

Annual Meeting 09/09/2023

Meeting starts at 2:07 PM

Attendees (not a complete list)

Anne Cooke tries to motion to accept last year's meeting minutes, but no quorum yet, so cannot proceed.

Paul Lisko and Harold Corn present on the Water Billing Proposal developed by the Water Management Team

- Issue: leaks, outages, line replacements, generally unsustainable water system
- Proposal: Water billing could provide a stream of money and open up the possibility of receiving grants and loans for expensive water system upgrades
- Alternative Option 1 - Status Quo
 - This option will
 - deplete reserves with each emergency,
 - prevent long-term planning,
 - burn out the water operator, and
 - rely on volunteer support, which is not reliable.
 - The annual increase of 10% of HOA dues is not enough to cover even the expected increases in system fixes and maintenance required with the current system
- Alternative Option 2 - Special Assessments
 - This option will require a quorum of at least 2/3 of the community to vote, and at least 2/3 of those voters in favor.

- The proposed special assessment could be up for vote more than once.
- Urgent Projects
 - System 2 booster pump line exposed (because of water runoff from the Cerro Pelado fire) - 1K
 - System 1 meadow main line replacement - 8K
 - Dead end branch lines - 21K
 - Replace Meadow well pump line? - 3K (prefer Schedule 80 PVC pipe)
 - System 1 Ashley Lane main line section replacement - 25K
 - Professional engineering report for continuity between administrations (10-15K)
 - Update metering system (70K)
 - Badger system & meters
 - residential leak detection
 - system main line leak calculation, from water audits
 - excessive use awareness
 - two-way communication from meters and reader
- Option 3 (Proposed) - Water Billing
 - Benefits:
 - Increased water conservation
 - Demonstrating financial responsibility for external funding
 - Allow for long-term planning for water system infrastructure upgrades
 - Would require 60% of all members to vote in favor of the proposed By-Law amendment
 - If a resident requires help, there is a Low Income Water Assistance Program for those who needs help
 - This would require software for the billing system
 - Proposing a 2 cent per gallon charge

- The money from water billing would go into a separate account that is used only for funding water projects
- The vote will be in late October

Questions from residents on the Water Billing Proposal:

- Bill Stellwag
 - Why doesn't the \$400 from the annual HOA dues go into the water account too? Why does it go into a general account?
 - Lisko - Water billing will account only for water system projects, not regular maintenance and system upkeep (which is funded by the general account).
 - Keith Rigney - The general account allows for jockeying up the funds as needed for water, roads, and snow removal.
- Justin Owens
 - If we raise funds is there an explicit intention to reduce the rate after the proposed projects are finished?
 - Lisko - It's up to the new board, so it's not guaranteed.
- Juston Moore
 - How does this interact with the amendment to the by-laws posed most recently on water?
 - Lisko - That did not pass. It was actually a set of several proposals, none of which passed.
 - The 2 cents per gallon charge would set us up as one of the highest prices for water utilities in the state of New Mexico
 - Lisko - Part of it is accounting for the fact that the system itself is just bad, and needs to be replaced.
- John Nyhan
 - Voicing opinion on the proposal having too many fines and not liking the language of the proposal document.

- Keith Rigney
 - The \$90K over budget we went in 2022 was not entirely due to water. 50-60K of that was due to legal fees, and only about 30K was due to replacing pipe to fix leaks on Los Griegos
 - The current leak rate is less than 20% (combined System 1 and System 2)
 - The system is more than 30 years old.
 - The current dues are \$1100 / year. If water billing passes, the average household uses 4200 gallons per month, which would result in approximately 70% increase in “dues”
 - Lisko’s response - Water billing would not be considered “dues”. Just paying for consumption of resources.
 - Was told he wasn’t wanted the WMT meetings
- Shawn Amburgey
 - Is the issue that we don’t have enough water? I thought the aquifers are actually getting larger
 - Lisko - That’s right. The water billing is for the urgent and deferred projects, including water system upgrades
 - The leaks actually go back into the aquifer.
 - Donna Smith - Yes, but it takes several years.
 - Why would new members have to pay for past mistakes?
 - Lisko - HOA dues have always been insignificant.
 - Donna - We’ve gotten more and more behind as time has passed
 - Anne - Understanding of why now is that last year was a very difficult year due to the Cerro Pelado fire, which caused anxiety from the pressure of the resulting costs, a recurring heavy leak could not be found for a long time, which led to thoughts and anxiety about having to replace the entire system
- Justin Owens
 - Can we get money from the government due to the Cerro Pelado fire? Also those with many people living in their household will be paying more for water.

- Lisko - It may be an option to receive money from the NFS due to the CP fire. We hope that water billing will reduce each household's water consumption
- Marsha Gaillour
 - President of the HOA for a community in Albuquerque, where HOA fees had not been raised in a long time. This year was finally raised from \$150 - \$245 in dues (per month?). The community water costs \$115/month (per person?). For many years they had only \$17K in reserves. Only recently were they able to get to \$90K, so they may now have the down payment for a loan they need. They did a study in 2008 that recommended them to raise their HOA dues, but they didn't, and therefore 2 million in revenue was foregone. Encouraging everyone to think ahead (long-term planning) for water system infrastructure. Need to have 10% down for most loans.
- Dylan Lyman
 - When costs are met for the new system, will the additional cost for residents be eliminated?
 - Lisko - That option can be presented to the new board, and there will need to be a vote.
 - Worried about giving free reign to the board to increase prices by half a cent per gallon every year.
 - Lisko - The majority of the board would have to be in favor in order to do that rate hike.
- Nyhan
 - Emphasizing need for volunteer work
- Member, unknown name, recently bought Sabine's former house on Mimbres Way
 - Is there an estimate of how many years would be required to get the money to pay for projects?
 - Lisko - We'd estimate getting a maximum of \$6K from water billing per month, so \$70K a year. The number of years would depend on water project priorities.

- So is water billing a permanent fixture?
 - Lisko - Not sure. It depends on the membership, with a potential new vote proposed by a new board
- Justin Owens
 - How are you soliciting for volunteers? Haven't been informed of any efforts myself.
 - Lisko, Donna - Often word of mouth. Sometimes Facebook. We need a better system of soliciting for volunteers in the community.
- Cheryl
 - The water infrastructure is deteriorating every year. The frequency of water outages is increasing every year. Some of our neighbors, like the Partridges, didn't have water all of last winter. Improvements to the infrastructure could help prevent all of these things.
- Lissa Moore
 - Can we hear more about special assessment? Some possible numbers and timeline with that option?
 - Lisko - Not sure special assessments work historically
 - Concerned the board will keep hiking the per gallon rate of water billing
 - Keith R - Is it a membership vote or a board vote to raise the rate?
 - Lisko - Checking the wording of the proposed by-law, it would require the majority of the board, not the membership
- Sandy Partridge
 - Been here for 36 years. This is the second winter we've had no water. The community's water system has never been good, and we've always struggled to chase leaks and other problems with it. It's not an issue of new members having to pay for past mistakes. It's always been this way, and everyone would be paying to have a better system.
- Barbara

- 10% increase in dues only renders \$17K per year. That wouldn't allow for any long-term planning. It is most fair for each person to pay for how much water they use.
- Donna
 - Another possibility is for members to approve higher HOA dues, say 25% increase.
- Tessa Hansen
 - What would you do if people don't pay water billing?
 - Lisko - That protocol is outlined in the document.

Anne Cooke concluding water discussion. Wants to make motion to accept last year's minutes, but no quorum.

Lisko raising issue of "emergency" route wording to be changed to "alternate access route" for fire escape, which would be gated (and controlled by the fire department).

Anne Cooke reads statements from board members not present

- Scott Mandela
 - Please check with Cuba Soil and Water Grant to have your property properly thinned. Email the board to learn more.
 - Please come to the board meetings to voice your concerns
- Josh Toennis
 - There were 5 architectural requests this year, all approved
- Dave Stuedell
 - Aiming to grade roads in September - \$35K
 - Partridges - Calypso road needs base course

Anne on the Cerro Pelado fire

- Jemez Mountain Firewise Assn (JMFA) got donation from LANL Foundation to purchase culverts to repair Aspen Grove.
- Please thank Josh, Keith, and Harold for putting in the culvert on Aspen Grove

Lisko on water tank

- President of the JMFA - got \$25K grant from Santa Fe for a 30K gallon tank for fire suppression - with this, your insurance rates may go down. Working with the Fire service to make a new road from FR10 to connect this new tank

Anne Cooke

- Please pass around this document and sign to indicate your efforts on reducing fire risk on your personal property so we can continue our firewise status this quarter - need also 2 dollars per member
- The Cuba Soil and Water grant is paying for 70 or 80% of your efforts to thin your property (if you thin to their standard)

Suzanne on budget / Treasurer's statement

- 2022 budget was very expensive. Four categories - Admin (insurance, management, legal), water, roads, and snow removal
 - 146K budget not including reserves
 - 258K expenses
 - Accommodated by taking ~92K out of reserves
 - Had 128K before this, now way behind
 - Currently cannot afford to replace anything in the water system
 - 56K to water system emergencies
 - 36K to flooding on Calypso and Aspen
 - In March, Water System 2 had repairs

- September, Calypso repairs - line replacement from Aspen to comingle (not done yet) - 17K quote and 32K bill so far, 1000 ft of line, and job not done year
- We also have an unpaid 44K invoice from a contractor we fired who was working on meadow line replacement
- Now, back up to \$57K in reserves.
- 2023:
 - 146K budget
 - YTD expenses 74K (spent the minimal, only on urgent repairs)
 - 72K left to get through 5 months, and have only 57K right now available
 - We might need 40K for grading roads.
 - Let's hope no emergencies arise
- All numbers are posted on SLPPOA website

Questions

- Marsha
 - Can you propose a special assessment to raise reserves?
 - Anne, Suzanne, Lisko - Not sure, it might be possible. Though people tend to not vote in favor of special assessments because it's a big financial burden all at once.
- Suzanne
 - We've also had some delinquent accounts - 16K underpaid, 1 is a vacant lot, and 2 are unoccupied homes. They are on liens now, to be paid off by December. We have no more money to spend on legal. If anyone needs help with payments, come to the board to set up a payment plan. 2024 budget will be decided by new board and sent out Dec 1st. We've been having lots of problems with contractors not coming out or charging too much for jobs
- Nyhan
 - Can't we put out bids for each job?

- Anne - possibly
- Cheryl
 - Can we use FEMA money for the Calypso road replacement? Would residents or the HOA apply?
 - Lisko - There will be an office set up soon for folks to file such claims. Not sure if it would be residents or association for the Calypso road.
 - Keith - The legal wording is the “landowner” will file the claim. What that is for a neighborhood road, we’d have to figure out.
- Kyle Spielvogel
 - Can the HOA do a loan?
- Nyhan
 - Why not just increase the HOA dues by 30%?

People running for the board introduce themselves

- On the ballot
 - Donna Smith
 - Daniel Wirth
 - Farita Tasnim
- Nominees
 - Barbara (by Suzanne)
 - Angela Mielke (self)
 - Anne Cooke, maybe (self)

Suzanne - Come to the board meeting this coming Tuesday for the board vote

Marsha - Can we start sending out the Zoom link again for board meetings?

Suzanne - Maybe. We'll see.

Adjourned roughly 5PM