

Concerned Members report and comments on the Board meeting of SLPPOA – September 2015

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

Authors notes and comments:

- *System 1 still suffers under a 68% unaccounted water loss, there are residents with usage over 10,000 gals/month, and their meters register leaks. These issues are still not being addressed effectively. This was an extremely wet year; however, if attention is not directed to these issues, any drought years forthcoming may prove harmful to our community's water supplies.*
- *Talk continues about the need for an engineering study for the roads, but contractors come and go draining money from the budget and we have yet to see any serious effort to address a road study. One \$11,000 road improvements this year has already proved a waste of money due to the workmanship, but there is no effort toward a future plan.*
- *There appears a dearth of enthusiasm by the Board to create a long range plan for our two major issues, roads and water. Money continues to flow out of the budget year after year with no noticeable improvement.*
- *The Association is finally forced into a Reserve Study, despite the possibility that it will cost a good chunk of change. We believe this study is required by the audit now under way. By the way, has the Board made public the fact that it is conducting an audit? How many property owners in the Sierra los Pinos street are aware that the Board has reversed itself and is now doing an audit? We doubt many because communication on this subject is very rare, and when it comes is contradictory.*
- *A Reserve study and "healthy" reserve funds are essential to protect and maintain the property values of the individual property owners. A comprehensive Reserve Study is one of the most significant elements of any Association's long-range plan and provides the critical link between sound business judgment and good fiscal planning. The Reserve study should provide a "financial blueprint" for the future of an Association.*
- *When discussing the current state of the Association's reserves, it became clear that some Board members were unaware that money was placed in the fund on an annual basis. Only one or two Board members appear to understand what's really happening with the Association's money and budget.*
- *We hear a policy to "police" high water users and those with leaks is being planned. Another ineffective unenforceable policy that will be ignored by the high users and leakers and expend a lot of Board time in discussion. We would suggest tabling the idea until a legal change in the bylaws or a water system management plan is enacted.*
- *We are now alerted to the fact that there are "uncategorized" funds in the bank. How much is still not clear. We are guessing that these surpluses appear in the balance statement as "retained earnings." At least we know we have surplus funds; we question how effectively they are being used or if most Board members know they exist.*

September 9, 2015 call to order 7:18

Board members present: Bennett, Fredlund, Brophy, Kilburg, Nyhan, Veverka, Otero

Guests: Star, Moore, Shurter, Ms. Otero, Corn, Stillman

Agenda approved. Minutes approved

Reports

Treasurer:

Operating account balance – \$106,762

Reserve account balance – \$65,912

Special Assessment account balance – \$28,938

Three uncollectible accounts total \$11,341 (*same as last month*).

Three collectible accounts total \$3680: of this \$1553 is owed from annual dues, \$2126 is from the Special Assessment. Two owners are making payments, one has been turned over to the attorney. (Last month the Treasurer thought the owner not making payments was about to pay up. It didn't happen and the Board will turn to the attorney to get advice on what to do next. The Treasurer said the only thing the owner responds to is communication from the attorney. *Isn't this an instance where turning off the water is warranted?* Total outstanding (*that was not reported but added in this report - \$15K*)

Two properties have been sold, one on Trilobite and one on Los Griegos. Another is closing at the end of the month.

The Special Assessment account balance will be returned to the operating account.

Water

The Aspen well house has a new floor and drain.

Three people expressed interest in the leak detection offered for private lot owners, but in the end only two are participating (and they are Board members). *So the leakers continue to ignore their responsibilities*

Eight people have water usage exceeding 10,000 gals per month and their meters also flag leaks. One property has used 48,000 gals last month, and discussion ensued about shutting them off with notice.

American Leak Detection will start on Monday. After checking the main lines they will go back to those residential junctions that are leaking and recheck on both sides of the meter can. *We'll be interested to see what the follow up, if any, occurs.*

Compliance

The old well in the Aspen well house was capped and the state notified.

Firewise

Information was sketchy regarding some prescribed burns in the next month or two that are expected to create unwelcomed smoke in the area. More discussion was to be presented *in closed session?*

IT web

Email addresses on the website have been hacked and the Board has been hit with continuous spam. The issue was turned over to the webmaster. There is indication that another resident may be able to help with the site.

Roads

A resident reported ruts 3 ft deep on Outliers Rd and that he has been repairing as needed. He inquired on what plan the Board had to fix this situation. It was stated that many of our roads need some engineering planning in order to be fixed properly. *More talk about engineering plans; we're waiting.*

A starting point for the repairs might be the worst ruts before winter and concentrating on a top-down approach starting at the top of Los Griegos.

A local contractor suggested \$30,000 could repair enough so that only annual maintenance would be necessary. It was indicated that the roads need water diversion bars but it would be cheaper to replace the culverts. The contractor quoted \$20-30 per ft for replacement. *Culverts were installed some years back at a cost of ~\$35,000 and most of the culverts, due to no maintenance, are today, useless.*

On Outliers it was recommend lining the ruts with fabric below the rock. The cost of Outliers repairs was estimated at \$5000. *Without a long range plan for road maintenance the Board will continue to revisit this scenario and pay for the same repairs year after year—literally losing ground in the effort.*

One driveway of a resident is problematic and needs to be addressed before the road repairs begin.

It was suggested that Redondo Vista may not be fixed because there is only 1 residence on the road.

There was a question about what the past policy was on culvert maintenance. *As we know....nothing.* Road repair work will require that money be reallocated from the budget—most likely from the 2014 carryover.

It was reported that the \$11,000 Trilobite road repair is already deteriorating. *Another indication that without an engineering plan we will just continue to waste money on roads.* Another problem was reported at the end of Ashley Lane where rain water has been running into a resident's garage.

Legal

One delinquent whose case has been turned over to the attorney is still not paying. It is suggested to give the attorney authority to file notice.

It was stated that a flood damage issue has stalled out between the resident, the insurance adjuster, and the contractor.

No report from community relations

Architectural: Concerns were stated about the lack of building specifications in the covenants.

A lengthy discussion continued on the number of trees per lot. As there doesn't appear any formula for density, there will be only a generalization presented at the annual meeting.

Action items

The vacant property on Aspen Grove with the dangerous drop-off on has been taped off for security. Replenishing parts and supplies for water system maintenance was estimated at \$1300.

It was reported that if you create a personal account on the Association website, you can see a chart of your individual usage since your meter assembly was installed.

A slide show is planned for the annual meeting.

The server posting policy is still in limbo

The Reserve study is still on hold and was expected to be in process already

Old business

The Posting policy to listserver – no action

The Reserve study will need a category /line item in the budget and, how to fund it was discussed. It was suggested that it could come from carryover or uncategorized funds. *Another acknowledgement from the Treasurer about surplus funds in the operating account.*

In discussion it was stated that carryover from last year was \$24,748, of which \$10,731 remains. \$6K has already been spent on road maintenance and another \$8K for water maintenance (installing a new water line on Outlier Rd.)

It was discussed that the funding could come from reserves. *We question whether reserve funds can be used for operating expenses. Reserves funds are normally designated into a special account for emergencies. We question the Board's understanding of the purpose of a reserve fund.*

A motion was voted on to establish a Reserve Study line item in the budget as it was suggested that every time an audit is done, a reserve study will also be required to track progress. *A prudent plan is long overdue.*

A motion and vote approved \$2000 for water maintenance replacement parts.

Another discussion point was the issue of road repairs by owners and how to ensure that professional repairs are not compromised by residents. It was questioned whether other bids should be acquired for the road repairs, however that would take time and would delay repairs. *With some advanced forethought, the Board could have investigated competitive bids before committing a \$20,000 chunk of money.*

The road contractor suggested that the SLP attorney write to Windstream requesting them to bury their lines so we can maintain our roads. There was a concern over when to start the road repairs because of our continuing monsoon weather.

It was motioned and voted to allocate \$20K for roads repair from unused or uncategorized funds.

A discussion occurred on sending out a notification, and creating a policy to make residents accountable if their usage exceeds 10,000 gal/mon and if that resident is showing a leak flag. *Until water is based on a fee schedule, unlimited water usage is allowed and will prevail.* This topic was directed for legal advice.

Closed session: 9:15pm

Discussion according to the agenda:

water usage,

delinquency actions,

presentation of legal action

It was noted that some non-Board members remained in the closed session

Cars dispersed 10:30pm

ss/mm/ss