

## Concerned Members report and comments on the Board meeting of SLPPOA – August 2015

***NOTE: this is not the official Board meeting minutes that the Board is responsible for producing***

- *We notice that the bottom line in the June 2015 financial statement is \$214,000. This figure includes the reserve account. As far as we can tell, that means that at least \$80K is not earmarked in the 2015 budget and can be considered surplus funds. Until the Board can demonstrate that it will communicate transparently about these funds, we strongly recommend NO DUES INCREASES.*
- *System 1 has an unaccounted water loss of 68%. We have an escalating problem with no long range plan to fix the problem. How long can we sustain this loss without aggressive action? We don't want to reach crisis levels again where water had to be "rationed" from the wells. As we have witnessed with the meter project, lots of education and tenacity will be needed to turn apathy into responsibility.*
- *A droning issue of throwing money at our roads with little benefit and no plan continues. Until we get serious about seeking professional advice, money will continue to be wasted on marginal repairs. We need to move away from the "band-aid" approach and seek professional help for infrastructure needs.*
- *This annual meeting ought to be interesting. If the Board claims Roberts Rules as our guiding authority, then the issue of a quorum should be correctly followed. According to Roberts Rules on quorums we are conducting business illegally at the annual meeting. We explain more of our findings on the rules later in this report. We also wonder if member interaction will be limited this year again.*
- *A reserve study is being set up which may help guide the Board in future budget planning. We expect some "painful" suggestions and will wait to see if the Board can initiate a long range plan to accommodate the solutions. With deteriorating water and road conditions, the best use of our money will need to come from external professional advice. In any case, we hope the study does not end up in the bottom drawer.*
- *No one mentioned the fact that an audit has been initiated. When it was discussed and when it was voted on has not been disclosed. It seems this is a topic many Association members would be interested in. Why the secrecy?*
- *One Board member commented, "Why worry about the water if we have no roads to drive home?" Read on.*

Aug 11, 2015 call to order 7:15

Board members present: Bennett, Kilburg, Nyhan, Ballman, Veverka, Otero  
Absent: Fredlund, Brophy and Downing no longer an association member.

Guests: Star, Moore, Ms. Otero, Corn, Shurter

## Reports

Treasurer:

Account Balances:

Operating - \$108228

Reserve - \$65908

Special Assessment - \$27993

Collectibles: \$4596

3 members with outstanding debt – 2 are making payments, 1 that was turned over to the attorney will be sending in a payment.

Of this debt, \$1525 is from dues and another \$3070 is for the special assessment.

The number of uncollectables remains at three. *No figure was given for this debt but in past reports it was \$9.4K*

Total delinquencies thus = ~\$14K.

Sunland Management's 2<sup>nd</sup> quarterly review noted no problems.

Bennett mentioned that the Board needs to start thinking about next year's budget to be voted on in Oct.

Water:

No issues. *No issues? With a 68% unaccounted water loss on System 1 we challenge that comment.*

American Leak detection has been contacted to return the last week in August or first week of September for another testing of the main lines in System 1. The cost was stated as \$2275 for the set-up and \$1875 every day thereafter. A discounted leak detection cost for households which would normally be \$725 is being offered at \$375. *American Leak's last testing provided little in results; 2 of the 3 detected leaks were already known. With unaccounted water loss at 68% for system 1, we hope we get more bang for our buck this time.*

Individual property leak detection discount information will be posted on the listserver and Veverka and Nyhan will be contacting those members where notable property leaks have been found. It is hoped that these members will agree to have Am. Leak test their service lines and households. *Maybe what will encourage members to comply will be the ultimatum that if we don't resolve our water systems problems, we will either eventually be without water or there will be an excessive assessment. Try to sell a house under those circumstances.*

There are still problems setting up individual accounts on the website. It was suggested that members email the webmaster if they have problems.

It was reported that a leak rate of up to 15% is considered acceptable for community water systems. System 1 has 68% leak problem which definitely needs to be addressed. *The older system 1 infrastructure will continue to deteriorate. System 2 with a 4% leak rate is considered tight for now. However, excavations in the past have shown that inferior materials for example, pipes with long-term exposure to sunlight before they were buried and poor pipe fitting jobs are expected to cause leak problems in the future. To assume that System 2 will be good to go for the long-term may be misleading.*

It was decided, to save on cost, to skip leak detection on system 2 for the time being.

The Aspen well house is scheduled for repair of the pad and to plug the old well to prevent contamination. The building structure is OK and the cinder block footing is level. It was suggested, *we hope not seriously* to use old insulation for a filler. *Fiberglass/asbestos to plug a well hole?*

Compliance –

Nyhan is still trying to contact the Office of State Engineer without luck. District jurisdiction and reporting appear to be the issues needing to be resolved.

The decision on buying spare parts for the meter assembly was questioned. It was reported that a call regarding repair kit availability was initiated to Baker Utility. It was stated that the meter unit has two parts, the electronic head and the body. Meters could be field serviceable; however caution was expressed about affecting the warranty.

Firewise- no report

Nyhan called the district ranger in Jemez Spring regarding a property bordering forest service property. The concern was that there are a few big timbers that could fall on a primary line. Jemez Electric won't cut the trees due to the 10 ft easement restriction.

It was noted that a property owner with an illegal road and property encroachment on Forest Service land is being fixed.

The Board has been tasked with reviewing the website to further help the webmaster.

Roads

Board member Downing sold his house and is no longer on the board.

Meskimmen, our roads contractor, laid millings on Trilobite and graded the rest of our roads—which was characterized as a “lick and a promise.” This exercise cost \$11K!

Legal

The Board is still pursuing people who are delinquent.

A reserve study *which was suggested in the 2009 Audit* is *finally* being initiated.

Community relations – no report

Architectural – no report  
Parks – have been mowed

Action Items:

Meter maintenance – see above

Website and water usage – a question was asked on how the webmaster is reporting usage and is it meaningful?

Forest thinning - no new study - no new answers – it was suggested that a Forest Service rep be contacted to report at the annual meeting.

Listserver policy is still being discussed. The objective is trying to find a balance that delivers information and does not become spam for the community. *We think it best be left as its original intent; an EMERGENCY broadcast service. Either set up a blog for miscellaneous conversation, or setup a webpage for unrestricted announcements.*

Nominating committee - 2 new members on the ballot. *There are questions concerning the eligibility of members to sit on the board. The Bylaws say that members must be in good standing and have paid their dues to be eligible to vote. Does the same rule apply to prospective board members? Should a member be permitted to sit on the board who is delinquent on their dues, has a lien against their property, is on a payment plan, or is involved in a lawsuit against the association? It wouldn't be the first time.*

Moore followed up from last month with a slightly edited version of a plan to assist property owners with leak repair. She commented that she would like to see some long known leaks fixed. Veverka stated that not much could be accomplished with a \$5000 budget for the project. *However, no aggressive action has been taken by the Board so far, so how could it hurt?*

He suggested it could show favoritism, unless it was done for everyone. *As the Board has no control over property leaks or water usage, any incentive might help bring down the leak rate. No action is not sustainable.*

Kilburg suggests that the motion be tabled until expenditures are determined from the reserve study.

It was reported that there is ~ 68% unaccounted for water loss on the main lines in system 1. A comment suggested that the meter reader can give a history of leaks and that properties showing over 9000 gals should be scrutinized. *A good first step. We wait to see what will be done about high users and leakers.*

*We found this comment particularly interesting:*

*A motion can be made only if a quorum is available at the annual meeting. Also we question, will member input and questions be limited to 10 minutes again?*

*We question the legality of any business being conducted without a quorum and brought this issue to the attention of the Board after the 2014 annual meeting and were promptly ignored.*

*We are waiting to hear how they intend to substantiate a quorum:*

*with unopened ballot envelopes?  
with proxy's-- but they won't have a count of the proxies until they open the ballot envelopes, or  
with an attendance count of the members at the meeting?*

*According to our understanding of the rules:*

*There can be no business conducted, and that means no elections either without a quorum.*

*According to Robert's Rules, which the Board has stated on previous occasions is our parliamentary authority, there are 3 choices:*

*(1) a motion to take a recess so board members can contact members to get them there for a quorum;*

*(2) a motion to adjourn (this does not negate the fact that the organization has abided by its rules--it published a notice about the meeting, convened the meeting, and then had to adjourn for lack of a quorum; and*

*(3) a motion to fix the time to adjourn (the president sets a date, time, and place for the annual meeting to reconvene (continue), and hopes that they have enough to actually do that.)*

*We do expect that an announcement about the quorum, and under what rules the meeting is governed, will be made at the beginning of the meeting. At the 2014 annual meeting it was stated that no quorum was met however a vote was taken, a nomination off the floor was presented, and other business including the election was conducted. Not much abidance with RR.*

*It was noted that there are 10 properties with leaks on system 1 and 4 on system 2. Veverka and Nyhan will contact the 14 owners with the leaks and present them with their water usage data and suggest they consider investing in the leak detection discount coming available.*

*The proposed reserve study is expected to offer funding strategies for the upcoming 2015-2016 budget year. The Board commented on road and water system improvements, in the event of a catastrophic event will require more substantial reserves. We hope the reserve study won't become another plan relegated to the bottom drawer.*

*How to fund the reserves was another concern. Bennett suggested possible special assessments and/or raising dues. We suggest the only way special assessment or increasing dues will pass the giggle test is to get serious and hire professional help. Too much money has been wasted on band-aiding our roads and water systems for too many years and we have little to show for it. Engineering reports should be acquired and plans for improvement be initiated as time and money allow... and the Board needs to stay focused on a long range plan.*

*Bennett commented on holding people accountable for their leaks. He suggests setting a threshold or standard to get people to comply. The only effective remedy for accountability is to change the bylaws, and change the business structure of our water systems management. Threatening members with idle proposals will not be taken seriously.*

*Talk about roads needing to be fixed? That topic has droned on since the formation of the association...and still remains unresolved. A few forward looking Board members in the past*

*have suggested engineering studies, however, even with one in 2003, the study was sequestered in a drawer suggesting it was too costly. We think consistently throwing money each year at the problem without some effort to attack the issue professionally has been more costly for the members.*

The road millings/repair on Trilobite cost \$11,000. *A lot of money for a small concentrated effort on one association road. Consider what the cost might be for over 5 miles of association roads that not only need fill but proper drainage engineering.*

Bennett commented on revisiting the culverts issue and bringing this to the attention of the membership for input. *We suggest that the Board create a plan to maintain culverts before proceeding to dump another \$35000 or more into repairs. As Veverka mentioned, how to manage runoff needs to be properly engineered.*

*We hope this was said in jest; Veverka stated that why worry about the water if we can't drive home on our roads. How about... if we have no water we don't need roads to get home? Where are the priorities?*

September meeting moved to the 2<sup>nd</sup> Wednesday. The announcement will be posted on the website.

Closed session: 8:33pm  
*No topics disclosed*

9:15pm cars departed

ss/mm/ss