

Concerned Members report and comments on the Board meeting of SLPPOA May 16, 2017

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

Author's notes and comments

- The outstanding delinquencies and uncollectibles are over a quarter of our income; *the same issue that alarmed the concerned members before the lawsuit. There is no special assessment to blame for the increase. We question why HOAMCO, the management company has not helped mitigate collections.*
- Despite working toward reducing our 11.8 gpm leak rate (17,000 gal per day) on a few sections of system 1, *there is still over a 66% water loss (~6 million gallons per year) on system 1. There has been minimal effort to attack the 21 leak flags on both systems, but discussion and legal expense has been ongoing concerning a policy to charge high users. Unfortunately there is no movement toward a billing process that could mitigate the problem.*
- The recent complaint about a trash pile on Mimbres *has us questioning why the board feels it has no enforcement powers to mitigate the CCR's health hazard violation. If the board won't take action on the violation whose responsibility is it to protect the community from this type of blight? And what precedent is the board setting for other violations? Fiduciary duty ignored leads to lawsuits.*
- The newly posted Protection of Information policy *contains no assurance that a member's privacy will not be breached by board members or non board members privileged with member information. Non-disclosure agreements work better to ensure compliance, but without it the policy is useless and only hinders transparency.*

May 16, 2017 call to order 7:15

Board members present:, Kilburg, Veverka, Corn, J. Fredlund, E. Fredlund

Board members absent: M Otero, L. Otero, Vergamini

Guests: Star, Bennett, Schmitt

Agenda approved

Minutes approved

Treasurers Report--balances in accounts:

Operating Acct: \$158,335

Reserve Acct: \$84,497

Special Assessment Acct: \$5,218

There is still no 2017 budget posted.

Delinquency Report

Four member accounts totaling \$11,454 are considered uncollectible. There are still 20 members past due totaling \$22,215. Eleven of the 20 members have responded to past due notices. Six members have requested payment plans, however, five other members there has been no further response. It was reported that late interest is being posted.

Two foreclosures were reported and a lien has been filed on one of the foreclosed properties.

Legal Costs:

The lawsuit cost is \$34,318. There was no further breakdown of legal costs for delinquency actions or other legal costs. *Will bring this up at the next meeting.*

Taxes are current and the audit is complete and pending verification from the treasurer who was absent from the meeting.

There has been a transfer of \$1,483 from the HOAMCO reserve acct. into the SLP reserve acct in LANB.

One property on Los Griegos closed, and properties are still selling.

Four members who have requested payment plans were discussed. There are no long term issues on these members however 2 of the 4 were on payment plans before and are again seeking payment plans due to special circumstances.

Water

3 new isolation valves were installed on Mimbres and Ashley Lane. One valve was replaced due to a concern about leaking.

System 1 has gone up to 11.8 gpm leak rate . (~17,000 gal/day - 6 million gal/yr)

One resident's meter was missed when the water was turned on after the valve install project.

One resident's meter was reporting tampering because the wires were crushed when the can was closed.

Compliance

Residual sampling results are good. Tests indicated .06 @ Aspen Grove and .09 @ Los Griegos. Water sampling contractor, Frank Naranjo, has initiated compiling the consumer confidence report.

One member on system 1 reporting 57,000 gal/mon usage is now lower. The highest user on system 2 has increased from 34,000 - 48,000 gal/mon and is showing a leak flag.

Two corrections on the reserve study brought up at last month's meeting were discussed. There were 147 meters installed and there is a total of 155 lots; 8 that are vacant lots. *The 3 community wells and booster station and tank and other issues were not addressed.*

There was a verbal altercation between Corn and a resident that lives outside the association during the isolation valve install on Mimbres and Ashley Lane. *Communication makes for friendly neighbors. Neighbors living outside the association who have granted permission to use our roads for access should be given the courtesy of notification when access will be closed.*

Leak flags:

System 1 -11.5 gpm leak rate with 16 leak flags and 4 users greater than 10,000 gal/mon.

System 2 - 1 gpm leak rate with 5 leak flags and 2 users greater than 10,000 gal/mon.

Schmitt reported on the system 2 levelcon problem. Batteries were changed by Brophy and then the system stopped transmitting. The cause was thought to be a jumper wire broken off the board, however it was determined that 2 wires were ripped off the board resulting in the unit not transmitting every 4 hours. The jumper wire was resoldered but that didn't resolve the issue as it only produced a report once a day. It was stated that more reporting times is essential to track problems. Schmitt advised to either send it back for repair, or order a unit identical to the system 1 unit which is smaller and more robust. The board approved to replace the unit at a cost of \$390.

Roads

Kilburg will contact the company to deliver the cinders.

Road maintenance bids were requested from Marcon and Desert Mountain. There was no response from Marcon. Desert Mountain will be breaking the bid out between 2 contractors. Road grading is hoped to be done before next month to prevent further damage from runoff. Fredlund reported that he received no response about adding private driveways to the repair schedule.

There was discussion about the need for water for the project. Corn suggested that they may be able to use SLP resources as the cost to haul water or haul wet material up to SLP would be expensive. Kilburg brought up the water rights issue as a potential problem. *With our 17,000 gal/day leak rate it would be prudent to approach this idea with caution.*

Marcon was dismissed as a potential contractor due to the fact he has not responded on the water tanks to be installed in La Cueva, forcing the fire department to seek another source of help.

Legal:

No input from the attorney.

The Mimbres Lane trash pile was discussed. Star initiated a formal complaint with the county after there was no satisfactory response from the board on attacking the issue. The outcome so far is that the bank will not return calls, the agent will not return calls so the board is pursuing a "wait and see" action. The board offered 1 solution; individual homeowners could sue. *We question exactly what enforcement obligations does the board have to protect property values. And when did it become a homeowner's responsibility to take action? Or is it just because it's not in their backyard? Does the board want to get in the middle of another lawsuit? The County made it quite clear that it is not obligated to clean up after our association violations; that is the board's responsibility.*

A resident suggested putting in a dumpster and cleaning up the garbage, however this could involve a trespass issue and the board won't spend money on the cleanup. The board hopes it will be cleaned up when it sells; *whenever that is. In the meantime the garbage continues to be spread by wind and animals, is a blight to the surrounding residents, and opens action for a potential lawsuit.*

Firewise

A 613 acre burn on virgin mesa is complete. There will be no further burning until fall. The slash pit is open and the Gilman tunnel will be closed until the rock slides have been removed.

Parks/Architectural- no report

Old business

Audit is probably done, waiting for verification from the treasurer.

The covenant violation on Mimbres still remains unresolved.

A new meter can install is on hold until a property sells and material won't be ordered until there is a request for disclosure.

The board approved a transfer of \$40,000 in excess funds from the operating account to the reserve account. It will still leave enough in the \$117,000 budget.

Notifying members about their water leak flags is still on the agenda.

Wording on a draft of the no-lien policy is still being discussed.

The reserve study corrections are being worked on and Corn is updating water parts (asset inventory) document. How to anticipate funds for lawsuits in the reserve study will be discussed with the engineer who produced the study.

Folders have been set up on Google drive. Some of the folders were not working and are being addressed.

New business

Board member Vergamini resigned.

There is a need to set up a nomination committee. Unfortunately there have been a lot of negative responses for board participation.

Another SLP newsletter is proposed.

The HOAMCO transition has been time consuming because the agency is having difficulty calculating late interest, has a convoluted process for disclosures, and communication with the agency has been difficult. Due to these problems, renewal of the contract is being questioned. Hiring an accountant or bookkeeper was discussed as a better option and some board members will provide sources for consideration.

Leak test report on sections of system 1:

From the south end of Hovenweep to the commingle can in the meadow - ~11.8 gpm loss.

San Juan - no noticeable loss,

South end of Hovenweep to north end of Mimbres ~2.8 gpm

Mimbres to Ashley Lane ~3.3 gpm

2 " line west of the Ashley Lane/Mimbres junction ~ 1.4

Ashley Lane to commingle can in the meadow- less than ~ 1.2 gpm

Commingle can to system 1 tanks (Aspen Grove) was stated as no noticeable loss.

It was not explained why all of system 1 was not tested to get more accurate information about the cumulative benefit of the first 2,000 ft replacement of last year.

Discussion ensued about starting the replacement from South end of Hovenweep through the meadow to the north end of Mimbres. The stretch of line replacement exceeds the 1000 ft per 60 days state requirement, so some planning will be needed to decide how to break up the installations. There was discussion on what would be done to mitigate the water pressure on the steep slopes.

The next install is projected to start June 1. There was no current cost estimate on the upcoming project, however the Board voted to allocate \$20,000 out of the reserve to fund the first 1000 ft. If the estimate is higher, more money can be added.

E. Fredlund questioned if there was adequate funding for the projected roads repairs. Kilburg replied that \$20,000 was allocated in the budget and more money could come from the reserves.

Star asked whether a non-disclosure agreement is being required of all who have access to private information. It was stated that some associations initiated such an action, however it was decided by the board that that was too cumbersome a process. *So what's the benefit of a policy that can be easily breached by anyone privileged with private information?*

Schmitt inquired about getting permission to cut dead trees on a next door property that has been vacant for 4 years to prevent damage to his fence. It was suggested that he would need to contact the bank, and that could be problematic as is the case with the garbage pile on Mimbres.

Schmitt also brought up the "dead" vehicle pile that is growing on a property in SLP. The issue of what enforcement can be initiated will be discussed at the next board meeting. *The board has a fiduciary responsibility to take more aggressive action when "nuisance" activities exist instead of "passing the buck" to an individual homeowner. Nuisance activities are harmful to property values and frustrating to residents in close proximity.*

The meeting was abruptly ended due to 2 board members leaving early.
No closed session because no quorum.

Meeting ended 8:45pm.

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