

**Concerned Members report and comments on the Board meeting of SLPPOA –
March 8, 2016**

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

Author's notes and comments

- The special assessment account has a balance of \$29,431. The board is claiming this amount as overrun cost and owed back to the operating account. *The reported cost overrun was actually \$25,525 according to the presentation at the Sept annual meeting. That figure was also inflated by commingling \$15,000 for the pilot project that was an independent project paid originally from the water budget. The board is not following the terms of agreement of the special assessment proposal; that excess funds should be allocated into water system upgrades.*
- The special assessment account overage balance allocation is being discussed in closed session. *The lack of transparency about special assessment accounting and other related financial issues is what resulted in the lawsuit that has now cost the association \$20,900.*
- There is now reported a 77% leak rate on the system 1 main line. *It is time for the board to get serious about their priorities and a plan for water system maintenance. 80 households depend on system 1 water supply. From a liability issue, we hope the families that are moving into the association have been made aware of this critical situation.*
- Lots of talk about finding money sources continues to be a topic in board meetings. *There appears to be little awareness of the fact that private water systems such as SLPPOA cannot qualify for public funding. SLP has missed many opportunities for free water funds available to public systems. Despite tighter fiscal conditions in NM, \$210,000 is being awarded in 2017 to local public community water systems according to our state representative Stephanie Garcia-Richards. The Jemez MDWA is to receive \$700K funding from the Water Trust Board to replace parts of their aging main distribution system.*

March 8, 2016 call to order 7:16

Board members present: Bennett, Brophy, Otero, Kilburg, Nyhan, Veverka

Absent: Ballman, Fredlund, Bushnell

Guests: Star, Shurter, Corn, Ms. Otero

Agenda approved

Minutes approved

Treasurer:

Account Balances:

Operating: \$ 143,422

Reserve: \$65,935

Special Assessment: \$29,431

Delinquencies

Uncollectible -- \$12,581-- 3 properties.

Collectibles -- \$923. Two are paying, one still being pursued by the attorney.

Total delinquent accounts -- \$13,504

Kilburg received another request for disclosure documentation for a property sale.

21 properties have sold in the last year and a half.

Legal cost for the lawsuit as of mid Feb -- \$20,950

Frank Casanova of Sunland Mgmt discounted his costs for his involvement in the lawsuit.

A bill for ~\$1900 for some road work was submitted. Estimates for the road work to be complete are approximately \$ 30,000. The board has approved \$20,000.

Discussion about how to handle the special assessment balance is still to be decided.

Veverka recommended that the entire amount of \$29, 431 be put back into the operating account. This decision is contrary to the special assessment project vote. Any excess funds were to be allocated to additional water system upgrades. \$25,000 was reported as an overrun from the annual meeting. \$25,000 was inaccurate according to our records. \$15,000 in overruns was attributed to the independent pilot project funded through the water budget at the time.

Several transfers during the special assessment project between operating and special assessment accounts have been reported by the treasurer but lack verifiable information about the project expenses. Proper money management of the 3 year meter assembly installation has been unverifiable since the project began.

It was stated that there are approximately 8 empty lots that may need assemblies installed in the future, however 3 extra cans would be sufficient until further need arises. Veverka doesn't see the need for immediate meter replacement parts. What is needed is massive maintenance money. *So far, there is no plan for reserves for water system maintenance or repairs.*

A water committee meeting notice was suggested to get people involved who will dedicate time and labor to working on the water system. *There are organizations and professional people that have provided planning and services in the past. These services were free to help resolve our water system problems. Unfortunately the efforts contributed by these professionals were disregarded by some in the community, and as a result system 1 continues to increase in its leak rate, now at 77% and is putting at risk 80 households that depend on this system.*

The water committee meeting was suggested to occur in a couple of months, however due to the weather and situation, the time line should be stepped up. *We contend planning should have begun during the winter season to be ready now to commence repairs, but we're still waiting to start planning.*

It was stated that the insurance agency has dropped our insurance liability due to a claim. It was questioned how the cost of the insurance is derived on the financials. Kilburg replied that the amount is prepaid and the policy goes from June – June. *No insurance puts every member at risk of liability.*

Water:

It was a quiet month, no issues. *It concerns us that there was no visible alarm about the increasing water loss on system 1.*

There was some property meter profiling done. There was an indication that there was repair done to a 2" main to a fire stand.

The water system leak trend from last month was reported as leveling off. Only saw one more leak flag this month. The concern is with total usage and leak flags.

It was reported that 5 properties are using over 10,000 gal/mon.

It was surmised by Corn that if the loss rate of 77% on system 1 was fixed we could run entirely on the Hovenweep well which produces ~ 8 -9 gal/minute.

Before the installation of household meters, association water volunteers could only estimate the leak rate. Their guesses *ranged from 50-60%*. Some leaks were fixed during the meter assembly installation. *After the installation of the meter assemblies, a water audit on System 1, now reveals that the leak rate on system 1 is between 65% and 77%, with a steady increase since September 2015.*

Compliance:

The Drinking Water Bureau has revised its total coliform sampling rule; however it appears that the association is still in compliance.

The water operator is doing a good job with the chlorination. Plugging the old well in the Aspen well house helped to secure against contamination and it was mentioned that the abandoned well on Forest Rd 10 should also be investigated.

Firewise

Bennett reported that Fredlund posted the fire preparedness workshop coming up April 9.

Website

Mike Schacht, the webmaster is moving out of the state but will continue his service on the website. It was mentioned the association could possibly hire him to continue.

Roads

Bushnell is out of town and will be back by mid-March. The roads still need more widening as there is no room for putting snow. Recent surveys have GPS coordinates while the older ones don't. GPS coordinates will be needed to define and work on the roads. The issue of imminent domain is brought up, however depending on the movement of the roads over the years, even if property stakes suggest a different location, the existing road will remain the established road.

Legal

The SLP insurance policy with the Jemez Agency was dropped due to a claim that was not specified. Lloyds of London was a recommendation to check out. It was also questioned why the Jemez Agency doesn't shop for us. In retrospect it might be better to not file claims if cancellation is possible. Maryann at HOAMCO (a homeowners' association management company) will be queried for possible insurance options.

The lawsuit court date has been moved to June 6, 9:30am.

Community Relations

There are a lot of new families that have moved into SLP and the board needs to reach out and inform them of things that need to be done and see if volunteerism can be encouraged. *The 77% water loss issue should raise concerns and encourage some participation.*

Architectural & Parks

A resident emailed wanting a referral for tractor work.

Action items

Road marker stakes were assigned to Bushnell. There is a need to decide on the type of stakes. Staking roads will be difficult in places such as Bonita Way and Hovenweep where property boundaries interfere with existing road easements because of the wandering road conditions. It was reported that the fire department has difficulties at the intersection Bonita and Hovenweep. There was discussion of GPS coordinates as guidance for road grading/maintenance activities.

The American Leak Detection final report has never been sent. Nyhan stated that he would pursue this report.

Nyhan stated that a well recharge analysis would give an indication of the health of each of the wells. The recharge rate also determines the well pump size.

Discussion ensued on the Hovenweep well. Corn reports that the Hovenweep pump was replaced. It was mentioned that some of the local water team could do this recharge analysis themselves. *Hovenweep was a point of contention when the decision to professionally acid wash and replace the pump was initiated a number of years ago by a previous board. This decision proved to keep the well in good functioning condition for over the past 5 years. The information was documented by HGS and is available in the SLP files but the current board doesn't appear to have knowledge about it. It's difficult to understand why the board continues to ignore documented association history and professional help when it comes to our water system.*

Reserve Study

Brophy hasn't initiated any action to find another company, so it was decided to get another quote as the former one that has expired and get started with the company that was originally contacted.

There have been no new funds identified for help with tree thinning.

Discussion ensued regarding the 4 different sets of covenants. No progress has been made on this issue. The issues mentioned are to better define trees per acre and animals per lot.

A comment was made that the only way to search for leaks is to go and look for them. One idea was to consider running a 10ft core along the main line. Concerns about hitting the main line were brought up. It was also discussed that Nyhan as community relations could drum up some volunteers for the water committee that could dedicate time and labor to work on the water system.

Nyhan commented that this approach is highly overrated and made suggestion that the association may consider changing the structure of a private nonprofit organization to an entity separate from the association. He mentioned the option to turn the HOA over to a water management company which was not explained. He will talk to the Drinking Water Bureau about options. *A Water Coop or Mutual Domestic option that may offer funding options have been discussed at length many times before. However this option never reached the voting floor. Over \$200,000 has been awarded to a few communities for water system improvements for the upcoming 2017 fiscal year. And \$700K is earmarked for the Jemez MDWA.*

As a private entity, our HOA is not eligible for any public funding. This shouldn't be surprising news. Hundreds of thousands of dollars of funding options through the New Mexico Finance Authority fell through in years past because we were not a mutual domestic even when the board under the leadership of proactive president Erickson, made efforts to get us in the queue for money. And when efforts turned to secure a loan it was also challenged by some members, one who is currently serving on the board, to prevent the association from attempting an alternate strategy for funding.

Old business

A water policy that the board has been struggling with for over 6 months was voted on and approved. It's a notification only attempt to alert property owners that have leak flags and are using over 10,000 gal/mon. (a family of 4 average.) The reasoning is that such excessive use and lack of willingness to repair is detrimental to the community water system and the rest of the users. The policy will be posted.

A search committee to look for grants is assigned to Nyhan and Bushnell.

There is no one assigned from the board to work on the revisions to the Unit covenants that will eventually have to be decided by the membership. The work on this issue will start in spring. Tree density is still the biggest issue but animals per lot were noted.

Listserver

The board is resigning its authority over the listserver. It will now be run at the discretion of Jan Studebaker. Anyone can send messages to Studebaker for posting. *It wasn't discussed what Studebakers "policy" for posting would be.* If members get tired of being blogged by garbage from the listserver they can remove their names. *This was a useful emergency tool until the privileges were abused.*

It was suggested that emails on listserver have already been compromised.

The website will be the official notification center for board announcements.

The discussion on the Reserve Study will be brought up again next month. It will probably cost more money now as the old quote has expired.

An audit discussion requested by Van Ruyckvelt will be postponed until after completion of the lawsuit.

The dispersal of the Special Assessment account balance will be presented next month under old business.

Revisions to the budget and adjustment for legal overrun will be discussed in closed session. It was also announced that there will be discussion about the website in closed session plus some private matters of a member will be discussed.

The board president adjourned the open meeting and called the executive session. *Again, no approval by a majority vote of a quorum of the board was obtained according to Section I of the Open Meetings Act. The authority for the closure and the subject to be discussed should have been stated with reasonable specificity in the motion calling for the vote on a closed meeting as provided for in Open Meetings Act which the Board believes applies to SLPPOA. At this point in time, the legality of a private homeowners' association board's authority to call closed sessions remains contested.*

Executive session -8:50pm

Cars dispersed 9:50pm

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