andy noted the STR committee put together a significant amount of documentation on both sides of this issue, but it was not complete and has not been provided to the general membership. This effort will be re-activated and provided to members if the vote is to continue allowing STRs.

b) Letters to Members

Bob read a letter provided by the Whalen family that requested be read at this meeting.

“The Whalen family has owned the home at 108 Elk Road since ____? We were originally drawn to Beaver Lakes and Leadville because of the majestic scenery, the solitude, and the fierce independence and western attitude that cherishes the rights of the individual. We treasure our home and the community.

We strongly object to what seems to be an attempt to ban the ability of homeowners to use their property as a vacation rental. To the best of our knowledge there have been no major incidents or issues with the practice. Our personal experience has been entirely positive. Our guests have been respectful and responsible. Experience has shown us that short term rentals have much less impact on the home and area as opposed to long-term rentals. There is far less traffic as the busiest vacation rental is still only rented a fraction of the year. We faithfully pay the Lake County Occupancy Tax which benefits all residences of Lake County.

We believe the mandate of the board is to protect the rights of all homeowners, not merely the most vocal. We do not want our property rights infringed when there appears to be no adverse impact on the rights of others. Please honor the history and spirit of the western ethos. Do not meddle or take drastic measures where none are necessary.

Sincerely,
The Whalen Family”

Bob then requested comments from the members present regarding any of the STR letters that have been mailed or read. The following are comments from members present:

- The BLE cabins probably should pay county taxes since they are essentially STRs. Since they are owned by the association and can only be rented by members, Bob said the Board will consult our attorney.
- The letter identifying the Board STR Committee chair was inappropriate. John Boak indicated he had put that in that letter and agreed it was a mistake.
- Asked for clarification in one letter stating STRs were not allowed prior to 2012. The covenants prior to the 2012 covenant change indicated houses were for private use only. The 2012 change allowed rentals, which is the current version of the covenants.
- The anonymous post card used the BLE return address, but it was not endorsed by BLE. This post card should not have used BLE return address, but the Board cannot prevent it nor contact the sender since it was anonymous.

- Bob noted there are widely varying opinions within BLE and request everyone respect the opinions of others. There's no solution that will make everyone happy and we are attempting to do what most of the members desire.
- The Board requests any future letters do not use BLE position titles (e.g. Board member, Committee Chair), do not use BLE address for items not officially endorsed by BLE, and people not send anonymous letters since that does not allow conversation about the contents of the letter. The Board did address the use of a position title on one of the letters by contacting the people that published that letter.
- Dan Wilke noted, as a long time Fishing Committee member, the vast majority of the fishing violations are committed by renters, not members. He believes the owners likely provided the fishing rules that do not allow fishing without an owner present but short-term renters are much more likely to ignore the rules. Bob provided an example of a letter that was sent when a tenant was observed fishing without an owner present. The member asked several questions as to who saw the person, when, etc. The owner stated they talked to the tenant who denied that had happened. There were 3 other fishing violations with similar interactions. In summary, it is very difficult for BLE to enforce regulations.
- Andy noted there is a potential to have fees for STRs used to hire someone to enforce the STR regulations. A member noted that if people want to have the STR opportunity, the owner should be held accountable and fined.
- Bob indicated if the members want to allow STRs, there will be a lot of work to implement these types of rules. Dan Batwinas indicated if STRs continue to be allowed, he would be willing to take on the effort to enforce the rules at a cost within the additional income from STR fees.
- John Boak noted many of the considerations that must be addressed if STRs continue to be allowed are listed in the first letter he was part of sending to the membership.
- One member stated he purchased in BLE and put money into his house based on his ability to offset the costs with rentals so banning them would be a significant hardship for him.
- Several other communities in Lake County have banned STRs which increases the demand for STRs in BLE and areas that continue to allow them. Colorado will continue to be a high demand destination. It was also noted there has been a dramatic increase in STRs both in Leadville and BLE.
- Denver disallowed STRs unless it is your primary residence, which continues to increase demand for areas that allow STRs.
- Concern was expressed with letting the vote go on too long while things remain undecided and languishing with no action. Bob indicated the Board should not let it languish and push to get an answer as quickly as possible so we can move forward.
- Bob indicated as a member, not as Board president, that he appreciates the people that purchased here based on income from STRs, but he purchased here not to have rentals with loud parties, late night activities, multiple vehicles, etc.
- Bob noted there was rollover by an STR renter's SUV the last week of December which remained for several days while fluids leaked into the ground and water. There is also a sled dog truck and trailer which parked in BLE, but they aren't members of BLE.
- Bob relayed in the reviews of BLE STRs on-line, the renters come from around the world and we must determine what we want for BLE.
- STRs increase property values and increase property taxes.

Adam noted the Board is entirely volunteer. Any member in good standing can run to be on the Board and help do the work the Board is chartered to do.

10) Other Topics from Members

Members

a) People trespassing on private property

People have been observed hiking and snowshoeing through private property. It is requested people be respectful of their neighbors by not trespassing.

11) Adjourn: The meeting was adjourned at 10:55 am.

BLE Office Contact Information:

- BLE Web Site: www.beaverlakes.org
- E-mail Address: beaverlakesestates@gmail.com
- Phone: 719-486-0978
- Address: 585 Empire Valley Drive
Leadville, CO 80461

Future Meeting Dates for 2019:

- March 23, 9:00 am
- May 18, 8:00 am
- Annual Members' Meeting, 9:00 am followed by potluck picnic at Noon
- September 7, 8:00 am
- November 23, 9:00 am (establish 2020-2021 fiscal year budget)