

Concerned Members report on the SLPPOA Annual Membership Meeting September 9, 2017, 2 PM – SLP Fire Station 2

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

Authors notes and comments:

Was this an effective Board meeting truly reflecting the state of the association? *Not really. Here are some of the issues:*

- *It was disappointing to witness the disinterest in the details and the expressed desire for expedited reports from some of the members in attendance and the Board.*
- *The Board continues to tell the membership to keep questions and comments to a minimum. They expressed their desire to "keep the meeting as short as possible." The Board needs to remember that this is a membership meeting. A time when members can voice their opinions, seek answers and change policy (if there is a quorum). It's a time when the Board needs to demonstrate their accountability and transparency to the members.*
- *There was little supporting documentation to verify the accuracy of the numbers stated in the financial report, no profit and loss statement and no annual budget presented at the meeting as required by the Bylaws.*
- *The statuses of some issues and projects that have come up in board meetings throughout the year (such as the reserve study) have not been addressed. From prior CM Board reports, the reserve study was insufficient and little has been done to address the issues.*
- *We wonder why little explanation was given on write-offs or insurance problems. Write-offs affect monies available for services; insurance problems can jeopardize association's liability issues.*
- *We regret that the Board did not make a more concerted effort to recognize more SLPPOA volunteers.*
- *Only 18 lots (including 7 Board member lots) out of 155 lots are represented at the annual 2017 meeting. Based on the lack of information delivered at the meeting, we understand why many members have no interest in attending meetings.*
- *The Board continues to denounce any responsibility for its role in the lawsuit. The lawsuit evolved because the Board was unwilling to offer information vital to the interests of the members; a right sanctioned in the Bylaws. It had nothing to do with the delving into property owner's private information, but the Board continues to mislead members with its rhetoric.*
- *Attending Board meetings, the annual membership meeting, or reading the minutes does not help members to gain sufficient knowledge to understand the issues. We have concerns about why the "rest of the story" is often excluded.*

President Kilburg calls the meeting to order at approximately 2 PM

Roll Call:

Board members present: Judy Kilburg, Harold Corn, Lorraine and Max Ortero, Peter Veverka, Eleni and John Fredlund

Property owners/members present: JD and Cyn Ellis, Barbara VanRuyckevelt, Brad and Sabine Shurter, Mark Stanley, Dave Studell, Mary Moore, Tom and Mary Carter, Heather Schacht, Sally Hunter, Carolyn Corn, Eddie and Sandy Partridge, John Hines, Sean and Tamara Weary.

There was no announcement heard about whether a quorum was established for the business meeting. It was announced that the meeting was being recorded.

Judy Kilburg said the Board had worked hard this year and got a lot done. *Like what?*

The minutes of the 9/10/2016 annual meeting are partially presented by Lorraine Ortero, and approved by the attending members. *Last year some members objected to the approval because they were given insufficient time to review and comment. It's a member's meeting, not a Board meeting. All members have the right to offer corrections at the meeting but, the Board has to post a timely draft for members to review.*

LCVFD chief Lee Taylor gives a presentation as a guest speaker. His cell 505 269-6435.

Water tanks: On 6/19, 2 tall water tanks were installed next to Station 1 in La Cueva (visible from Hwy 126 in La Cueva). Mr. Taylor is hoping that the ISO rating for the area will drop to 5 or 6 which could result in a 50% drop of fire insurance rates and a 50% increase of funding for the fire department. To reduce the ISO rating, a water delivery of 30,000 gal/min is required. He has been working on the tank installation in La Cueva for 10 years and is hoping to be able to have 2 similar tanks installed in SLP within the next 2 years.

Remaining fire stands in SLP: They are useless for firefighting due to too low pressure but some stands can be used for blow down.

Member and fire department concerns: Why does the Santa Fe National Forest wait so long before imposing stage 1 fire restrictions? One member is of the opinion that interface with SFNF is lacking. A discussion on private campfires on public lands and the fact that most wildfires are human caused ensues. Supposedly, due to budget constraints, the SFNF does not inform the general public about fire restrictions and wildfire danger as they used to.

A logging company has a 10 year contract (as part of the SW Jemez restoration project) to log areas along FR 10 west of SLP. There is a general push by the SFNF to reduce fire fuels west of SLP.

To reduce fire fuels on private lands there are still grants available for private landowners. Contractors are available (such as Clinton Dill or Rudy Martinez).

Financial report (Lorraine Ortero)

Operating acct. \$79,539.25
Reserve acct. \$108,009
Special Assessment acct. \$6,904 (not closed due to still open accounts)

Delinquencies \$16,882 (\$13,271 due to foreclosures)
Lawsuit costs so far \$36,000.

Treasurer presents a list of summarized expenses. *The fast paced reporting made it difficult to follow and take note of the numbers. As of Sept. 17, the 2017 July and August financial statement were not posted. With only the June 2017 minutes available, no up to date information could be reviewed. How are members expected to ask meaningful questions based on dated financials at the annual meeting and no current handouts?*

The membership accepts the treasurer's report.

Reference was made that the 2016 audit is on the webpage. *When reviewing the audit we questioned the benefit. What good is an audit when the auditor only sees the numbers that the Board has produced? This lack of source documentation review was the argument made at the court hearings and a reason that initiate the lawsuit. Read the disclaimer in the audit:*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

The audit also refers to a reserve study: "the Association has accumulated funds based on a reserve study performed by an independent firm that estimates the remaining useful life and replacement costs of the common property components. The reserve study was prepared using a full funding plan goal."

Based on the asset list in the audit the following issues were not only brought to the Board's attention at a former Board meeting, but have been ignored.

- *3 wells, booster station and booster tank– big ticket items were omitted.*
- *Valve replacement noted as only one when there are many old ones in the systems (33 according to the asset inventory document) that will be in need of replacement*
- *the supply shed, and chlorination units were omitted*

We question exactly what was the engineer basing his analysis on and what Board member was responsible for giving him the history of our asset inventory?

Why wasn't the reserve study mentioned, and how the Board intends to use it, and where is the final copy of reserve study posted?

A major account was written off. *We question why they offered no further details on how much was written off, and where is it itemized on the financials?*

Members are told, for specifics on the Treasurer's report, to refer to the SLPPOA website. *The last financial report posted on the website was dated June 30, 2017. It would have been beneficial to make accessible or hand out the financial report presented by the Treasurer so members could read along with the financial report.*

The two pie chart handouts did not satisfy the statement of income and expenditures as required by the Bylaws. Efforts by the Board towards accountability were negligible.

Water report (Peter Veverka)

Few problems. Private leaks are quickly resolved thanks to meters. *There were no details offered on how many leaks we have now, what they have done to resolve the leak rate, what the leak rate is, and what is the calculated water loss?*

Three new isolation valves have been installed (also help to improve diagnostics). 2000 ft of water lines have been replaced (1000 ft at a time) from Vallecitos Rd. to the intersection of Ashley Lane and Mimbres Way. More mainline testing will be needed. Sys 1 leak rate has been reduced from 18 gal/min to 8 gal/min. *(4,200,000 gal/year) We question how can they claim those numbers without proof from leak testing? The current leak rate is approximately 60% on sys 1, and 33% on sys 2. Check the numbers on the website.*

Most remaining leaks are less than 1 gal/min per leak. *Again, they offer no evidence or details to back up their claims.*

There are no plans for replacing the entire water system (which would be necessary to continue to significantly reduce the leak rate). Instead, the association will replace 1000 – 2000 ft of mainline per year. *We didn't hear any budget plan for the cost.*

Continuous upgrade and maintenance are required. This was not envisioned when the system was installed in the 1970s and when only 10 users were on the system. *While the water chair, Veverka recognizes the need for a maintenance schedule, there was no indication if the Board is working on or will initiate such a schedule, or any long range planning for this community.*

Aspen Grove well got a new pump last summer.

Compliance (Harold Corn)

It was noted that we have good water quality in SLP. Water authorities were very concerned about water quality after the El Cajete fire. All samples came back clean.

A March lead/copper violation was put on webpage and posted at fire barn. Copper values are higher in older houses with copper water lines. *Some testing values exceeded the limits. We question whether owners of the properties with values in excess of standards were notified of the issues?* Another violation notice was due to sample mix-up at the lab.

The Consumer Confidence Report is on webpage.

Annual water survey by the Water Drinking Bureau also requires information about monthly water usage and water audit (only possible with water meters)

Two new meter cans have been installed – one in sys 1 and one in sys 2.

The Board admitted that meter installation has proven to be very beneficial. A member asks who was instrumental in obtaining meters for the SLPPOA water system. The Board describes the process of getting water meters installed as evolutionary. Then the Board went on to admit that members who originally opposed meters, did in fact see the benefits. *There was no mention of the struggle by prior Board's that were responsible for the success of the meter assembly project or their efforts to stave off severe opposition by the naysayers. After years of excessive and time consuming crisis leak management, members finally came to the realization that meters were the way to go. Despite some notion that water is free, we do have limits on our state water rights. Some association members still are excessive water users. The problem has yet to be resolved by the Board.*

Roads (Judy Kilburg)

Road maintenance is challenging. Kilburg has obtained quotes from contractors and is trying to get on the schedule of the cheapest provider. Road work projects: some new culverts, regrading, dirt work (mostly on sys 2 roads like Los Griegos) Estimates came in at \$35.00 per ton for millings. The bad areas should be graded soon. No plans to restore the Mimbres Way roadway to its former condition after this year's water line replacement. *Improving road conditions apparently was not the objective during the new line installations on Hovenweep and Mimbres.*

Martin Crane has agreed to do the snow removal for one more winter. Then a new contractor must be found. Cinders are on order and will be placed behind county's cinder pile. Members can take cinders from SLP pile but not from the county pile.

Legal (John Fredlund)

The report on the lawsuit was just a reiteration of what has been previously posted on the website. *The Board continues to falsely claim that it got involved in the lawsuit to protect members' privacy and sensitive data from the prying eyes of malicious members. However, members in good standing asked for a Bylaws-sanctioned books and records inspection WITH PERSONAL IDENTIFIERS REMOVED. Why does the Board want to hide records with personal identifiers removed from membership view? Whatever the reason, was it worth spending over 36K on this easily avoidable and very costly lawsuit? Probably not*

A major past due account has been settled after attorney intervention. *No details were offered how much was recovered.*

The garbage pile at a property on Mimbres Way has finally been cleaned up, at least to a certain extent. Fredlund points out that the Board will not pursue any action on private land.

Homeowners will have to sue their neighbors to get satisfaction. *CCR's are for the protection of property values. If the Board does not enforce, what good are the CCRs? If the Board takes no action to protect the association from violators, the governing documents are useless and could be eventually unenforceable in a court of law. Does the Board not understand that if a property*

owner sues they will probably include the Board in the lawsuit as the Board has the fiduciary duty to enforce the governing docs? Despite neighboring resident's concerns, we find it interesting that the Board did not admit to the violation notice from Sandoval County on this property.

Increased insurance cost hold steady this year. Increase was due to damage claims. *The board failed to detail what were the damage claims that caused the increases. Last Sept. it was stated that insurance issues started because there were too many liens. We question why is the Board reticent to explain the circumstances?*

The Board has not been able to recover lawsuit costs from their insurance for directors. *The Board offered no further explanation. Last Sept. they claimed recovery of costs was largely due to the delay in reporting the claim.* The Board has been disputing objectionable contract clauses.

Firewise (Eleni Fredlund)

It is planned to organize patrols (search for abandoned campfires) next fire season (May – July)

Three prescribed burns are planned (piles west of SLP, Stable Mesa, Vallecitos). Ask Forest Service public information officer (829- 3535) about prescribed burns. Prescribed burns are essential for reducing the risk of wildfires threatening SLP.

Call SFNF dispatch at 505 438-5600 when the need for law intervention arise (ie: confronting campers about their illegal campfire). Of the 19 wildfires on the District, 10 were human caused including the devastating and disruptive El Cajete fire.

Parks (Max Ortero):

Parks have been mowed. Seven building requests have been approved. The Board is working on removing eyesores such old vehicles parked on private lots. *We question the difference between old vehicles and garbage? Any of those can be a health, safety or environmental hazard, yet the Board ignored the garbage problem on Mimbres for over 2 years, despite a county violation.*

Excessive water use policy (J. Fredlund – committee chair)

Some members are excessively high water users (as high as 160,000 gallons per month). The association's water rights are approximately 19 million gallons per year which have to cover the needs of approximately 140 households plus existing extensive mainline water leaks.

A committee met on 7/23 to work on a proposal for the Board for a policy to curb and penalize excessive water users. As of today, a final proposal has not been developed. Progress has been stalled because Fredlund has not had the time to deal with the committee work.

Ideas from the committee:

- A certain amount of water will be included in the dues.
- Members will be progressively charged for any usage above this amount (monthly or annually).
- A work sheet with usages and charges is available on the SLPPPOA website. *We question where this is posted?*

- There will be a leak leeway for a few months to allow homeowners to fix a leak.
- Once the Board has chosen a proposal, it will present the proposal to the membership for a vote (as required by the bylaws).

President Kilburg hands out awards to valued volunteers:

Mike Schacht - webmaster

Jan Studebaker – listserver

Mark Stanley – water

Dave Schmitt - water

Sean Weary – water, roads

Rich Kilburg – generator maintenance, snow plowing

Brian Denny – roads

Delia Lovato – annual minutes review

Tamara Weary – annual minutes review

Recognizing and respecting volunteers is key to maintaining an effective and dedicated volunteer base. Although not recognized by President Kilburg, we as members would like to thank all the other members who spent time and effort to support the association:

Dave Ponton – He located and helped keep running the association generator supplying the Aspen Grove well pump with power during the extended power outage during the El Cajete fire. Without this effort, sys 1 tanks would have quickly emptied which could have made firefighting efforts more difficult.

Kelly Blount – He has been around a lot with his tractor to help maintain and snowplow Ashley Lane and Mimbres Way.

Mary Moore – She has helped maintain the road in her neck of woods and worked on the committee developing an excessive water usage policy.

Brad Shurter – He has provided support for water system installations, repairs and maintenance on various occasions, helped with the meter reading efforts, and worked on the committee developing an excessive water usage policy.

Terry Vergamini – He filled a vacancy on the board this year and took over the road's chair.

We thank all the neighbors who remained during the fire to take care of animals of owners who could not get back to their home during mandatory evacuation. We would also like to thank anybody else helping to make this association to a better place!

The Board member vote included no nominations from the floor. The ballots were counted. Look for a future posting on the SLPPOA website.

The meeting closed at approximately 5 PM.

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