

SIERRA LOS PINOS PROPERTY OWNERS' ASSOCIATION
BOARD MEETING
June 14, 2016

Board Members Present: Stan Bennett, Judy Kilburg, Joe Brophy, Jack Nyhan, Katie Ballmann and Max Otero. Board Members Absent: Peter Veverka, Eleni Fredlund and Terry Vergamini. Guests Present: Suzanne Star; Mary Moore, Sabine Shurter, Shawn Weary (left early) and Lorraine Otero.

Meeting was called to order by President Stan Bennett at 7:15 p.m.

Mr. Otero made the motion to approve the June 14, 2016 agenda. Ms. Ballmann seconded the motion. Motion passed unanimously.

Ms. Ballmann made the motion to approve the SLPPOA Board Meeting Minutes dated May 10, 2016. Mr. Otero seconded the motion. Motion passed unanimously.

OFFICER AND COMMITTEE REPORTS

Treasurer

Ms. Kilburg handed out the Budget and Expenditures report, which included the P&Ls and Balance Sheets.

Ms. Kilburg reported the following account balances as of May 13, 2016.

Balance in Bank Accounts:

Operating Account: \$115,921.57
Reserve Account: \$100,952.56
Special Assessment Account: \$4,408.49

Past due accounts:

Collectable Account total is \$4,881.30. There are eleven properties where collection is possible. Four members only owe the late interest, five are making payments, one has not responded at all, and legal action continues on one property.

Mr. Brophy will report on the legal status of the other two foreclosures.

Another request for disclosure documents for a home that's scheduled to close this month on Los Griegos Road.

Ms. Kilburg heard from one resident who is planning on selling and was told some buyers are shying away from SLP because of the lawsuit. One realtor reported they lost a sale because of it, and other realtors are having the same experience.

Legal costs incurred for the law suit as of the last invoice is at \$22,390.49.

Water Maintenance/Committee

Mr. Bennett stated Mr. Veverka has been busy addressing the system 1 leaks. They received a really good report from Mr. Mark Stanley and thanks to this report, Mr. Veverka and his people have been able to narrow down the sections with higher leak rates. The big news is that more than half of the sections tend to be water tight which is very encouraging. Mr. Veverka now has

a valuable tool that the Water Committee can use.

Mr. Harold Corn added that the Water Committee had extensive discussions. The majority think the sections with the highest leak rates should be addressed instead of the 2009 proposal for entire water system replacement for \$1.1M recommended at the Committee meeting by Ms. Star using old study data. There is new information with the meter loop test. The thought is to do the worst sections on the north side of the valley which will take care of more than half of the leakage rate. We don't need an engineering study to replace sections of pipe. Mr. Bennett stated that a complete system replacement may be considered at a later date using updated data. It could be done in conjunction with the repairs, but for now we have an immediate need to repair the sections with the largest leaks. Mr. Corn stated that Mr. Veverka estimates a total of 2,200 feet will be needed to replace the larger leak sections. Mr. Otero stated the need to replace these sections requires immediate action. Mr. Shawn Weary agreed that with leaks at 16-17 gpm, immediate action is necessary before the winter season. Just because it's going into the ground and not spewing into the air doesn't mean you ignore it or you're going to have system failure. This is based on his experience as Water System Operator with the Government. Discussion ensued regarding the use of HDPE continuous piping and size of the line. Mr. Bennett stated that the Committee has the responsibility to bring the recommendation to the Board along with the cost so that Board can vote on the expenditure. This will be discussed further in New Business.

Water Compliance Report

Mr. Nyhan reported that the Consumer Confidence Survey of SLPPOA for 2015 was submitted to the Drinking Water Bureau and posted on our webpage well within the deadlines. This also included a form documenting when, where, and how we let our members have this information.

The May sampling was completed with Total Coliforms and E. coli absent. Chlorine residuals ranged from 0.11 to 0.21, well below the maximum of 0.40.

We have also followed the state requirement of the Office of the State Engineer District to send our well production readings in for May.

Mr. Bennett asked if the general trend indicates that there is more or less water production. Ms. Kilburg stated that the electric bill was down approximately \$20 this month but said the monthly billings fluctuate.

Mr. Bennett reported that Mr. Veverka is working with Mr. Harold Corn on the Levelcon. Mr. Corn said that they just got another one and suspect that the transducer is going out. Mr. Corn just got a quote of \$200 for the transducer. He will also change the little battery in the controller.

Firewise

Ms. Fredlund was unavailable. Mr. Bennett reported that Ms. Fredlund said the new signs are up clearly stating "No Slash, No Dumping". Mr. Bennett queried the group if they are getting fire notification information via the list server. Everyone stated yes. Two fires were reported – one at 2 acres and one at 5 acres.

IT – Web Page Status

Mr. Bennett reported that Mr. Mike Schacht is keeping up with the website postings.

Roads

Mr. Bennett stated that there are things that need to be done before it rains. Mr. Bennett talked with homeowners about the improving the embankments. Ms. Kilburg cautioned that discussion with each homeowner is necessary to ensure there is no infringement of the homeowner's property. Mr. Weary asked what timeframe for completion and Mr. Bennett replied the end of July. The improvements include raising the road, drainage of ditches to make them wide and flat so culverts have a chance to route the water.

Legal

Mr. Joe Brophy reported that the court date has been rescheduled to Tuesday, July 12, 2016 at 9:00 a.m.

Regarding the two collectibles: 1. A telecom transpired last week between our attorney and Los Alamos National Bank. Mr. Brophy does not know the outcome of that telecom at this time. 2. The homeowner was served and a court date is scheduled for December.

Mr. Brophy stated that our new insurance policy is in place. He doesn't have a copy yet but expects one in the mail any day. Our previous provider, Philadelphia, declined to renew our policy due to our loss frequency and severity as a result of two claims with a loss ratio of 405.43%. This was due to the amount they paid for the flood damage on one residence in February of last year. The other claim for the legal costs resulting from the suit brought against the Board by three association members was denied. We only received one quote for renewal. Travelers is covering the Directors and Officers policy and Mesa Direct Underwriters is covering the General Liability and Property policy. Our loss ratio will remain on our record for three to five years and resulted in our current coverage to be costing \$12,206.91, up from \$4,700 last year. If we can find other insurance companies who will cover us at a reduced rate, we can cancel the Travelers policy and/or the Underwriters policy with a penalty. Overall our current policies, like the Philadelphia policy we had last year, are much better policies than the coverage we had prior with Glatfelter which had no D&O (exclusions essentially negated any potential coverage for us), no playground, no liability – only four pieces of property with a maximum \$23K payout for property loss as opposed to over \$500K maximum payout now for property loss.

Mr. Bennett said lesson learned, we should have filed an insurance claim when the Concerned Members lawsuit was first filed as required by the bylaws. It was difficult to find a new policy due to the CM lawsuit and too many liens.

Community Relations

Mr. Nyhan reported that he is getting together a collection of Superheroes arranged by their height to help his neighbors fight evil and crime within SLPPOA!

Architectural Changes

Mr. Otero reported there were no actions this month.

Parks

Mr. Otero stated he and his helper mowed the large park last week.

Action

- Road marker stakes for water and telephone (Vergamini) – Mr. Bennett said identification of stakes and water stands that are too close to the road need to be identified.

- ALD Final Report/Sonic follow-up (Nyhan) – no change.
- Well dropping head tests (Nyhan) – Mr. Nyhan stated he did not know of the test being performed yet and that it will be easier to do the test because of a new pipe installed concurrent with the new pump. Mr. Otero stated that Mr. Stanley had performed the well drop test on the day that the electrical line to the pump was buried. He also stated that the pipe that was installed for the well drop head test could not be used due to a kink 10 feet down from the top. Mr. Stanley has the test results.
- Thinning Applications (Fredlund) – Mr. Bennett stated Ms. Fredlund will bring to our attention when known.
- Abandoned well capping plan (Veverka) – no change. Mr. Nyhan added that pictures are mandatory to provide to the NM Drinking Water Bureau.
- Levelcon repair (Veverka) – Mr. Corn will look into this.
- Water Study/drinking water ERP? & OMP? (Nyhan) – Mr. Nyhan reported that nothing on water compliance is outstanding. The State is putting on workshops.
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Old Business

- Grant proposals – identifying sources (Bushnell) – Mr. Bennett has not received information from Mr. Bushnell.
 - Roads – Ms. Kilburg stated that Mr. Bushnell provided a brief statement in an email that he plans to close the loop. \$20,000 is designated for this. – No change
 - Reserve Study – Mr. Bennett asked if the Board should delay one year or get a quote and vote to accept the quote for the following year.
 - An updated quote needs to be obtained. The last one was \$3500. The funds are already identified in the Reserve account.
 - Mr. Nyhan stated that in addition to an updated quote, the Reserve Study needs to be updated to meet the qualifications of the EPA Asset Management Handbook for Small Water Systems.

ACTION: Mr. Nyhan will provide an electronic version of the Handbook to Mr. Brophy.

ACTION: Mr. Brophy will request an updated Reserve Study to include the criteria defined in the Handbook along with an updated price quote so the Board can vote on path forward at next month's meeting.

- Accounting Services Quote
 - Outline Scope to evaluate scope
 - Build metrics to evaluate performance

ACTION: Ms. Kilburg will get with Mr. Bennett to discuss the requirements. Mr. Bennett stated Ms. Kilburg will need help and Ms. Ballmann offered to help.

New Business

- Consider Website development/expense – Mr. Schacht has agreed to continue for now.
- Nominating Committee – Mr. Bennett stated the need to establish a nominating committee and a Chair is needed. There are four seats that will be vacated, three, three-year terms and one, one-year term. Mr. Otero offered to help.
- Complaints and Inquiries about Ms. Star and Ms. Van Ruyckevelt/Ms. Shurter walking the neighborhood with clipboard and not letting people know what they are doing. – Ms. Star and Ms. Moore stated they were locating and checking that water meters were back on during the System 1 meter loop test. In the future they will inform the Board of their intent so that homeowners are not alarmed.
- Request for insurance information from Mary Moore:
 - As a member in good standing, I wish to obtain copies of the correspondence

between The Philadelphia Co. and the Board referenced at Tuesday's (May 10, 2016) Board meeting. These include:

- 1) The Philadelphia insurance company's initial documents describing why it intended to cancel the Association's insurance policy,
- 2) The Association's rebuttal to this finding, and
- 3) The Philadelphia insurance company's final decision and rationale for declining the rebuttal.

Mr. Brophy stated that there was no rebuttal because the Association had nothing to rebut. Mr. Bennett informed Ms. Moore that the attorney wants to see the documents before they are released to Ms. Moore.

- o Request for questions regarding 2013 McKinney & Assoc Audit – Mr. Bennett stated that the questions from Barbara Van Ruyckevelt will be provided after the court date.

The public Board meeting adjourned at 8:25 p.m.

Executive Session

- Delinquency actions
- Presentation of legal actions

The Executive Session meeting adjourned at 9:23 p.m.

The public Board meeting reconvened at 9:23 p.m.

Based on discussion of the quote from HOAMCO, HOAMCO will provide SLPPOA with Accounting, Transfer and Collection services for \$375.00 a month plus NMGRT. Mr. Nyhan made a motion to accept the HOAMCO quote. Ms. Ballmann seconded the motion. The motion passed unanimously.

The public Board meeting adjourned at 9:26 p.m.

Submitted by L. Otero