

## Concerned Members report and comments on the Board meeting of SLPPOA – July, 2016

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

Authors notes and comments

- *Court costs. If you read below, you will learn that the Treasurer says that legal costs for the lawsuit are \$24K. Looking at the budget report from July, you see that \$17K has been spent this year on legal. We know that the Association's lawyer was involved in the insurance issue earlier in the year. But these costs are not broken out in the financials. So is the Treasurer alleging that the \$17K used this year was only for the lawsuit? We don't think so. What would happen if the Concerned Members asked to see the lawyer's invoices? Do you think this Board would turn this over? Would we have to go to the extremes of a lawsuit to get this information?*
- *Lawsuit. Why did the issue of sharing information get so contentious? Why didn't the Board try to resolve it without it having to go to court? Did they ever try once to sit down and talk the issues out? The answer is NO. Did the Concerned Members ever invite them to do so? The answer is YES.*
- *There is almost no continuity from one Board to the next. The issue of becoming a Mutual Domestic Water Association has again been proposed. Although this is a worthy discussion, Board Members would be wise to talk to others who have investigated the issue in the past. Why start every discussion from scratch?*
- *We are encouraged that an effort to mitigate the 70-80% leak rate has begun. We question why this suddenly became an "emergency" when it's been known for years, why there was little effort to fix leaks that were known and why, whether needed or not, some professional oversight wasn't initiated.*
- *We question the Board's investigation of the new management company's business ratings. A few months back the BBB gave them an "F" rating. The BBB dropped the rating and there are 4 outstanding [complaints](#) against them.*

Board Meeting, July 19, 2016 called 7:15pm

Board Members attending: Otero, Nyhan, Kilburg, Veverka, Bennett, Brophy, Vergamini, Fredlund

Board Members absent: Ballman

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

June minutes and July agenda approved.

Treasurer's report

Account balances as of July 19, 2016:

Operating: \$111,456

Reserve: \$100,960

Special Assessment: \$5217

Overdue money

Collectables: Total outstanding: \$1806. Eight properties overdue. Two only owe interest. Five are making payments. One is unresponsive. One delinquent did pay in full recently when faced with legal proceedings. *Amazing what a little pressure will do. Just think of what turning someone's water off might accomplish!*

Uncollectables: Three properties totaling \$15,615. *This number hasn't changed in months.*

A new disclosure was requested for a property on Scouts Lane. Two properties have closed recently, one on Scouts Lane and another on Los Griegos

The lawsuit costs currently are \$24,195. This number does not include fees owed the lawyer for the recent day in court or the prep for the trial. *Estimates are that another \$10K will be added to the \$24K. How easily this could all have been avoided by responding to a request for information. It was indicated that it might be a couple of hundred dollars for Sunland to produce the documents requested. Another case of pennywise and pound foolish by this Board.*

\$27K is in the 2016 budget for water. To date \$12K has been spent. Generally, the budget for the year is on track except for the legal costs. *We question why there was a 5 month delay when there were ample monies in the budget to start fixing leaks or water line replacement. And why they are not using some of the remaining budget monies instead of taking ~\$13,000 out of reserve funds for the project.*

Water maintenance

A new battery was installed on the System 2 LevelCon. A new probe will also be installed soon. A property previously not receiving water was turned on recently.

Corn presented a proposal by him and Veverka to lay 1000 ft of new 4" main water lines from the Mesa Verde/Hovenweep/Bonito Way intersection to the valve near the Aztec intersection. The suggested supplier and contractor are Baker Utilities and DCS (Raue), respectively. Cost for this is estimated to be \$13,061, to be paid for from reserve funds.

Nyhan challenged the "authority" cited for project consent by NMRWA (New Mexico Rural Water Association) and stated that approval for the project was needed from NMED. He stated that it is necessary to include Naranjo, the water operator, in the project. Nyhan will try to get these approvals on Wednesday, July 20, so that work could begin. Corn's proposal showed work beginning on July 25.

Veverka reported that there are still 2 abandoned well holes and they haven't done the capping. Nyhan stated they need to be filled with concrete.

### Water Compliance

Chlorine residuals from the latest test were 0.1-0.12 which is within acceptable levels. 0.4 is the max. No traces of coliform or E.coli. The pump reports were sent to the state. They showed about the same usage as other months. *That means our leak rate remains about the same.*

Nyhan received a waiver from the state because the risk of contamination in SLP is minimal.

### Firewise

The SFNF is under stage 1 restrictions. Two fires started by campfires occurred nearby, but both were contained. There have been other illegal campfires reported. The Forest Service is sponsoring an effort to clean up trails and put reflectors on trails. This fall quite a few managed burns are planned, but no details are available yet.

IT: The webpage seems to be working better.

### Roads

Discussion *again* about putting stakes with reflectors on our roads to mark utilities. How tall should they be? Should property owners be notified? *Seems like a momentous decision. Nothing has been done on this issue but it has been worked over for months.* Nyhan was concerned about the aesthetics of these posts. The big question, will they get this done before winter and snow plowing begins

No one seems to know if Chris Luster is still contracted to work on the roads. Nothing has been done this year even though \$30K was set aside in the budget for road maintenance.

It was stated that the work being done recently on Forest Road 10 by the Forest Service is to improve conditions for logging trucks.

### Legal

The lawsuit was finished in court on July 12. The outcome is still pending. Brophy thought it would take 2-3 weeks to get the final judgment from court. One person paid his/her overdue debt in full instead of going to court.

Community relations. No report

### Architecture

Otero received and approved one request. He also noticed other construction going on a property on Cerro Pelado but was unable to talk to anyone, so he left a copy of Association policies on the property.

Firewise: No new thinning applications.

## Old business

Grant proposals for roads: Nothing has been received from Bushnell and the matter has been dropped.

The reserve study.

Brophy contacted Criterium Building Inspection Engineers who were interested in doing this work last year and obtained an updated proposal from them. The scope of the work was not discussed, but Board members involved said their questions had been answered and they were satisfied with the proposal. A vote was taken to allocate \$3K for this study, although the quote from the company is \$2424. *Why the Board labored so long to get this project going is difficult to understand. It isn't costly and was recommended in the 2009 audit and again in the 2012-2014 audits. Additionally, everyone acknowledges that such a study will help if grant money is ever requested.*

Accounting services.

The Board discussed and eventually approved a proposal from HOAMCO, a management services company, to turn over the Association's financial tasks to this company. *A few months ago this company had an "F" rating with the BBB.*

The services will include managing our funds and expenditures, taking care of disclosure documents, collecting dues and fees, ensuring compliance with state and federal regulations, accessing their lawyers, etc., and storing documents, however there is no intention of turning over our existing documents. HOAMCO will also be reconciling the bank accounts. Some questioned whether additional services could be added in the future beyond financial duties such as managing our website. Additions can be made when the contract is renewed

The base cost of using this service is \$375/mo. There will be additional fees for services such as postage, phone, copying, paper, fax, envelopes, any special projects or requests and homeowner issues. The contract also allows for a 5% increase in the base monthly rate upon annual contract renewal. The Board voted unanimously to approve this contract.

It was stated there is no need for a coupon book for monthly payments as SLP only has currently 5 or 6 members on payment plans. *Guess the board wasn't sure how many payment plans have been initiated.*

Water system repairs.

The Board discussed the wisdom of ordering 2000 ft. of pipe or sticking to Corn's proposal of 1000 ft., *which is cited in the NMED regs.* Would ordering the larger amount result in cost savings? But where would the material be stored? Is there room? Could we do two segments of 1000 ft. this year?

Also Corn and Veverka would like to rebuild the main line valve plumbing at the intersection of Mesa Verde/Hovenweep/Bonito Way. This would increase the cost of the original proposal. After considering all these issues, the Board voted to use \$30K of the Association's reserves for these repairs. Initially \$18K will be transferred from the Reserve Account to the Operating Account to fund the first project; they will earmark the rest of the money but leave it in the Reserve Account for use when the

second project is ready to go in 60 days *which is the required delay time according to NMED regs.* Corn suggested it would be best to test the 1,000 ft. replacement first to determine the efficiency of the replacement before commencing the next 1,000 ft. project. It was also suggested that because Bonito Way was only a 3" line, the cost may be less, but there will be more property hookups that will increase the labor cost.

New business

Nominating committee.

The Board members have received no nominations so far. The deadline is July 31. There was some discussion about what to do if nominations are not received. Nothing was resolved.

Ms. Moore's request to read the documents associated with the loss of the insurance policy is still pending. The lawyer still hasn't returned these documents to the Board.

The new insurance policy will be posted on the web.

Mutual Domestic Water Association.

Nyhan is gathering information concerning the pros and cons of replacing the Association's water governance mechanisms with a Mutual Domestic Water Association. He is in the early stages of his research and isn't ready to present the idea at the annual meeting.

This has been a controversial issue in the past and wasn't met with a lot of enthusiasm from the rest of the Board. An issue with some Board member's is what happens to our current water rights if we become a Mutual Domestic. Since such an entity is governed by State regulations, what changes would this mean for the Association? Could our roads issues be folded into this entity since our water lines reside down the middle of our roads? What responsibilities would our traditional Board still retain. What additional regulations would the association be subjected to? Would two governing bodies be required? How could we hope to staff two bodies when it is so difficult to staff one?

*Lots of questions. Few answers. This issue has been broached in the past and plenty of research is available from previous board efforts. The issue has never gotten beyond preliminary meetings with members. However a shell corporation was once established for the purposes of eligibility for stimulus money. Members of this Board demanded that the shell be dissolved, and it was. Now they want to revisit the issue? So how far will the issue go this time with a new champion? Its one BIG selling point is that if we were to become a Mutual Domestic we might qualify for grants.*

Dirt bikes and ATVs. Law enforcement has notified the Board that they intend to crack down on riders who are tearing around the subdivision and in surrounding forest areas, driving without helmets and on unregistered vehicles. A notice will appear on the website.

Closed session announced: 9 PM No subject matter was mentioned.

Cars dispersed: 9:30pm

mm/ss