

SIERRA LOS PINOS PROPERTY OWNERS' ASSOCIATION
BOARD MEETING
October 14, 2014

Board Members Present: Joe Brophy, Judy Kilburg, John Nyhan, Eleni Fredlund, Peter Veverka, Scott Downing, Katie Ballman, and Max Otero. Board Members Absent: Stan Bennett. Guests Present: Loraine Otero, Suzanne Star, Jeff and Mary Moore, Heather Margaret, Timo Schacht, and Eagle Schacht.

Meeting was called to order by President Joe Brophy at 7:17 P.M.

Mr. Brophy asked that Board members review and approve the agenda. Correction made to topic under New Business for Board ruling on adoption of standards for presiding over next years' meetings and it was noted that Mr. Schacht was not present for an IT report. Ms. Fredlund made the motion to approve the agenda and Mr. Nyhan seconded the motion. Motion passed unanimously.

Minutes of the meeting were discussed with no corrections noted. Ms. Kilburg made the motion to approve the minutes and Mr. Veverka seconded the motion. Motion passed unanimously.

OFFICER AND COMMITTEE REPORTS

Nominations and Election of Board Positions

Mr. Brophy stated that he was prepared to preside over the entire meeting and turn over the helm thereafter.

President – Stan Bennett was nominated by Mr. Nyhan and motion seconded by Mr. Veverka. Motion passed unanimously

Vice President – Peter Veverka was nominated by Mr. Brophy and motion seconded by Mr. Otero. Motion passed unanimously.

Secretary – Katie Ballman was nominated by Ms. Kilburg and motion seconded by Mr. Veverka. Motion passed unanimously.

Treasurer – Judy Kilburg was nominated by Mr. Nyhan and motion seconded by Mr. Veverka. Motion passed unanimously.

Water Maintenance – Peter Veverka was nominated by Mr. Nyhan and motion seconded by Ms. Fredlund. Motion passed unanimously.

Water Compliance – Jack Nyhan was nominated by Mr. Veverka and motion seconded by Ms. Kilburg. Motion passed unanimously.

Firewise – Eleni Fredlund was nominated by Mr. Veverka and motion seconded by Mr. Otero. Motion passed unanimously.

Roads – Scott Downing was nominated by Ms. Kilburg and motion seconded by Ms. Fredlund. Motion passed unanimously

Legal – Joe Brophy was nominated by Mr. Veverka and motion seconded by Mr. Otero. Motion passed unanimously.

Community Relations – Jack Nyhan was nominated by Mr. Veverka and motion seconded by Ms. Fredlund. Motion passed unanimously.

Architectural – Max Otero was nominated by Mr. Veverka and motion seconded by Mr.

Brophy. Motion passed unanimously.

Parks – Max Otero was nominated by Mr. Brophy and motion seconded by Ms. Fredlund. Motion passed unanimously.

At the conclusion of the nominations Mr. Brophy pointed out to all Board members that it's ok to agree to disagree. We are to represent the Association to the best of our abilities. Let's help each other out and make this a more productive Board.

Treasurer

Ms. Kilburg reported the following account balances:

Operating Account: \$73,630.37

Reserve Account: \$61,817.71

Special Assessment Account: \$2,732.18

It was noted that the electric bill will be running high due to leaks on System 1, as the pumps are running 24 hrs. /day. The electrical wiring needs to be fixed and the pump needs to be put on a timer.

To date we have deposited \$113,922.27 into the operating account and the budgeted income was \$106,950.00. Even with the delinquencies we have, the net total income is higher. The P&L Statement reflects the income received from the foreclosures. Most companies write off foreclosure and it's clear that we have been very successful in these collections. It was noted that payments made in November and December towards the 2014 assessment are reflected on the budget worksheet.

For delinquent accounts, of those who are considered collectable, there is a total of \$11,197.43 in outstanding payments of which \$5,056.60 is for the annual assessment and \$6,140.83 is for the special assessment. Our total uncollectable for the one remaining property under foreclosure is at \$4,327.74. Further details of the delinquent accounts will be discussed in the executive session.

Meter Can Status

No report as Mr. Corn was not present.

Water Maintenance

Mr. Veverka reported that three new radio controlled master meters were installed at the well sites. Each well required a different size. They went with completely new plumbing. There was a leak in System 1 due to a break in the piping on the installation site of the well meter. It shorted out the pump tec. Water may have been coming out the door. Reserves are at 50%. Can't presently use automatic fill and the Isaacs may need to be re-set.

Mr. Veverka reported that he spoke with American Leak Detection about testing individual homes and they estimate the cost to be around \$600 each. If we pay for start-up, then they will charge homes approximately \$300 each. We would like to make this service available to the membership as a whole and do this in the spring. There is a known leak in the meadow area that should not be put off until then. Leak detection

on System 1 can be performed in two days if no houses are involved. A letter to members with known leaks that contains leak information should be sent out. Further discussion ensued on the topic.

ACTION: Mr. Veverka will contact American Leak Detection to locate System 1 leak.

There was a lightning strike that affected the System 2 Booster Station & Aspen Well.

ACTION: Mr. Veverka will have someone take a look at it.

Water Compliance

Mr. Nyhan reported that requirements were not met in the past. Gauges are required by the State to be recalibrated every two years. As reported by Mr. Veverka, all three gauges have now been replaced and are radio controlled. Leaks could seem to be high because the numbers are possibly wrong. We can be assured that the reading will be accurate.

We have only a limited number of water rights and we're getting close to the maximum every year. There is a Sanitary Survey coming up and would like to get things more up to code before they come out. There are 17 or 18 things that didn't get addressed and resulted in another survey this year. Well head locks have been installed and Aspen Well head was extended 18 inches. Locks are on water supplies. Fencing installed around wells and System 1 tanks. We're in better shape now than we have been in years.

Firewise

Ms. Fredlund reported that it's okay with Chief Taylor to run electricity to the shed, just have him on site when it's being installed.

ACTION: Mr. Veverka will coordinate.

Ms. Fredlund stated that she walked the safety road exit on High Road and it looks good, although the entrance on High Rd. is very rough.

IT Web Page Status

Mr. Schacht was not present. Ms. Kilburg reported that Mr. Schacht is reorganizing some of the reports on the member only side.

Roads

Mr. Brophy reported that there are two issues that need to be addressed early on: Snow removal contract and the sander. Arrangements will be made with Mr. Downing and Mr. Martin to discuss these issues. It was suggested that possibly an agreement could be made with Thompson Ridge regarding joint use of our sander.

Legal

Mr. Brophy reported that there was nothing outstanding. Delinquencies will be discussed in the executive session.

Community Relations

Mr. Nyhan had no new actions to report.

Architectural

Mr. Bennett was not present.

Parks

Mr. Nyhan reported that Schacht made an offer for he and his family to assist with parks.

OLD BUSINESS

- a. Water Operator Contract – Mr. Nyhan reported that a letter is needed stating that Mr. Naranjo worked pro-bono. Mr. Nyhan made the motion that a statement from the Board be written stating the pro-bono work performed by Mr. Naranjo. Ms. Kilburg seconded the motion. Motion passed unanimously.

ACTION: Mr. Brophy will draft the letter.

- b. Contractor Hire – Mr. Nyhan reported that there is lots of work needed such as repair to the shed roof and Aspen Well building. They have had discussion with a local contractor who quoted \$35/hr. for labor and material would be cost-plus 20%. Discussion ensued regarding the need to take care of safety and electrical aspects and whoever is hired needs to be licensed and bonded. We also need a list of “go-to” people.

MOTION: Mr. Veverka made the motion to allow for expenditure of up to \$5K for repairs of shed, electrical, and other repairs as needed. Mr. Nyhan seconded the motion. Motion passed unanimously.

NEW BUSINESS

Budget Discussions

An updated draft budget was distributed. Discussions ensued over budget allocation details. The Annual Assessment will remain at \$690.00/year for 2015.

Motion: Mr. Veverka made the motion to accept the 2015 budget. Mr. Nyhan seconded the motion. Motion passed unanimously.

Audit Discussion & Path Forward

Mr. Brophy indicated that we have spent a tremendous amount of time and effort dealing with complaints, etc. Mr. Brophy then read the Bylaw section under Treasurer’s responsibilities regarding a financial review. Audit and review are subject to interpretation. Input received that an audit can be done for \$3,000. An “audit” costs a lot more than that. We’re a non-profit corporation and we don’t worry about securities, capital gains, loans, investments, salaries & wages. These are all things on an 1120h tax form. We’re a non-profit with a budget of \$106K. It’s a waste of money to spend large amounts of our budget for an audit. In fact – it’s irresponsible. Mr. Nyhan has spoken with many members in the community to get input on spending this amount of money and all agreed it’s a waste of our money. This is 10% of our budget! Mr. Brophy

read some statements from the 2009 audit and indicated that this was not really an audit but a review. Ms. Kilburg indicated that an audit can be performed by anyone and does not have to be performed by a CPA and suggested that a committee perform the audit. Since these members would have access to member personal payment information, some Board members were uncomfortable with this proposal.

Mr. Brophy added that from the records we have that only two attempts for an audit have been performed. There been malicious and uninformed information going out and we're tired of the slander. It's very clear that the bylaws need to be changed. Ms. Kilburg pointed out that the checklists the current company uses show the word "audit" all over it and what they perform is by far more detailed than McKinney because they actually pull the data file. After much discussion it was decided to table this discussion for the next meeting.

Mr. Brophy stated that we will start posting additional information on the web for delinquent accounts. We're looked at by some as having "increasing" delinquent amounts, but that's not true. We've actually brought in approximately \$7,000.00 extra this year. It was also noted that it's a small minority of people (6.5%) who are having difficulty paying. Discussion ensued on posting information.

Motion: Mr. Nyhan made the motion to accept proposal and discuss in Nov. final format and agreement. Ms. Fredlund seconded the motion. Motion passed unanimously.

EXECUTIVE SESSION

At 9:53 p.m. the Board moved into an Executive Session.

Delinquent account discussion ensued and further actions identified.

The situation with the "Concerned Members" was discussed.

Motion to Adjourn

Mr. Veverka made the motion to adjourn the meeting. Mr. Nyhan seconded the motion and it was unanimously approved. Meeting adjourned at 10:34 p.m.