

**Sierra los Pinos Property Owners Association Board Meeting
October 8, 2013**

Board Members Present: Joe Brophy, Peter Veverka, Jack Nyhan, Eleni Fredlund, Judy Kilburg, Stan Bennett, Suzanne Star

Board Members Absent: Deb Pero

Community Members Present: Barbara VanRuyckevelt, Jeff Moore, Mary Moore, Harold Corn, Carolyn Corn. Mary Moore volunteered to take the minutes in Ms. Pero's absence.

President Joe Brophy called the meeting to order at 7:17 p.m.

The minutes of the September meeting were approved with the changes made by Ms. Kilburg.

First order of business: Nomination and election of directors for the 2013-2014 term. The following people were nominated for and will assume these roles:

President: Mr. Brophy (Ms. Kilburg nominated him, Ms. Fredlund seconded the nomination; all voted in favor.)

Vice President: Mr. Bennett (Ms. Kilburg nominated him, Mr. Veverka seconded the nomination; all voted in favor.)

Secretary: Ms. Pero (Mr. Nyhan nominated her, Mr. Veverka seconded the nomination; all voted in favor.)

Treasurer: Ms. Kilburg (Mr. Bennett nominated her, Mr. Veverka seconded the nomination; all voted in favor.)

Water Maintenance: Mr. Veverka (Mr. Nyhan nominated him, Mr. Bennett seconded the nomination; all voted in favor.)

Water Compliance: Mr. Nyhan (Mr. Veverka nominated him, Ms. Kilburg seconded the nomination; all voted in favor.)

Roads: Mr. Brophy (Ms. Fredlund nominated him, Mr. Nyhan seconded the nomination; all voted in favor.)

Architectural Controls: Mr. Bennett (Mr. Veverka nominated him, Ms. Kilburg seconded the nomination; all voted in favor.)

Fire Wise: Ms. Fredlund (Mr. Veverka nominated her, Mr. Nyhan seconded the nomination; all voted in favor.)

Legal: Ms. Star (Mr. Veverka nominated her, Mr. Nyhan seconded the nomination; all voted in favor with the exception of Ms. Kilburg who abstained.)

Parks: Mr. Veverka (Mr. Nyhan nominated him, Ms. Kilburg seconded the nomination; all voted in favor.)

Public Relations: Mr. Nyhan volunteered to create and head this new position. He proposed that its main role would be to address complaints on a person-to-person basis and to encourage volunteerism. Mr. Bennett suggested that a new charter be drawn up at the next meeting to outline job responsibilities and suggested goals.

Next item on the agenda: Budget allocations for 2104:

- 1) The dues assessment for 2104 will remain at the current rate of \$690..

- 2) Judy presented the draft budget for 2014 (attached, see last page). She developed it using Quickbooks so as not to track income/expenses in a separate worksheet as has been done in previous years. She believes this will ensure greater accounting accuracy. With Quickbooks, some categories can be broken out separately. An example is electricity, which will be itemized separately and will no longer be included in the overall water budget.
- 3) Since the incoming monies will be the same as last year, the new budget will be essentially the same as last year, with these alterations:
 - + \$1000 to legal to cover expenses that may result from using a collection agency and/or a lawyer to recover delinquent accounts
 - + postage to cover mailing of more frequent newsletters
 - Accounting fees lower by \$200 since the books are in a more stable condition
- 4) Total budgeted expenses = \$102,900
- 5) Money budgeted to go to reserves = \$4050
- 6) Total expected 2014 income from annual dues = \$106,950

Discussion of the above items: Mr. Nyhan suggested that the annual dues be decreased by the amount going to reserves. Ms. Kilburg noted that the past audit criticized the level of the Association's reserves as being too low. Mr. Brophy noted that the annual dues of \$690/yr works out to be only \$57/month, a very reasonable amount compared to many other communities in the area. The Board decided to reject Mr. Nyhan's proposal.

Overrun of the meter can project. In 2013, the meter can project overrun by \$32,500. This deficit was made up by transferring money from the operating budget. In 2014, the overrun amount is estimated to be \$16K. Mr. Veverka explained that the main reasons for the overrun were an unanticipated requirement to use lead-free brass fittings for the plumbing and a 20% increase in labor costs.

Ms. Star stated that the Board was past due on fulfilling its audit requirements as specified in the bylaws [Sec. 2, paragraph g]. She stated the last audit was done 2009, and to be in compliance, an audit should have been done in 2012. Ms. Kilburg said she has been getting a quarterly inspection of the books during the year by Sunland Management, and she felt that was more than sufficient to fulfill the requirement. She also said that the management company pulls the actual data file and reviews how each item is posted to ensure accuracy. She is provided feedback via email once the review is complete. Last year's books could not be closed out until some issues were resolved. Mr. Veverka thought an audit would be a duplication of effort and an unnecessary added expense. Ms. Kilburg stated that the last CPA quoted a price of up to \$2700 for a one-time audit—this estimate was based solely on reports provided to him. Mr. Bennett stated that he thought the Board could define audit as it wished and for this purpose made a motion that the Board accept the management company's closeout statement for 2012 to fulfill the audit requirement. Ms. Star reiterated that she did not consider this an audit and voiced concern that there had not been any formal written documentation of Sunland's reviews. After more discussion, a vote was taken on Mr. Bennett's motion, with Board members Kilburg, Veverka, Brophy, Fredlund, Nyhan, and Bennett agreeing. Ms. Star opposed the motion.

It was noted that the water operator's contract that expires in March will need to be reviewed prior to renewal.

Mr. Nyhan asked whether the association should go into the red on the meter can project or just stop activity when the money from the special assessment runs out each year. Mr. Veverka and Mr. Bennett disagreed by pointing out that this is actually saving money because the labor costs are locked in for this year and next. So it behooves the association to do as much as possible. At this point, the meter project is 48% complete (68 assemblies have been installed). Mr. Veverka stated that the project could conceivably be finished next year, and the Association could avoid a third year of costs which are expected to increase.

Mr. Bennett moved to accept the budget. Mr. Nyhan seconded the motion. All voted in favor.

Officer/Committee Reports

Secretary: Ms. Pero was not present. Ms. Kilburg reported for her that one new homeowner moved into the subdivision since her last report.

Treasurer: Ms. Kilburg reported that \$64,653.74 remains in this year's operating budget. \$57,761.68 is in the Association's reserve account. \$983 is in the special assessment account, but a few bills are still coming in for the project and there are a number of outstanding delinquencies. Several of these are foreclosures, and the money will be collected when the property is sold. Ms. Kilburg reported that she received notification that the CRS reports had not been filed since 2010. She has brought the CRS report up to date and also paid the \$30 penalty that ensued.

Mr. Nyhan asked about the Association's standing with the PRC. Ms. Kilburg explained that until last year, yearly reports had not been filed after the previous management company's services were terminated. When the report was filed this year, the PRC picked up the change in contact information and requested that an additional form be filed to make the correction. This was done. Ms. Kilburg said she recently called the PRC to check on the status of all this. The contact at the PRC said they had not yet worked on our documents because of a large backlog. They assured her they would be getting to it soon. A \$10 filing fee was paid in January as required. Ms. Kilburg believes the situation with the PRC has been resolved.

Water maintenance: Mr. Veverka is working on rectifying the situation with two homeowners whose water pressure went up over 100 psi after their in-ground pressure reducing valves were removed during meter installation. New valves are on order. The leak detection project for the main lines has been postponed because the price for the gases used in the process has become prohibitively expensive. Mr. Veverka is now concentrating on fixing two known leaks associated with valves: one by the tanks and one on Bonito Way. The level controllers have been fixed.

Mr. Moore asked for information on chlorination problems. Mr. Veverka stated that the water operator has been doing periodic testing, and so far his readings have not exceeded acceptable standards. A reading at the Moore household was 0.2 mg/L. Chlorination tests were also run at the VanRuyckvelt household and were within acceptable standards.

Mr. Veverka said that usually one tastes chlorine when first turning on the tap. If one lets the water run a while, the taste goes away. Mr. Veverka has directed Mr. Trujillo to continue testing chlorination regularly. Additionally Mr. Veverka is considering ordering another chlorine pump to better disperse chlorine throughout the water supply.

Roads: Mr. Brophy reported that 6 loads of millings have already been spread on Los Griegos and another 4 are on order, totaling about \$9K. The initial 6 cost was \$675/load, but costs have gone up to \$775/load for the final 4 loads. There is still enough money in the budget for snow removal this winter.

Legal: Mr. Brophy reported that the attorney is preparing letters to go out to four members concerning delinquent accounts.

Architectural control: Nothing to report

Parks: Mr. Veverka will cut and replace boards on the picnic table next spring. The Oteros cut the grass in the park with a weedwacker; the board was grateful for this volunteerism.

Firewise: Ms. Fredlund asked members to refrain from dumping road material in the driveway of the fire station because it blocks the fire truck exit at the station. The Association will not get the water tank from Intel until next spring. Only two Forest Service people are patrolling the roads now because of the government closure. Burns are planned for the top of Forest Road 10 when people get back to work. Flooding is expected to be bad again next year.

Other Business

Mr. Bennett suggested that the Board investigate whether induction compensation on our pumps would reduce utility bills.

Mr. Bennett suggested that the Board consider these ways to streamline Board meetings. 1) Old Business be done with no discussion—just state the facts. 2) During the Officer and Committee Reports section of the meeting, discussion should be held to a minimum as people should have already given thought to these items. 3) During the New Business section of the meeting, present only the idea. When new items are placed on the agenda, the Board assign to a director the task of researching the item, then it should be reintroduced at the next meeting as old business. When old business is taken up, it is then that a report is given, after which discussion/decision ensues.

Ms. Star introduced a summary of the meter project budget vs. actual costs to date to be posted on the web for community members. Ms. Kilburg and Mr. Corn will review and update the financial data to ensure its accuracy for the next Board meeting.

At the annual meeting, members voted to post on the website monthly water usage data obtained from meter readings. Ms. Star presented a proposed chart for this purpose. Mr. Brophy commented that member resolutions made at the annual meeting might not be binding on the Board. In response, Mr. Moore questioned why members would come to annual meetings if their concerns and votes are not validated by the Board. Mr. Bennett asked if water usage data could

be misused and if some privacy safeguards might be built into the website for this purpose. Ms. Star said that it would be possible to create a members only page that could be accessed only through a password. Mr. Bennett thought that such an action would show due diligence if anyone tried to press legal action because of the dissemination of the data. Ms. Star agreed to incorporate this suggestion. Mr. Veverka stated that Mr. Stanley has noted quite a change in the monthly water usage data since the beginning of taking readings and thinks that may be due to big swings of usage during the installation process. Ms. Kilburg added that Mr. Stanley suggested at the annual meeting that disseminating water usage data may be premature. Monitoring should go on for a few more months to ensure accurate data. After some discussion, it was determined that further investigation was necessary and that the item be brought up as old business at the next meeting.

Ms. Star handed out an article suggesting tips for making assessment/dues collections a success. The handout also outlined her proposal for handling SLPPOA assessment or dues delinquencies. She requested that her proposal be discussed at the November meeting, and it be resolved before 2014 billing is initiated.

Ms. Fredlund praised the work of homeowner Scott Pfiffer to improve drainage on Eohippus. She will submit to Ms. Star his name be added to the list of community resources on the website.

Regarding volunteerism: The Board greatly appreciates volunteers and should pay their fuel expenses if any are incurred. Also if a volunteer's equipment (such as tractors, 4-wheelers, etc.) breaks down while working on an Association project, then the Board should compensate the volunteer for the expenses to fix the item.

Mr. Moore informed the Board that a meeting will take place in Jemez Springs on Wed., Oct. 16, at which their Planning and Zoning Committee will take up the issue of installing a cell tower within the city limits but on private land. He and his wife will attend the meeting and will report back on info learned. The hope is that such an action might be possible in our subdivision to replace or augment Windstream service.

Mr. Corn brought up the issue of compliance with the new 811 state law. Mr. Corn asked Ms. Star to follow up and report back.

The meeting adjourned at 10:00 p.m.

Expenses Category	Budget Amount
Insurance - Liability	\$5,000.00
Administrative Costs	
Safe Deposit Box	\$35.00
Postage, Mailing Service	\$700.00
Printing and Copying	\$465.00
Gifts/Awards	\$800.00
Total Administrative Costs	<u>\$2,000.00</u>
Licenses/Taxes/Fees	\$10.00
Professional/Legal	
Accounting Fees	\$2,300.00
Legal Fees	\$3,000.00
Total Professional/Legal	<u>\$5,300.00</u>
Property Tax	\$100.00
Roads	
Maintenance	\$17,100.00
Snow Removal	\$10,400.00
Total Roads	<u>\$27,500.00</u>
TravelMeetings/Mileage	\$1,000.00
Utilities	\$12,000.00
Parks	\$300.00
Water Maintenance	
Certified Water Operator	\$18,060.00
Water Sampling	\$430.00
Water - Meters/Can Project (overage)	\$16,000.00
Water System 1 Maintenance	\$7,000.00
Water System 2 Maintenance	\$7,000.00
Maintenance - General & Supplies	\$500.00
Taxes	\$700.00
Total Water Maintenance	<u>\$49,690.00</u>
Transfer to Reserve Account	\$4,050.00
Total	<u>\$106,950.00</u>