

Concerned Members report and comments on the board meeting of SLPPOA- Nov. 11, 2014

NOTE: these are not the board meeting minutes that the board is responsible for producing

Authors notes and comments:

- At least five topics were deferred to the executive (closed to the membership) session, which was equal in length to the open Board meeting. *We do not know of past Boards that have used this strategy and question why topics are being kept private from member participation. We allege that this Board is violating their lawful privileges when they conduct closed sessions by discussing issues in secret sessions that should remain open to all the members.*
- A personal request for agenda time was taken over by Board discussion. *When a member is granted agenda time, he/she should expect to get it*
- The issue of obtaining an audit is still being debated. *Maybe the Board is not convinced that sidestepping an audit is in the best interest of the members. External financial oversight is important for any business. Ours is no exception.*
- Board members continue to place blame on past Board members *but fail to substantiate their accusations with proof. Personal smear campaigns against former Board members are still the MO of some current Board members. This behavior discourages members from becoming involved in volunteer activities.*
- No resolution on a creating a delinquency report as discussed last month.
- No further action on improving the financials so they are easier to understand. *Members attending Board meetings do not get copies of the financials making it difficult to follow the treasurer's presentation.*
- Roberts Rules of Order rule. *But only 1% of the rules are being acknowledged by the Board. We're guessing they have to do with controlling participation from the membership.*
- No further action on creating an ad hoc committee for financial review as discussed last month.

Board members present, Bennett, Veverka, Otero, Kilburg, Ballman, Brophy, Nyhan, and Downing.
Absent: Fredlund

Guests: Schacht and kids, Van Ruykevelt, Shurter, Star, Moore, Otero

October minutes approved.

Agenda approved. Star's old business was acknowledged to be on the agenda, *however Bennett took the floor and made his presentation in response to Star's request. Star wasn't offered her time to make her own presentation.*

Reports

Bennett reminded attendees reports are summaries. Any details need to be in writing. He commented that the Board is following Roberts Rules. *However it was stated later in discussion that 99% of RR doesn't apply to our "assembly." We still don't know what 1% of the rules they are following.*

Treasurer: Kilburg – *what we heard as reported*

Operating account balance: \$72,637.03

Reserve account balance: \$61,821.39

Special Assessment account balance: \$3,342.70

One member with a large delinquent balance has paid most with only a small amount outstanding.

The Board has been served with a summons regarding a property that has gone into foreclosure. This account is now considered "uncollectible." There are now two properties in foreclosure.

Delinquency report – *what we heard as reported.*

Annual Dues: \$6,838.75

Special Assessment: \$6,909.10

Total amount of delinquencies: \$13,747.85

\$6,125.64 is considered uncollectible, *a term the Board uses until it collects.*

\$3,713.10 is uncollected association dues and \$2,412.54 is uncollected special assessment dues. *The high amount of uncollectible delinquencies underscores the need to be more assertive when it comes to dues collection.*

The aging report was deferred to the executive session. More discussion of delinquencies would be talked about in the closed session.

Van Ruyckevelt questioned the difficulty of reviewing financials that had different start and end dates on the reports. Kilburg demeaningly commented that it is not her concern that people don't have knowledge to understand her reports.

Property taxes on two lots (parks) have increased substantially due to assessed status changes. The assessors will be contacted.

According to Kilburg, last quarter's reviews were performed and no problems were reported. *We have seen only some emails but no formal written reviews from the reviewer Sunland Mgmt. to substantiate this statement.*

Water maintenance:

Veverka reported no updates on meter cans. There were 2 leaks fixed. One leak was a break in the System 1 line, the other line break also in System 1 was due to the electric company cutting the line during repairs. The cost to repair the recent system 1 line break is \$1035.

System 2 is reported to be tight. The current leak rate is 12.7 gallons per minute. Veverka said this is down from 17 gallons per minute earlier in the year and said the Association was making progress. Nyhan suggested this is still too high and not acceptable.

There was some confusion between Nyhan and Veverka regarding the fact that no improvements have started on the Aspen pump house. However it was stated that the contractor may be working on the

booster station. The order of repairs was to be Aspen pump house first, but it appears the order of scheduling was ignored.

Compliance:

Veverka stated that the meter/gauges have been replaced on the Hovenweep well and at the booster station.

Nyhan criticized CM members present at the Board meeting of not fulfilling their duties to comply with the deficiencies of the past Sanitary Survey of 2012. *No CM person was involved in overseeing compliance of the SLPPOA water system in 2012. Shurter handed over the water chair position to a new group of board members in September 2011, and Star left the board upon the conclusion of her term in September 2011. Nyhan should get his facts straight about the board members who preceded him and to whom the 2012 Survey was addressed. And we remind him that the ultimate responsibility lies with the president of the Board who was responsible for the oversight of the compliance chair and all matters concerning Association duties. Blame, reputation smearing, and presenting untruthful statements is not acceptable behavior.*

Discussion ensued regarding signatures for state compliance filing. Nyhan stated to Bennett that we were up to date on violations with the NMED and then continued to state that we are in violation with the chlorine issue. Veverka questions whether we were going to buy regular bleach or go back to the stuff that caused all the corrosion. Continuing to use Frank Naranjo, our Water Operator, was recommended for next year.

Nyhan is working on an operations and maintenance manual and also an emergency response plan for drinking water. Bennett needs to sign such a plan; he reminded Board members of the importance of filing hard copies of such manuals and plans in the Association files.

IT web page status

More minutes have been found and will be added to the SLPPOA website soon. *Accusations with no proof suggest that Star trashed the website.* It was reported that member are still complaining about the difficulty of finding info on the SLPPOA website.

Schacht made two suggestions: 1) making Board contact info available to the public (this was agreed to) and 2) adding a way for members to communicate on the website. This suggestion was denied. Kilburg suggested that it has been tried in the past but there were too many disruptive comments. *We had disgruntled members then and we have disgruntled members now. But at least there was an outlet for complaints in the past.*

Roads:

Downing reported that next week Meskimmen will grade upper Los Griegos Roads. Next spring he will look into constructing better drainage on the affected area. Downing is also working with Crane to set up a contract for snow plowing and is looking for cinders.

Legal:

Brophy stated that the Association has been named as a defendant in a foreclosure lawsuit. They have been served a summons and have 30 days to respond. He stated they have two options: file a magistrate court action, which costs \$1000, or file a cross claim for amounts due. This action is less costly. Brophy gave the attorney approval to proceed with this action. He stated that other issues discussed with the attorney would be discussed in the closed session. Nyhan asks whether a lien is not

good enough. The answer is No. It is suggested to look at past due accounts in the executive session. *We wonder why anything that has to do with legal matters that affect all the members of the association such as a lawsuit against the association as a whole (not just the board) should be totally concealed from the members of the Association. The costs of the cross claim by the Association attorney and the costs for the meeting time with the attorney were not revealed. A more proactive collection process before foreclosure proceedings requiring hiring a lawyer would save money for the membership.*

He also stated that the attorney had input regarding the audit issue. It was suggested that this would be discussed under old business. An issue regarding cost of an audit will be discussed in the executive session. *Discussing the costs of an audit in a closed session is questionable. We encourage the Board to seriously rethink how quickly distrust circulates in a community when reasons for closed sessions become questionable.*

Community relations:

Nyhan reported that he met with some people who are trying to sell their houses and they stated that there is much concern regarding the news posted on the CMSLPPOA webpage. *Some on the Board accuse the CM web information as lies; however they have yet to provide proof of any untruthful statements. We claim that member's rights are being violated and we want change.*

Action items from last month:

Veverka - no action on American Leak Detection. We should consider it again in spring.

No action on the tank overflow switch.

Two property owners are still waiting for pressure gauges. It was recommended that Raue be called to complete the tasks.

Shed electricity – got the OK...Farquhar has been unresponsive.

Brophy was questioned about the status of the water operator contract discussed last month. No contract has been initiated. Nor is the letter ready so that the Water Operator can claim pro bono work for the Association on his taxes. Nyhan expressed frustration that he has sent out emails covering these issues, but no action has been taken and the messages seem to have fallen in the cracks.

Nyhan pressed for more action from other Board members to accommodate our compliance requirements.

Repair issues, although agreed to, are not getting done.

Old business

Some discussion ensued on when leak detection should be initiated. A path forward would be discussed in closed session. *What justifies this as a topic for the closed session?*

Audit update: According Brophy, who spoke with the attorney, our bylaws do not specify that a certified public accountant must do our audit; an accountant will do. *Look up the difference between certified and noncertified public accountants and determine for yourself who can give you the best level of assurance. Why is the Board so adamant to deny external oversight?*

He quoted the attorney as saying that because of the vagueness of the bylaws the NM statutes provide other remedies based on our Association size; it was suggest an audit or review or compilation are one in the same thing under rules laid out by the State of NM Compilation Commission. *We see neither vagueness in the bylaws statement nor any legal review to substantiate this statement. The Board has spent money to justify reasons to sidestep an external audit analysis as required in the bylaws. We have carryover funds that few are aware of that could easily provide for this financial “insurance” every 3 years. The Board of 2010 and our professional management team at the time thought differently and budgeted accordingly for an audit for the protection of “your money.”*

Brophy suggested that the review that Sunland provides fulfills the requirements. Bennett suggested this as a reference and that the legalese is published.

Nyhan stated that according to the NM State Attorney General, audits can be defined any way you want to define them. They are only necessary for corporations or bodies with budgets in the \$500,000 category. *We do not consider a budget of over \$150,000 insignificant. Efforts to exclude external oversight can be indications of financial mismanagement cover ups.*

Roberts Rules of Order were discussed. Bennett paraphrased Star’s questions but never allowed her to take the floor to discuss the matter from her position.

Bennett suggested that Roberts Rules are only used to provide structure.

Bennett explained that 99% of Roberts Rules of Order do not apply to small Boards like ours. He suggested that there was no official business conducted at the annual meeting and the elections were not part of the meeting.

The minute’s revisions that were produced by members at the annual meeting have not been resolved due to a question about meeting a quorum. *We believe the minutes are considered official business.*

There were questions about the quorum for the annual meeting. Kilburg suggested that a quorum was met. Moore disputed this statement. *A quorum was not met for the meeting, and this was stated at the beginning of the meeting. Kilburg suggested that it has always been done this way and we’ve never had a quorum for an annual meeting. This statement doesn’t justify that what has been done in the past is right today, If the Board cannot conduct a Board meeting or have official minutes if there is no quorum of Board directors shouldn’t those same rules apply to the annual meeting?*

It was stated that there was a quorum of ballots sufficient for the election. But the election was not part of the meeting? *Was the meeting closure done after the election count, and if so would it not be considered part of the meeting?* It was stated that the Board will look at the roster to qualify for a quorum. *Why? They stated there was no official business. This was all very confusing. A quorum of members and a quorum of votes were spoken of as the same thing.*

Brophy suggested that it was declared that there were no official actions at the annual meeting. *However a vote was taken and a person was nominated for the Board from the floor.* Bennett suggested that proxies should be defined. The attorney advised that a statement should be included to advise on how to handle delegating authority on proxies for mail-in ballots.

New business.

Shurter presented a request for more detailed financial reports.

1. Budget and Expenditures from September 2012 through December 2013
2. Approved 2014 Budget
3. 2013 Budget worksheet (as probably presented at the 2013 Annual Membership Meeting)
4. Year-end Balance Sheet, Profit and Loss, and Statement of Retained Earnings for a 12 month period ending on December 31, 2012 and December 31, 2013, separated as year-end statements for the SLP operating account, and the SLP special assessment for the household meter project
5. What does the amount of \$350 (should be an item located under Total Administrative) in the SLPPOA Approved 2015 Budget refer to?
6. Please explain in more detail Item 3900 Retained Earnings Credit, amount of \$206,615 shown on the SLPPOA Trial Balance as of September 12, 2014 as presented in the [2014 Annual Meeting Financial Reports.pdf](#) on the SLPPOA webpage.
7. What is the SLPPOA fiscal year for financial reporting purpose (balance sheets, P&L, budget)?

It was suggested that members can submit requests to the Board via email.

Nyhan was asked about the schedule for the Sanitary Survey. He has put it off several times because of unfinished work on deficiencies.

Shurter mentioned that smearing the reputations of members attending meetings and elsewhere throughout the community was inappropriate. Bennett agreed that we need to move forward and that he wants hard feelings to go away. Shurter suggested she and Bennett should discuss privately this situation.

The Board went into executive (closed) session 8:45pm

Cars dispersed 10:25 pm.

[mm/ss/ss/bv]