

Sierra Los Pinos Property Owners' Association
Board of Directors Meeting
December 14, 2021 at 6:35 p.m.

The meeting was called to order by the President Paul Lisko with a quorum: Paul Rightley, Keith Rigney, Kristi Cross, Jeremy Oepping, Ann Cooke, Josh Toennis, Cindy Hines, John Hines and David Stuedell.

Guests: Barbara Van Ruyckevelt, Suzanne Star and Mary Moore.

Approval of Agenda: Paul Rightley moved to approve the agenda; seconded by Jeremy Oepping, motion carried.

Approval of Minutes: Cindy Hines moved to approve the minutes of the November 9, 2021 Board meeting; seconded by Keith Rigney; motion carried.

OFFICER REPORTS:

PRESIDENT:

Paul Lisko reported:

- He had sent a link to the Cloud to ten separate member-owners who had requested that they be able to view the November 6 Special Meeting on water, which was held at Jemez Springs Presbyterian Church.
- His recommendation of an appropriate amount to donate to the Presbyterian Church for allowing us to use their facilities, together with assistance with the wi-fi and their kitchen to warm up meal, etc.

Jeremy Oepping made a motion to donate \$150 to the Church; Ann Cooke seconded the motion; motion carried. Jeremy will follow up with this payment.

- He had received an email from Suzanne Star requesting clarification regarding the current co-mingle project.
 - She wanted to know where the Board discussed and decided to go ahead with the project? That was discussed at the May 11 board meeting in general and regarding who was going to be awarded the engineering contract, and it was decided that NV5

was the best choice. Then the Board looked at tasks which were earmarked for them to do and decided they were the comingling project, as well as figure out the amount for annual replacement of line in System 1.

- President Lisko then asked if there were any comments or questions concerning that item? There was no reply.
- There has been no discussion about bid approval because no bids have been received. He then reported that a 250-page document was being finalized by Mr. Patel and he will then send it out for bid.
 - Mary Moore inquired if she could go back to item number one. Her question was when Paul described the line replacement project, did this include investigating leaks or was this just indiscriminately going through certain segments and replacing them.

Paul L: It's not indiscriminately. Mary if you didn't get a copy of the NV5 documents, what they were proposing to do, I will read the first paragraph which describes what this annual water replacement program entails.

What it states is: During our meeting it was mentioned there was a strong emphasis to begin water replacement through the SLPPOA jurisdiction and efforts to upgrade water distribution lines that are old, outdated, undersized and generally have run the course of their useful life. NV5 understands that rural communities may not have the funding in place or can wait the years it takes to go through a traditional design bid then bill delivery method for water line replacement. NV5 is proposing to streamline this process for SLPPOA to include the annual development of water line construction plan that SLPPOA can use to obtain funding and build annual water line replacement.

Does that answer your question?

Mary: Pretty much. Will there be consideration of line that has already been replaced?

Paul L: Of course.

Suzanne: I have a comment, please. I wanted to ask you on the line replacement, where did the six inches come in from? Where has that been talked about or decided, as opposed to four inches that we've had on our lines.

Paul L: There is nothing set in stone. That is what was recommended by NV5. John, who is our water operator, has also recommend that we go to a six-inch line because it's a better, longer term solution. Again, nothing set in stone and we can always come back and revisit it.

Suzanne: At some point then when you get to the supposed line replacement, then that's going to be a discussion amongst the Board as well before we let NV5...

Paul L: NV5 is going to take their direction from us. I mean, they can go ahead and make their recommendations, but then the Board will consider their recommendations based on all sorts of things, based on finances, based on what the long-term solution is. There's going to be a lot of factors involved there. But, yeah, we can come up with what we want done and then NV5 will gear their engineering toward that goal.

Paul R: John, did you have something you wanted to say?

John: Yes. One of the reasons we were looking at six inches is because the fire hydrant standard across the United States requires a six-inch main. So if we're going to put in new lines, we might as well do six-inch lines so we can have them ready to put in actual fire hydrants the fire department can use and lower our insurance rates. Secondly, putting a six-inch main, every time we increase the size, we double our capacity of storage. So not only will we have storage in our water tanks, we double our water storage in our six-inch mains versus what we have now for our fours. It's almost a win-win situation. Considering what the price of six-inch is to four-inch PVC pipe, there is not much difference in the price compared to the benefit we would receive.

Thank you, John. Does that answer your question, Suzanne?

Suzanne: Yes.

Dave Studell: So, it seems to me if you comingled six inches and four inches, there would be a massive pressure drop between the two. If everything was six inches you'd probably be fine, but if you comingle them, there would be issues, and I'm just wondering your thoughts on that.

Paul L: I am going to defer to John on that. I do know in the co-mingle project they want to go to six inches on that.

John: Paul, Dave, it's a matter of hydraulics. The pressure is going to remain the same, whether we're filling a six-inch or a four-inch. It's not going to be an issue is what I'm trying to say.

Suzanne: I have one more comment. One more thing, I want to go back to the first question I had asked and what was trying to be found out in the May minutes. We keep talking about this co-mingle and I still have not gotten an answer. When did the Board decide between the co-mingle and Task 2 and Task 4? I mean, we talk a lot about replacing all the lines and all of a sudden we are in co-mingle, and that's all that's ever been talked about.

Paul L: I am going to try to address that as best I can here. And I don't mean to be facetious, but I'm trying to make a point. Suzanne, tell me how you would go about sharing the screen for a zoom meeting?

Suzanne: I have no clue. I have never done that. Is that what you're asking me?

Paul L: Yes, that's basically the answer I was looking for. When the Board decided that NV5 would be the engineering firm, and it decided the two projects it would go with were going to be the co-mingle and the annual line replacement, it wasn't up to everybody which project we were going to focus on first. That took some knowledge of water operators, past and present, to focus on what they felt was the more immediate need. And what both Harold and John indicated with NV5 was we go in the direction – or go with the co-mingle project first. And so, in terms of the Board voting on whether or not to go with that first, that's moot, because what the Board did was said we're going to give them the funds to do this. But you have to

realize that the people running the water system are the ones who are going to make the choice of which project we're going to focus on. Does that make sense?

Suzanne: Well, it doesn't make sense.

John: One of the reasons we wanted to have the co-mingle was our lines are not looped back, they are radial lines. In other words, if we have to replace some line and take a piece of line out, the people downstream from that are going to be out of water until we get that repaired. If we have the co-mingle, and we have a valve in place, we can actually, whether it's going across Vallecitos Meadow or wherever it might be, we can actually feed it backwards from System 2, and feed it to a valve, have the piece of isolated line that we are replacing, for those customers to be out. My primary reason for wanting to have the co-mingle was so I could back-feed and the customers would be out of water the most minimal time. It's not only if we're replacing those lines, because obviously those lines exist right now, but if we were to have a main break now right now, say across Vallecitos Meadow, everybody downstream would be out of water in System 1. So it's just makes sense if we can back-feed them from System 2, that we can get people back in water as soon as possible so people have the least amount of water outage as possible.

Suzanne: Now if I can make another comment. We've got a leak over here that's been the problem on System 1. Exactly where is the priority of a co-mingle and providing water to a weakened system instead of continuing on, trying to get our leaks fixed? Where did that priority come in? I understand you want to give water to everybody and you want to have a co-mingle system going, but that is an okay project, but it isn't the priority. It's a low priority compared to what we've got over here, the 54 percent leak rate. 300,000 gallons being tossed into the ground every month is not what I call anything but a high priority, and we still haven't been able to attack this in any way, shape or form, except what Harold's been doing little by little and that fell away about three years ago. That's all I have to say. I just think you're in the wrong place, wrong priority, but if the Board has decided this is where they should be and what they should be doing, then I have no other argument with it.

Paul R: Suzanne, could I ask you a question? Are you on System 1 or System 2?

Suzanne: System 1 and I do know what happens when the water goes out, but System 2 people have also had their same problems. We just need to get these systems so they are working. System 2 works fine. System 1 is not working fine, you are losing a lot of water every month but it seems that now is going to go away, at which time the co-mingle takes priority and it goes in the ground, whenever that will happen. So we are still waiting to get these leaks fixed and nothing has happened over the last couple of years to even look for leaks. We just let it leak and that's all we do.

Paul L: I want to address that. As you have may have seen from the lengthy email that I sent Harold Corn and all of you were cc'd on, I went back and randomly checked just leak rates for the last six years. And I agree, take the last two years of it out altogether, because what that program that Harold was doing replacing every so many feet of line, that hasn't been done for two years. So just the four years from 2015 to 2019, that leak rate has stayed at about 50 percent. It's gone down as low as 45 percent and up as high as 60 percent but just the random sampling that I did – and again, I didn't look at every water report for every month, I just randomly looked at maybe 10 or 12 of them, and that stayed constant.

Now, the only great change occurred before 2015 and for those couple of years before that I saw where the leak rate was as high as 77 or 78 percent on System 1. So when the lines – when Harold got around to replacing those lines, yes, that dropped that leak rate down to 50 percent. But it's been at 50 percent for years now with no change. Now I did ask Harold about it, because you are right, we haven't done anything of addressing that 1000 feet of line a year. So I actually spoke to Harold recently and I said, how do we go about doing that – and I wish – he was here a little bit ago, he keeps going in and out, so I think he has a bad connection. Anyway, I asked him about how that's done. And what he told me was that there was some sort of tool that he – that Mark Stanley used and that he was the main one that operated this tool and Harold said that he has some idea about how to make it operational – but what he said was you set it up in certain places along a line and then you check at one place and you

move it, check at another place. Let's say that you have a leak rate of seven gallons a minute, well, if you check it at this one place, do you have this seven gallons, yes; so do you have it here, no. And you know that it's in that stretch of line, it has to be replaced. And I thought, well, that's a pretty good deal, how many people are we going to need to make that work. He told me six.

So I'm saying right now, I'm willing to volunteer for that, but I don't think we're going to get five more people to step up to have this happen. Plus, the fact that we're also going to have to find somebody that's going to dig up the line and replace it. And we don't have that. I mean, David Raue has retired. Kennedy that's down in Jemez, he's not interested in coming up here. So, you know, I mean it's going to take – I agree we can go ahead and try and get that done but it seems to me that we are not going to have the volunteers to do it. We don't have the heavy equipment to do it, so really, if people want – and I'm okay looking into this and reporting back, is finding out what it's going to cost to have a leak detection system come up, find out where there is a leak and replace 1000 feet of line. Comments?

Mary M: I'll comment. Paul, it's Mary.

Paul L: Go ahead Mary.

Mary M: It's true you need volunteers, it's true you have to shut off all of the water meters, which is, you know, about an hour project, we've done it before. Have you actually considered asking this NV5 to do this kind of project? I mean, there is one very suspicious piece of line that's never been interrogated. It's the line that goes down the steep hill from Hovenweep down to the meadow. Not across the meadow, but it's that draw that's comes up from Lemerso's*** Road up to Hovenweep. You know, and that's a bugger because that's a very steep hill. Anyway, it seems to me wise to look at pieces that haven't been interrogated and why can't NV5 do that rather than the co-mingle or at first and then the co-mingle?

Paul L: If I can address that, first. NV5, Mary, is an engineering firm. They may make a recommendation to say that yeah, there is a leak on that line. I may have to ask, but I'm fairly certain that they are not in the business of

leak detection, but we would have to find somebody who is. And NV5 is an engineering firm so I don't think we really need to – I mean, I can ask if they do leak detection, but I'm pretty sure they don't. And so, it's not really going to be within their wheelhouse to go ahead and do something like that. So it's going to be actually a matter of finding somebody that does leak detection services and then contract out to do the line replacement. So I'm okay with doing that, you know, to try and get the leak rate down and keep moving forward to see if we get a bid process – or a bid on the co-mingle process, so how do you all feel about that?

John H: Paul this is John. One of the reasons we chose to go with the co-mingle project first was while they were getting the co-mingle project done, we could have them work on leak detection and finding out the next piece of line. It's not like we're going to do one project at a time. With NV5 as the engineering firm, we can actually be working on one project while they are working on the next project so we don't have a two year downtime, like we've had. My goal is to keep it steady, to keep going and going until we get this thing fixed. That's one of the reasons we went with the co-mingle was it wasn't going to tie us up for another six months of getting leak detection up here and getting a contractor up here and finding out where it is. We can get the co-mingle done and then while they're doing the co-mingle, we can work on that second project.

Mary M: That would be great. That would be great.

Paul L: And that's the direction we were headed in with this. You know, the Board approved both of these projects and that's where we're going.

Dave S: Yeah, I think, you know, obviously, the co-mingle project would be a great project to put into place. A lot of what John is saying really helps calm my nerves a little bit as far as the concepts and the progression of fixing the water system, so thank you, John. I think that the only thing that I have concern about is that we have 100,000 plus a little chump change in our reserves for projects like this and, you know, let's just say that we do the co-mingle project, how do we build those reserves back up? Say it costs \$60,000 so now we have \$40,000 left in our reserve account, how do we build those up and do the line mitigation as far as replacing lines,

and what happens if something else comes up? Easily we could come into a situation where we need a couple of hundred thousand dollars and I'm just wondering what the plan is for the money aspect of this. I get the projects and I appreciate, John, your thoughtfulness in that. The money I'm not getting.

Paul L: So one thing I was going to ask about, because I was – I read an email that Barbara has sent out, something about how there should be $\frac{3}{4}$ of a million dollars in that reserve account now. I'm not sure how you – how did you figure that or how is that being figured Barbara?

Barbara V: Well, I know what Placitas had in their account when they had to go with the new well, and they had plenty of money for the new well and the engineering and all the quasi-stuff they have to go through with their quasi-government – they're not a mutual domestic, they are something else. And they're just much more professional of where – you don't even know – you haven't even done a reserve study of how much this organization should have in reserve in case a well goes dry or something happens, you know, in that area. \$100,000 is a drop in the bucket is what I'm trying to say.

Paul L: But that was a question I was trying to put to you, unless I misread your email. You know, forget about Placitas, I think what you had said was there should have been a lot more money in that reserve account that we have than there actually is, like there should have been more money being put in there. So what I want to know is, what happened to that, how come that didn't happen?

Barbara V: Well, that's the Board. I've complained before that we didn't have enough in reserve, we needed to add more. The Board decides how much to put in the reserve and they really should do a reserve study. They'll probably find out they are woefully lacking in their reserve fund.

Paul L: Okay. Well, Jeremy, I think we are doing a reserve study; are we not?

Jeremy O: We are not planning on doing one this year, I mean in 2022 we are not planning on doing one. The last reserve study that was done was

in 2017. And, Barbara, you are correct, what that study – what the engineering firm told us at that time is the number – I think at that time it was around \$18,000 a year in reserve, based on their calculations and their analysis. We, at that time – I say “we,” but the Board in place at the time actually increased what we were doing, which was \$5,000 a year, they increased it to a little over \$8,000 a year, and that’s where we still currently sit. Yes, absolutely, we’re about \$10,000 below that number that we’re putting into that fund every single year. But again, you’re right, it’s a drop in the bucket, because if we would have been doing it the last three years, we would be \$30,000 richer in that fund, but we’re not. So, that’s what I know of it right now. Thank you.

Paul L: Thank you, Jeremy. Any other questions about that?

Dave S: Well, you didn’t really answer my question though. You got sidetracked.

Paul L: You’re right. So I was going to say you’re right; thanks for getting me back on point. So one of the things that we’re working on, and we’re going to talk about a little bit later, was the committee, that’s comprised of John, Ann and Paul, to work with RCAC in actually developing a template that’s going to be used to draw – to pull the water out of the annual assessment and go to a tiered billing system. So that’s going to take a few months to get that underway. And once it does, and I feel confident that the majority of the folks within SLPPOA are going to approve us doing that, once that’s done – again, it doesn’t matter if you’re for a mutual domestic, it doesn’t matter if you’re for a water co-op board, it doesn’t matter if you want to keep it just like it is, in order for us to acquire funding, we have to be able to demonstrate that we can manage our water resources and collect the fees for it, whatever those fees may be that those fees are going to be set and people have an idea about what’s going on. And once we have that water billing system in place – don’t get me wrong, I’m not saying we’re going to be making lots and lots of money off of that billing system, we’re not, but the way I see that billing system, it’s just set up to actually, you know, meet our costs – cover our costs, so that we run in the black with that system. But what I see as the real benefit of that is once we can demonstrate that we have this viable fiscal system in place for our water

billing, that's when we can go ahead and apply for grants and/or loans. So that's where the money is going to come from.

Barbara V: I'd like to still reiterate what Dave said. I don't think you've answered his question of where is the money now.

Paul L: We don't have the money now. Whatever money we have is in the reserve account; that's it – or in the operating budget, that's it. But again, all of these things are evolving as we're bringing them along.

Keith R: Something else I'd like to point out is just because we're looking at doing a co-mingle – I don't know how to say this – doing a co-mingling doesn't mean we're going to actually, physically going to do it. If we are currently looking for bids, if we get a bid that comes in at \$100,000 at \$1,000 per linear feet of pipe, we're going to say no as a Board, because that's ridiculous. We are seeing what the market is telling us. If they come back and they're \$100 a linear foot, then hell yes, let's do it, let's get it done. But if it's like \$700 a linear foot, the Board is going to look at that and say, well, what's the cost of pipe, what's the cost of labor digging, yada, yada, we can address that later. We're just trying to figure out a basic estimate of what a linear foot costs in today's market since we can't get six volunteers.

Paul L: Thank you, that summed it up in a nutshell; thank you. That's exactly right. The other thing I want to add to what Keith just said, we can put this bid out there, but we may not get anybody to bid on it at all. They may say, you know what, Sierra Los Pinos is up in the middle of BFE and I'm not going to take my equipment or my laborers up there to get this done. It's not worth my time and effort. And that's going to be – that's the thing, to me, that's really scary. Let's see what the cost is going to be to actually do this job, because it's going to give us a good idea of what it's going to cost later on down the road, but what I really want to see is if there's actually contractors out there who are willing to step up and say, yeah, that sounds like a good place to do a job. Go ahead, Suzanne, what else were you going to say?

Suzanne S: Yes, I just wanted to say, I agree, I think that getting contractors to find out if we can get the contractors up here, to find out what

their bids are, that would be good. But let me ask you a quick question. The NV5 people, they gave you an estimate of around \$89,000. The question is, right now, can we afford that, even if it comes in at \$89,000? Can we do it at all? And if we can do, then sure, fine, go ahead and see if you can get the bids and see what you get. But if we can't do it now, and they come in with a bid of \$89,000, what are you going to do, say – oh, well, well, we didn't know, we don't have the money, sorry. That doesn't do real good type of PR for the contractors who are going to be bidding. So I think you make a commitment and say, yes, we're going to spend the money, if it's at least \$89,000 or thereabouts, or you can get lucky and maybe they'll come in at \$25,000, which we know they probably won't.

So that's the question, is that we've got a problem here. When you go out for a bid, you should be ready to accept something within reason that you've already been told you're maybe going to maybe have to pay. And if you say NV5 is pretty good at their estimates, then they probably pretty well know what these things are going to come in at. If we can't find a contractor who will come up here, then you're right, the bids are going to come in at 125 -- 150,000 dollars, something we can't afford. I understand that.

So that's my question: You already know what the estimate might be according to NV5, what are you going to do with that? Do we have the money to stand on that? Do you have the money to say okay, go ahead, or not?

Paul L: We do have the money to stand on that and go ahead. It's going to be up to the Board whether they want to proceed with it. I mean, that's what Keith was just saying. We don't know exactly what the price per foot is going to be, so we've got to wait and see. So, yeah, if it's \$89,000, we do have that money, but it's going to depend on where things are at. Like, something could come up that we don't want to spend the money on it, or the Board could say, look, we don't want to do this. But we don't know what that's actually going to be until we see the bid, and that's a crap shoot for everybody. That's what the whole point of bidding is about. We can either accept what they're presenting or say no, it's too much. I don't have

any issue with that. I don't have any problem at all. To me, that's capitalism at work, that's the way I look at it.

David S: Paul, a quick question. If we get a bid -- kind of to addressing Suzanne's question, if we get a bid and it comes in at \$79,000, can we talk about just doing a special assessment for that so we don't deplete our reserves?

Paul L: Sure.

David S: I mean, I just don't think it's fiscally responsible to deplete our reserves, that's all. That's the only thing I'm really kind of going with on this.

Paul L: That's an excellent suggestion, David. That's one of the things we could do, we could get a special assessment on it. Yes, sure.

Barbara V: Well, on the special assessment, Dave, that would be up to the -- the members would have to vote on that, whether they want the co-mingle or not.

David S: Right, right, which makes sense.

Barbara V: It would make definitely sense.

David S: So I think that would be a more prudent method to move forward with this, but anyway, that's all I have to say. Thank you, Paul; thank you everyone.

Paul L: Thank you, David. Basically, we just came back around and you answered your own question. That was great.

I want to move along here. We're taking up a lot of time and I want to move forward with this. I'm down to subject number 3: Member-Owner concerns at NV5 kick off. You know, those -- Suzanne, you said you had concerns about fixing the leaks in System 1, and so did Jack Nyhan. Those were documented in -- during that meeting, and you were not ignored. As a matter of fact, that little blurb that I read to Mary a little while ago about the annual water line replacement program, the first sentence it says: During our meeting, it was mentioned there was a strong interest to

begin the water line replacement through SLPPOA. So there it is. You weren't being ignored, it's being addressed. Okay?

And again, number 4, as far as it being a try-out opportunity, it's more than that. It's serving as a failsafe, and for all the reasons John had mentioned about why it's a good idea to go ahead, to move forward with the co-mingle project. So, again, this task was chosen over the annual cost of spending \$10,000 for line replacement design. As John had mentioned, we could do this in tandem. We could get NV5 out here to do the leak detection and start work on line replacement there. We're moving forward. It's not well, here is this and we're going to get that done, and then we're going to get this done, and then we're going to do this. It's all kind of working together to solve the problem.

Then finally, number 5, explaining why the details of NV5's cost estimates for the project are not going to be released. And the reason I'm not going to release those, again you have the dollar amount, which I shared with everybody, where, you know, they projected back in February that to do this co-mingle project would cost roughly \$57,000 and now, given all the supply chain issues and all the stuff that's going on, labor shortages and what have you, that they project that estimate at \$89,000. And really, that's all that anybody needs to know is the numbers. And I will tell you why, is because I don't want to have all sorts of alternative information out there that people are going to look at. And, again, Suzanne, you're pretty savvy when it comes to looking at this, looking at water and billing and costs and things like that, but even you got it wrong when you started making an assumption that NV5 had first offered to do this – that it was going to cost us \$57,000 and now it's going to cost \$89,000 and that was a misconception. So if somebody who is as savvy as you can make that misconception, I'm darn sure not going to release this stuff to the general membership so that someone else can start questioning the same thing, like where is this – how come we're not spending this \$57,000? I'm not going there. Does that make sense? Did I address the issues that you had?

Suzanne S: Didn't you just say a minute ago that NV5 had originally suggested that it was going to be about \$57,000 and now, due to the –

Paul L: No.

Suzanne S: I'm sorry, where did you get the \$57,000 from?

Paul L: \$57,000 was what they had based a similar project on, back in February. We didn't even hire these guys until June, four months later. So that \$57,000 was something they had in their back pocket from – not us, it was a previous project with somebody else.

Suzanne S: Okay. But it was from NV5 and a project that NV5 was familiar with; yes?

Paul L: That is correct.

Suzanne S: That's what you had reported at the last meeting and that's how I picked that up, but I didn't have the details as to where it came from. You just had said they said \$57,000 and then they said \$89,000 for the increase in the prices. Thanks for clarifying it.

Paul L: So did I clarify all five of those things you had sufficiently?

Barbara V: Paul, this is Barbara. Are you going to make a motion tonight to go with the assessment route, rather than taking out a reserve, or what do you plan to do as a Board?

Paul L: We could go ahead – that's a good question. We could go ahead and start looking at that special assessment that David was talking about, and basing it -- you know, the \$89,000, that would be a good place. We can justify that's the preliminary engineering report. So, yeah, I'm willing to go ahead and entertain a motion that –

Keith R: Hey, Paul, me personally, I would rather wait. I don't want to entertain motions and start moving things forward without all information. They just now are working on the document to get it out to bid. I want to make sure that we have all of our ducks in a row before we start wanting to spend money or go down that route. I just say what we've done tonight is we've discussed it. We know people's concerns, where people stand and I think that's good. I don't want to start throwing anything around until we have all of the information. Yes, we could do benchmarks and try, but I don't think it's worth it just yet.

Paul L: Okay, that's a reasonable alternative. So, I guess the question is then, do we want to wait, as Keith has suggested, or do we want to jump in and try to talk about a special assessment when we don't really have all of the figures?

Paul R: I agree with Keith.

Cindy H: I agree with Keith, as well.

Barbara V: Could I just add, I don't mean to come up with an amount tonight, but just the process. It would be nice to know that the process is going to be, what you're aiming for.

Paul L: I mean, David has suggested going with a special assessment. I think that's a good way to go, but we have to know what that's going to cost. In other words, we can't just go willy-nilly and say, well, we think it's going to cost this amount, or you know, we could actually set it and say the special assessment, we're going to base it on the engineer's estimate of \$89,000, and geez, it comes out \$129,000. We're going to look foolish then because we don't have the numbers correct. Yeah, I mean that's one way we could go for it, we could get a special assessment.

Ann C: Could I interject?

Paul L: Go ahead, Ann, please.

Ann C: Barbara, if you read the by-laws, it sets out how a special assessment is accomplished, and we will follow the by-laws. So we will get the information, we will present it to Association. If they go with a special assessment, they will get the quorum necessary and either the votes or not.

Barbara V: Right. Basically what I was saying is you don't have to have the amount to establish the process.

Ann C: And the process is already outline in the by-laws.

Barbara V: Well, yes, I know that, but you don't have to have the amount to vote that you're going to go via the special assessment rather than out of the reserve. You've got a plan, just an overall plan.

Cindy H: I still don't think it's prudent to even entertain a plan for a special assessment or not a special assessment until we have more information. It just doesn't make any sense to me. We have plenty of time and, you know, we'll know a lot more by our next meeting, I would assume. If they get this document out for RFB, we're going to know a lot more in a month. So I don't see why we need to spend time doing this

Paul L: Well, I think we're all of a mind to, as Cindy said, let's wait and see. We're going to table the idea of a special assessment for now. Does anybody have anything to add to that?

Okay. Item number four is review of NV5 contract documents is ongoing. We've got input sought from the attorney and from other board members who have been sent that document. I went through it. Like I said, it's 250 pages long. I did find some things in there that I brought to their attention I wanted corrected. Also, the attorney looked at it and he made some corrections, as well. I spoke with Arvind Patel today and he's doing the finishing touches and he's going to have that document for review tomorrow. Then if it meets all of the criteria and all of the revisions that was requested, then it will go out to bid.

Number five is following up with the violation notification letter of November 19 from the New Mexico PRC Pipeline Safety Bureau. That letter was sent to Jeremy and he contacted me and John Hines about it. It looked pretty serious, pretty threatening, like hey, you know, you guys are in noncompliance and we're going to go ahead and fine you. It was a lot of double-talk really. So I contacted – called up the Pipeline Safety Bureau and all it is, is they wrote it to get the attention of people. Like what we do here in SLP, if somebody is going to do some excavation in a particular area, we have to go out there and mark where the underlying pipelines are. We do that anyway. But a couple of years ago, I guess there was a change in the law – again, we're good about marking those pipelines, but there's a change in the law now that says once you've marked those pipelines, you have to make a return call to New Mexico 811 to verify that you did it, and that was never the case before. That's all that notification letter was for.

Number six, I picked up and paid for the booster pump motor repair at Lee's Electric in Albuquerque. I am asking for a reimbursement in the amount of \$246.49. Cindy Hines moved that Paul be reimbursed the amount of \$246.49 which he paid to Lee's Electric. David seconded the motion; motion carried.

VICE PRESIDENT:

Keith Rigney reported:

- He had not made any posts on Facebook pertaining to SLP on the Homeowners Chat page. Asked the members for their input, if any.
 - Mary inquired how to join that group and Keith explained the process to her.
 - Kristi indicated she was one of the moderators of the Facebook account. She believes Heather Beemer was the original administrator and has turned everything over to Brittany Llewelyn, who lives off of Hovenweep. She was unsure who the third one was.

SECRETARY:

Kristi Cross reported:

- She had not completed the transcription of the Special Meeting, but would try to have it done in early January. Paul Lisko stated he would be happy to help with the names of those people who spoke but didn't identify themselves.
- She indicated that she had forwarded a copy of her Welcome Packet to the members of the Board for their comments. Paul L. indicated there was probably too much fire information and a letter needed to be composed with information about the members of the Board and when the meetings were. It should also encourage new homeowners to participate in the Board meetings. Kristi indicated she would continue to work on this and Cindy said she would review the packet and be willing to help.

TREASURER:

Jeremy Oepping reported:

- The balance in accounts as of November 30, 2021 is as follows:
 - Operating Account: \$85,572.78
 - Reserve Account: \$127,350.24
- As of November 30, we have 7 delinquent accounts totaling \$10,236.44 (decrease of 4 accounts, totaling \$2758.99 from last month).
- The November amount of \$666.67 was transferred to Reserves during the month.
- There was one change in property ownership in November. We welcome Thomas Hafera, 1112 Los Griegos Road.
- A reminder to John Hines that he would need a copy of meter report which is sent to the State in early January so he can pay water conservation fees.
- An update on the water conservation fee mix-up. He indicated that he had finally been able to resolve this matter and indicated that the original check three or four years ago was sent to another department and has now been credited to the Association's account and he plans to use at least part of that for the January bill.

He had a member ask about the operating account and dollars remaining, rollovers from year to year, and where those could be found. I am in Human Resources in my real life, and I am not an accountant, so I will give you what I understand. When you're looking at the actual financial statement, the balance sheet is where our total cash assets are. So that's everything from the current year, plus past and previous years. So that is our total cash assets is the balance sheet.

If you'd like to find out where we are from a year-to-date standpoint, on the income statement you will have the year-to-date actual versus our budget. Example: The balance sheet for July 31st shows cash of \$180,993, which is what we have in checking account from this year's dues, and what we've spent, everything previous years and so forth. It's exactly what we have in our checking account. In the reserve fund, again you can see where that is \$124,000. Then to see what

we have year-to-date, we go to the Operating, to the Income Statement, and there's a couple of things you are looking at: the month actual variance and the year-to-date. On this one you can see that we've budgeted 58 and so far we've spent 92 as of the end of July. That's where those numbers can be found. There was a question as to whether we can specifically identify what the rollover from year to year, but essentially the year-end financial is going to show if we have overspent or underspent. Again, I'm preparing the financial statement for the SLPPOA page; it's all going to be posted out there. I have something that I call a budget overview document and I can go all the way back to 2018, which is when I started this.

In 2018, we were underspent by a little over \$15,000, so that was rolled over; 2019, we were underspent by a little over \$16,000, so that would have rolled over. Fiscal 2020, we were underspent by basically \$700, but even that was rolled over. 2021, year-to-date through November, looking at the most current financials, we are overspent by about \$21,000. So it gives you a sense of where we've been the last three or four years. Any comments or questions.

- Paul Rightley asked where in this are we overspent to get to this overspending total? Jeremy said overspent by \$13,000 on Legal.

The last question from this member was around delinquent accounts and rolling over the funds, etc. I report delinquent accounts monthly, both the number and the total dollar amount, and the change from month to month. This month we did the intent to lien and were able to reduce delinquencies from 11 to 7 members and from 13,000 down to 10,000. Any other questions around delinquent accounts?

Suzanne S: Jeremy, could you please tell me on the delinquencies, I understand you give us monthly, but are there delinquencies that have gone over a year or two years on our books or more?

Jeremy: That's normally not reported. How would that information help you, what would that do for you?

Suzanne S: Well, basically, years ago we used to track to find out how many of our delinquents continued to be what I want to say, abusers of the situation and why we were having these kind of problems. It helped us identify a little bit whether we needed to get a little bit more aggressive with them or whether it was just something they were having problems financially for just a couple of months or through their work. That's basically the reason I'm asking, is how

many of those people have been delinquent over a year, two years, and why? Are they having financial problems that we need to address or is it because they just don't care and we haven't followed through trying to get it collected?

Jeremy: Thank you for that, Suzanne; I think that's a good question and something I definitely will follow up with HOAMCO.

Mary M: Have you considered rolling a considerable amount of that money over into the reserve fund. Jeremy said no money this year, but it would definitely be an option in the future, and Board can take a look at it when we budget in the fall.

STANDING COMMITTEE REPORTS:

Water:

John Hines reported:

- On System 2, the well quit on November 9; thanks to Sean, Paul, Josh and Harold who covered that for me so I could leave for my scheduled 10-day vacation. We had to co-mingle the systems until we could get an electrician up to diagnose the problem. The problem was the well controller had gone bad. He replaced it December 3rd and we are no longer co-mingling. The invoice for the electrician and for the materials was \$3,275.70.
 - He assisted one customer in leak detection.
 - He attended an on-line water audit seminar, which was really well done. He learned that because we have water meters and we check our readings every month, we are already ahead of the game and get an A+ for our water auditing system.
 - He is still working on scheduling the calibration of the well meters.
 - He took the System 2 spare booster pump motor to Lee's Electric for repair, and Paul picked that up when he was in Albuquerque. The capacitors were out on it, which were repaired.

- He received confirmation from NMED to take the water operator exam the first week in January.

System 1:

- Pumped 632,000 gallons (Hovenweep and Aspen Grove Wells)
- Used: 238,000
- Average Household Usage; 88 gallons per day
- Lost: Did not measure because of co-mingling
- Leak Flags – 12 (eight were repeats)
- Users over 7,000 gallons – five, with all five having leak flags

System 2:

- Pumped 78,000 gallons because Meadow well was down
- Used: 133,217 gallons.
- Average Household Usage: 71 gallons
- Lost: leakage rate not determined because of comingling
- Leak Flags – 4, with all 4 being repeats
- Users over 7,000 gallons – two, one having a leak flag

Both System 1 and 2 are in compliance with Total Coliform, Absent; Total E. Coli, Absent; Disinfection Residual 0.14 mg/l on System 1 and 0.11 on System 2

- David Stuedell asked how many of the leaks were in the release valves on the outside spigot like his at 1514. The valve at the base of spigot was malfunctioning and leaking.

John indicated that 70 percent of leaks they had found this year were at the standpipes and almost all of them were the same thing. It occurred at the weep hole and the seal goes bad, so it just keeps leaking water through the weep hole. This is a good segway to indicate that you need to disconnect your hoses from outside, whether they be standpipes or mounted on the house. If there is water in the hose, it will freeze and the weep cannot actually drain the pipe and it will freeze and crack and we will have more leaks next year. Make sure you disconnect your hoses, please.

Roads:

David Stuedell reported:

- Delayed payment on the cinders is unacceptable, Jeremy and I went back and forth on this and it is now apparently paid.
- Jeremy indicated payment to the company had been made. He plans to have a “performance” chat with HOAMCO. Paul asked to participate when this happens.
- On the repair of the cinder spreader, he had sent a YouTube video on the repair of the cinder spreader to the members. We are still working on that and maybe we should consider a separate unit.
- He indicated that a new tarp had been purchased from Metzger’s to cover the cinders at a cost of \$46.14.
- We are really lucky to get Jonathan as our plowing specialist extraordinaire. If you have an issue, he is active on the SLPPOA Facebook page and you can state your questions or comments there.
- He will be on vacation from December 17 to January 4th.

Legal:

Paul Rightley reported:

- He is still dealing with the puppy mill. He has created a new gmail account that he intends to use for all legal matters (SLPPOA.LEGAL@gmail.com. Once the webmaster has directed legal1@slppoa.org to that site, he will send out the following message: This is just an initial notice but the Association hereby respectfully requests that you immediately stop your commercial activity. You have three choices: (1) either remedy the situation before our next Board meeting on January 11th; (2) provide a plan to remedy the situation or (3) schedule a hearing date to discuss or

contest the violation. Then I give them the legal email address or the 950 Forest Road 10, Jemez Springs, NM address. Then I provide a description of their violation.

- At the same time I have created a similar message, but in a hard copy, because I don't have an email address for the rental property compliance at 66 Ashley Lane.

Paul L asked if Paul R has an actual email address to 66 Ashley Lane? Paul R replied that he did not, but had several physical addresses, one at a business address, one Jeremy had given him and he's going to send hard copies there too. It's still going to have a date the 11th of January.

Paul L: Hold on before we get to questions. What I have done is this weekend I will send out a letter via email to the other vacation rental properties reminding them they have to fill out the form each year. When you contact this guy at 66 Ashley Lane, are you going to be mailing the policy and the applicable form to him as well?

Paul R: I will. So, Paul, I have the one phone number we have on file for that individual and I left a message; I have not received a response. So I believe the only action I can take is to mail him a letter saying here is the violation that also includes the policy and the permit form.

Paul L. I wouldn't want to point out the violation part. I would just say, hey, in case you're not aware, we have this policy in place. Here is the form, fill it out and get it back to us.

Paul R. Well, I would argue that's precisely what I'm saying, but I understand. Maybe if you would like to help me wordsmith this message, I can understand that. There is no doubt that the first message needs to be polite and informing them of this policy.

David S: I'm probably a little lost on this one, with the pandemic and working at home. What are we exactly saying that you can or cannot do at your residence, or is it we just have too many puppies?

Paul R. There is a Sandoval County ordinance that says if you have more than six dogs or cats over the age of four months, and you are operating such an operation for profit, then you are a commercial operation.

So just to let you know, that is the definition of a commercial operation. I understand you're working from home, you're on zoom a lot, but here we are with a situation where in 2017, law enforcement had to show up to rescue 45 animals from the fire, the Cajete fire, and then in July of this year there were over 20 animals, dogs in this location. By the way, there is also

a webpage where they are willing to sell you dogs today. All of that put together shows they are a commercial activity on Sierra Los Pinos property.

Ann C: There are also covenants that list, with regard to animals, what is allowed. I don't know if they specifically call out dogs; but cows, horses, perhaps even chickens. I don't know which unit. I'm assuming if it's Ashley Lane, then it's Unit 2?

Paul R: For right now, this property is on Unit 1 and it is very clear, according to the definition in Sandoval County ordinances, this is a commercial operation. And so for right now, the Association is saying that they need to stop their commercial operation. And I am giving them in my message that they either need to solve this by our next meeting, or they need to send us a message about what their plan is and the timeline, or ask for a hearing before the Board or a subset of the Board or a committee that the Board approves, to discuss either why they dispute that this is an issue or what their solution is.

Ann C: I think that's great. I would suggest that it be two-point, which is give us your plan and how to verify it's been accomplished or to ask for a hearing. If you just ask them to accomplish it, I mean, if they write back and say we did it, is that good enough?

Paul R: That's great. That's why I'm bringing this up before I send this message, not to mention I'm waiting until the webmaster puts my new email address that is specifically tied to legal issues. That's a great idea. Let me see how I can word that.

Ann C: Just ask them their plan and how it can be verified.

Firewise:

Ann Cooke reported:

- She met with Chris Romo and they walked some of the Association, at least in her neighborhood. He is basically taking a roadside view of properties around the Association. He finds residents and tries to chat with them. If they don't want to talk, that's fine. As I said, he's doing something of a roadside assessment.
- The second point, which is the historical prospective occupancy. Chris has some questions about the occupancy of homes and I'm working with him, but the reality of it is that nobody knows, and it's not really documented, and I don't think it can be documented. I also don't think it's very well defined from a Firewise point of view. I'm continuing conversation with Chris and I think some of these questions are better fleshed out throughout the Greater Eastern

Jemez Wildland Urban Interface Firewise organization for the entire mountain, rather than specific to SLP.

Architectural:

Josh Toennis reported:

- There was one architectural request for the month of November, and that was from LANet for the tower and small cabin, which was approved. It was brought up by all three members of the committee talked about granting a variance and not have them build a cabin and I said I would bring it before the Board.

(Lengthy discussion about the variance and what has been discussed previously; Paul will send members of the committee a copy of his email correspondence with the lawyer concerning the variance)

John H: Paul, I just want to comment. We're not asking for a vote, we're not asking for anything. We were just doing our duty as a committee to make a suggestion. We're not asking for anything. They didn't know and, frankly, I'm a little put out that we are being chastised because you are making it sound like we are trying to push this. Josh was just doing his job, reporting that we reported that we thought it should have had a variance. If that's what the Board wants, that's fine, but I don't feel comfortable having you sit there and say we've been over and over this again and again. Then fine, end it.

Mary M: Can that structure just be something like a Tuff Shed, can it be minimal expense or does it have to have utilities, etc.?

Keith R: I think that's part of the issue, Paul, is what quantifies a residence? Is it a cabin with windows, a cabin with windows, water, a toilet? This list can go on. This a mess and I think that's why the architectural control board is asking because there are a lot of different ways you can look at this. I think the committee needs to be given all of the information. They're just doing their due diligence.

Ann C: May I make a suggestion. I think the process would be smoother if the committee felt they needed a variance, to put together the motion for a variance, give a recommendation, we will discuss it and vote. I think if you feel it needs a variance, then you should proceed with it. Yes, and I recognize at this moment you're not asking for one.

Josh T: Everyone was just doing their due diligence in asking these questions. I mean, that's what we want with all our committees, not making people feel if they bring up questions to the Board, they will be chastised.

Paul L. I will do what Keith suggested and send them a copy of the correspondence with the attorney

Parks:

Cindy Hines reported:

- Nothing new to report on signs. We will do what we can, but it's winter and we'll do what we can. As far as the welcome packet I'm going to work with Kristi on, I already said I would be glad to put together a one-page document concerning the water, tips and how our water works and a way to check water usage. I also heard a suggestion that something with the architectural policies and controls would be good.
- Josh T: The majority of questions I get have to do with where to find things like covenants and restrictions, together with the architectural control forms. Just let newcomers know it's on the website and where they are. That would be a great thing to include in the welcome packet.
- Cindy: It's also something I can put in the newsletter.

ACTION ITEMS:

- Paul L updated members on delivery and installation of Intel water tanks to SLPPOA Station 52 for fire suppression. The new interim grant manager returned his email with regard to FEMA funds and indicated there are no grants available to fund moving this tank, but there may be in the spring. Indicated he would contact her again in spring. All on hold for the winter. No update from LCVFD with status of Masthead.
- Paul L indicated a committee was formed to develop a water rate billing structure with help of the Rural Community Assistance Corporation. Does any member of the committee want to address what you've gotten done so far with him?

Ann C: We have looked at the material he sent and our committee is in discussion at this time. We have nothing to report because we haven't come to a conclusion at this time.

Paul L: I received another email from Joe. He wants to set a date for the committee to get together with him to develop a work plan and he asked what days might be available.

Ann C: If he sent me that email, I missed it, and I apologize. So, if you could forward that to me, I will talk to him.

Paul R: Thanks Ann for speaking for us. I agree with what she said and we will meet with Joe.

Next regular board meeting is scheduled to take place Tuesday, January 11, 2022 at 1830 hours.

Paul Rightley moved the meeting be adjourned; seconded by Jeremy Oepping; motion carried and meeting adjourned at 8:42 p.m.