

Concerned Members report and comments on the Board meeting of SLPPOA May, 14, 2019

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

Author's notes and comments:

- The Board's reluctance to engage professional engineering oversight is unacceptable. *The continuing DIY approach is a disservice to the community.*

When a community has no water engineering expertise they subject the members to health hazards, ineffective infrastructure, and unnecessary financial costs.

When a community ignores engineering expertise on road design and maintenance they subject members to driving hazards, eroding roads and excessive costs year after year.

Guests: Star

No officer reports.

Treasurers report - L. Otero

Account balances:

Operating: \$192,040

Reserve- \$114,052

There are 15 delinquents totaling ~\$8,000. Two members paid up when they received a lien notification.

\$660 has been transferred to the reserve account.

There has been 1 change in property ownership and 2 pending sales.

The legal fees for the lawsuit have increased to \$52,328 and other legal fees increased to \$6,300.

The operating equity (carryover/excess funds) from last year is \$89,638 and L. Otero suggested that the association needs to continue building up the reserve account and moved to transfer \$45,000 into the reserve account. Motion approved.

Water Report - Corn

A combination report was given for March and April as the April was cancelled due to lack of quorum. There were no major water delivery events in either month.

Level Con, our tank monitoring system, has stopped working and several attempts have not been able to revive the system. Verizon has dropped 3G service and we don't have the capacity to get 4G at the site without a booster.

Volunteers are needed to maintain the water system.

There was a rupture on a frost free on a private lot on sys 2. The water was shut-off at the meter and the absentee owner contacted. It was stated that the owner will fix the leak on the next visit.

The Hovenweep well pump needed to be reset a few times due to power outages.

A water depth monitoring system will be set up on the Aspen well to track changing water depth levels and the internet monitoring will be conducted by a neighbor. The aquifer management and meetings will continue with Scott Christensen of the New Mexico Bureau of Geology and Mineral Resources. *It's unknown whether the data will be available for member review.*

Water Usage

March

System 1--587,000 gals. pumped, usage - 219,000 gals., leak rate at 8.2 gpm (368,000 gal. loss-63% leak rate) 11 leak flags and 4 users over 7000 gals. The highest user at 14,000 gals. has a leak flag.

System 2- 362,000 gals. pumped, usage 145, 000 leak rate at 4.9 gpm, (216,000 gal loss - 60% leak rate) 9 leak flags, 5 users over 7000 gals. and one at 17,000 gals. had a leak flag.

Total -584,000 gals lost this month through main line leaks.

April

System 1 -560,000 gals pumped, usage -217,000 gal., leak rate at 7.9 gpm (342,000 gal. loss - 61% leak rate), 12 leak flags and 8 users over 7000 gals.

System 2 -360,000 gals. pumped, usage- 143,000 gals. leak rate *inaudible*, (217,000 gal. loss - 60%) 7 leak flags 11 users above the 7000 gals.

Total - 559,000 gals. lost this month through main line leaks.

In 2 months we have dumped another 1,143,000 gals into the ground through leaks. Since January we have lost 2,226,241 gals. in main line leaks. <http://www.slpwater.us/>

System 1 main line testing:

One glitch - unit 5, lot 1- *explanation inaudible.*

The leak rate on sys 1 was calculated at 5.16 gpm. As the meter reading data leak rate has been running between 8-9 gpm it was admitted that there may be problems with the calibration of the unit used to test the separate sections of the line. *We question the validity of the testing results that have a discrepancy factor of approximately 3 gpm. Critical replacement decisions shouldn't be based on questionable results.*

The water line on Hovenweep from FR 10 through to the end of Mesa Verde was calculated at 3.1 gpm. From Ashley lane at the intersection of Mimbres and across FR 10 up to Aspen Grove was estimated at 1.8 gpm. *The missing 3 gpm loss was not reported, however it suggests that there are leaks on all the line sections.*

Corn is meeting with Dave Raue, backhoe operator, about continuing with the main line water line replacement based on testing results. Raue will be busy for 3 weeks and Corn doesn't have an estimate for the cost. He will also have to sanitize pipe that is piled up at the park, left from the last install a few years ago. *While the trench is being dug, there is no known consideration about laying extra lines with pipe to accommodate a future return system for contact time or adding supplemental data controls on the lines for more precise and automated monitoring. We are doing over what we did 40 years ago, with no future planning, no engineering advice and no water operator oversight.*

There was one meter transmitter that would not transmit and a call has been initiated to Baker Utility.

Water Compliance- Weary

Sampling was confirmed as absent of total coliform and within tolerance of other substances. All wells are within compliance.

The Consumer Confidence Report has been posted on the fire station door and will be posted on the SLP web.

Lisko reported a chlorine taste/smell at his residence on system 1. System 1 chlorination was reported as 4 times higher than system 2 and it was stated that it should be "cranked" down. As Weary stated, those closest to the well heads will receive a higher dosage than those at the far ends of the system and the issues of contamination will exist at breaks in the lines (main line leaks). *SLP's excessive leak problem and lack of chlorination contact time due to insufficient main line engineering has created the irregular chlorination distribution and the Board refuses to address these issues as they continue to add new lines ignoring future infrastructure needs.*

Roads - Studell

R L Leeder, the contractor that repaired the roads last year for ~\$35,000 has quoted the same cost for this year. Unfortunately the road repair of last year didn't hold up and the work will need to be redone. *The Board continues to throw money at a condition that needs better engineering. We had an engineering report on the roads that was partially started, however Kilburg continues to insist that we shouldn't spend the money on, nor do we need engineering expertise.*

R L Leeder hasn't looked at the road this year in determining its quote however the bid included putting a 2% crown on roads and using a water truck for compaction. The water would be supplied by the association. The cost quoted is \$27,900 and in addition \$890 + \$350 per truck load for materials will need to be added into the cost. Leeder recommended crushed concrete, however this material has metal in it. *The last crushed concrete we put on the road included nails that flattened the same board member's tires who recommended the cheaper material. 3 bags of nails were found on a 1/2 block stretch of road..*

Studell stated that they should wait for an asphalt base. The funds for the road repair will exceed the road's budget of \$17,000 so the remainder will come from reserves. It

was decided that the monies needed should include at least 3 truck loads bringing the total to \$31,620. The board approved \$15,000 from reserves to make up the difference. The Board suggested starting the project as soon as possible.

A second bid came from Dave Raue on using asphalt millings however he doesn't have the have the equipment to do the job.

Weary suggested getting a quote on building up the material on the road and that just grading them isn't doing the job. Studell will ask for a quote from Leeder and an estimate on how many inches will be needed. The idea of asphaltting the road was mentioned; however water lines and ice preclude this idea. The past engineering report of years ago was again mentioned and would be reviewed.

Corn stated that the county made a mess of Mesa Verde and some of the culverts were filled in with adobe mud. He will be talking with the county again about taking over the roads, but if they do a crummy job why would we want them to take over the roads maintenance.

Legal- Kilburg

A notice regarding a past motion to supplement the records was received from the appeals court panel.

Studell asked if Star wins the appeal does she get money. Kilburg responded; No she gets the documents. *Yes, the documents that rightfully belong to all the members but that the Board denied access to for reasons still unknown and that lead to the lawsuit and to date a waste of \$52,000 of member's monies.*

Water surcharge and Bylaws update. The attorney advised that the Board can proceed with some minor changes however other issues could have extenuating impact so these won't be addressed in the upcoming Bylaws change. The Board has been advised to seek help from an HOA attorney on the new law issues.

It was reported that there are no tax consequences with the surcharge idea, however Kilburg stated that the accountant said charging people for water is "out of the question." *We expect this means that there would be tax consequences if water billing was initiated. Every association that bills for water, pays taxes. The Board seeks any excuse to ignore the benefits of water billing, but they are dead set on creating a punitive policy (water surcharge) that has little chance of being effective and no financial support for water system maintenance.*

After 7 months, attorney Hays still hasn't addressed some specific Bylaws questions.

Lisko contacted the attorney general's office regarding his disagreement with the new HOA law (SB150). He stated that after talking with legislative counsel that there is a possibility to delay putting the law into effect because he claims that the legislature can't put a dollar amount (10¢) on cost for copies.

Firewise - Lisko

The wildfire preparation meeting in April in La Cueva was discussed.

Parks- M. Otero

No report.

Architectural- M. Otero

Otero received 4 requests and has approved 2.

Old Business

Water billing proposal - Star's February proposal recommended engineering advice before continuing replacement/repair that may not support future needs. Kilburg stated that Corn knows more about the water system than an engineer and that the system was at one time engineered. *The Board has provided no proof of any engineering report ever initiated on our water system and there is no volunteer working on the water system that is a water system engineer or a water operator. There has been no professional oversight on past years water system repairs and replacements.*

Kilburg stated that Corn is working on the recommendations of the past engineering report. She also stated that because Star contacted and suggested an engineer to the Board that would offer a free consultation, (a reference from Canon MDWA) that they would not entertain talking with the engineer. Kilburg stated that the association has no need to spend thousands of dollars for an engineer. *The engineer offered a free consultation, and the Board has thus far refused the proposal.*

According to Kilburg's discussion with the accountant, SLP "cannot get in the business of selling water." Star questioned how other associations can bill for water. After stating that water billing is out of the question, Kilburg back tracked and said that she will be talking to the attorney about the issue. *We await a better explanation but expect this Board will never allow the issue to be voted on by the members.*

On the water surcharge proposal, Kilburg will need to get another HOA attorney's opinion.

Studell asked if we have a plan to put the monies collected from the water surcharge into a separate account. No plan is in place at this time.

Unit 9 - Bootzin's release of SLP water rights.- It was stated that past president Vanderham took care of it years ago with "some" document. *The objective was to get something legal and in writing, releasing SLP from the liability of Bootzin's claim to some of SLP's water rights in the future.* The Board did not have the Vanderham document available for discussion, so Kilburg and Corn declared the issue settled.

Renter's policy or covenant change? - Lisko went over the conditions he proposes for the transients that come and go in our community via renting or using private property on a short term visitation basis. The conditions he suggests impose much stronger restrictions on renters than those in the SLP covenant's and it was questioned how such conditions can be imposed on property owners that periodically rent their properties and who will enforce these rules?

The renter's conditions proposal was suggested to be a document that would need to be notarized and renewed at the beginning of each year. *Because rental restrictions limit the free-use of property, to avoid a potential lawsuit, legal advice will be needed to determine whether the rental restrictions must be adopted in an association's recorded declaration or could be initiated via policy without membership approval.*

Corn stated that an agreement for cinder storage needs to be address and that the tarps blown off and lying in the dirt next to the piles has to be controlled. *During the recent testing of sys 1 water lines, volunteers ATV'd past the uncovered pile numerous times without any attention to recovering the pile. The pile remains uncovered.*

Discussion on new members wanting meter assemblies/water hookup was addressed and Corn handed out revised quotes for the major components for the meter assembly. The costs included inflation on parts and labor and the fact that a hot tap machine to hook properties into the main line would be needed.

He estimated that the new cost to install a meter assembly would be \$2,343 instead of the original \$1,686. Raue's labor charge was estimated high and may be slightly reduced depending on the work to put in a meter assembly. It was questioned why some members were not charge for the installation. *No answer.*

Star asked if the Board charged a hookup fee as was done in the past. Kilburg stated that a former Board discontinued charging, *a statement not verified* and Corn stated the hookup fee was being absorbed in the installation. *There was no hookup charge to currently connected users during the meter assembly installation, however vacant property owners should be charged a fee as in the past.*

Another question asked by a Board member was whether the Board was going to allow a payment plan for the installation as was offered in the special assessment. No decision was forthcoming.

Due to the fact that the Otero's are leaving the Board, L. Otero inquired into what additional duties HOAMCO could absorb. L. Otero stated that HOAMCO could handle for additional fees:

- the reserve account, but the banking would need to be switched to HOAMCO's bank.
- liens, and it would be a \$190 charge to homeowner
- new member updates
- accounts payable invoices
- annual budget preparation and help disseminating information about the annual meeting at a cost of \$75/hr.
- sending leak flags notices at a cost of \$75/hr

Kilburg stated a need to get a newsletter out in June and a request for volunteers as the Board needs to fill at least 5, possibly 6 new seats. Kilburg, Corn, the Otero's, Rightley (*he showed for only 1 meeting and should have been dismissed according to the Bylaws*) and the ninth seat that was never filled last year.

Kilburg is still reviewing the property tax evaluation and states that the business property tax is still too high.

Weary still has not completed the application for extension of time (water rights perfection report) 8 years past due and needs information from someone on the properties that need to be listed.

Star requested answers to some old business:

- Has the board initiated a letter of permissions to allow the county to use SLP land to store cinders and equipment to prevent a future easement claim?
Answer- pending-- apparently the county rep has been unavailable.
- What is the result of Scott's taping of the current wells level depths compared to the original well drilling reports?

Well record	Scott's Feb 2019 measurement	Original water level	Level drop
Aspen Grove (1990)	315 ft	294 ft	21 ft
Meadow (2002)	245 ft	196 ft	49 ft
Hovenweep* (2010)	200 ft	197 ft	2 ft

- Could the association initiate water billing with a Bylaws change without changing our current nonprofit status? What are the tax implications?
Answer- in process with the attorney.
- Has a water usage credit been reported to the state for the LCVFD yearly water usage report?
Answer - No, we see no advantage. Reply - an accumulation of fire station/county usage gals could help offset if we exceed our water rights. OSE recommended this process years ago however we had no meters at the time.

Executive session called 9:30 pm.

Cars dispersed 10 pm.

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