

**MINUTES**  
**SIERRA LOS PINOS PROPERTY OWNERS' ASSOCIATION (SLPPOA)**  
**BOARD MEETING**  
**January 10, 2017**

1. **CALL TO ORDER:** Vice President, Mr. Harold Corn called the meeting of the Sierra Los Pinos Property Owners' Association to order at 7:20 p.m. at the La Cueva Fire Station. Mr. Corn determined a quorum was present.
2. **ROLL CALL:** (P-Present, E-excused, A-Absent without notification)

Pres - Judy Kilburg	E	Water – Peter Veverka	P	Firewise – Eleni Fredlund	P
VP - Harold Corn	P	Roads – Terry Vergamini	P	Parks/Architectural – Max Otero	P
Sec/Treasurer - Lorraine Otero	P	Legal – John Fredlund	P		

GUESTS: Mr. Joe Brophy and Ms. Suzanne Star

**3. APPROVAL OF AGENDA:** Mr. Otero made a motion to approve the January 10, 2017 Agenda. Mr. Veverka seconded the motion. There were no oppositions.

**4. APPROVAL OF THE MINUTES:** Mr. Corn said Ms. Kilburg asked him to mention to the Board that accurate minutes are critical. Sometimes minutes are revised afterwards but it's important to not change the story. They should state what was actually stated at the meeting and not what you forgot to state. Mr. Fredlund made the motion to approve the Minutes dated December 13, 2016. Mr. Vergamini seconded the motion. There were no oppositions.

**5. OFFICER REPORTS:**

- a. **President – No report**
- b. **Vice President – No report**
- c. **Secretary/Treasurer:**

i. Monthly Report:

1. The balance in accounts as of December 31, 2016 are as follows:  
 Operating Account: \$112,657.10  
 Reserve Account: \$82,994.49  
 Special Assessment Account: \$5,218.21
2. Past due accounts:  
 There are six past due accounts which total \$9,832.45.  
 Of these six, three are considered uncollectible in the amount of \$9,319.47.  
 The other three are collectible in the amount of \$512.98. Of these three collectible, one member owes only late interest and the other two are making payments.
3. Legal costs for the lawsuit increased by \$1,170.89 to a total of \$32,646.11. These increased costs were due to the Presentation Hearing and Draft Cost Judgment this past December.
4. One request for HOA disclosure was received and one request for an updated HOA disclosure was received. Both were sent to HOAMCO for processing.
5. Prepaid assessments to date: \$44,907.20

6. Because this is the year-end financial statement, Board approval will be required to close out the year so we can proceed with the audit and taxes.

ii. Approve Year End Financial Report – Ms. Otero asked if the Board had an opportunity to review the Year End Financial Report paying particular attention to their respective area. One of the members requested more time to review so approval of the report was tabled to the end of the meeting. Approval is required to close out the year and allow an audit to be performed as a result of change in treasurer and to prepare for taxes. Prior to the end of the public meeting Ms. Fredlund made the motion to approve the 2016 Year End Financial Report. Ms. Otero seconded the motion. There were no oppositions.

## 6. STANDING COMMITTEE REPORTS:

### a. Water

i. **Water Maintenance** – Mr. Veverka said that there was nothing to report. He stated the water pressure is holding and there are no problems right now. He asked that individuals look for leaks so they can keep on top of that.

ii. **Water Compliance** – Mr. Corn reported that two samples were done. One on System 1 and one on System 2. Both came out very clean. The residual on System 1 was .04 and the residual on System 2 was .08.

This month we pumped a little more but that was probably attributed to the holidays, more people are home or have guests over the holidays. One user called Mr. Corn and said he thought he was using too much water. Mr. Corn looked it up and the member did not have a leak flag. The member's profile was checked and everything was fine. It could be attributed to an older toilet or longer showers, etc. Mr. Corn said he appreciated the member's conscientiousness.

Mr. Otero talked with one of our members to see if he would be willing to help out with the water compliance requirements of the Association. The member doesn't mind helping but didn't want to be legally responsible or involved in the legal matters of the Board. Mr. Otero told the member that Mr. Corn would be contacting him to discuss what the requirements would entail. Mr. Corn said he called the member and left a message and asked to call him back.

b. **Roads** – Mr. Vergamini said that sanding has been intermittent. The current contract does not include sanding so it needs to be added to the contract. He said the contractor wants a map of subdivision roads to be serviced. Mr. Vergamini provided him two maps which outline where the roads should be plowed and where they should be sanded. The current contract includes plowing at six inches. The contractor mentioned that if he puts sand on the snow, the sand sinks and doesn't accomplish anything. Ms. Fredlund asked if members are to call Mr. Vergamini and then Mr. Vergamini should call the contractor. He's had a few calls but he said some members are calling the contractor directly. Mr. Vergamini should be the primary point of contact. The contractor plowed and did some sanding last weekend. Mr. Corn said he looked at an old contract and sanding was included. It was odd that the current contract did not include sanding. Mr. Vergamini has a proposed addendum. Mr. Corn mentioned that Ms. Kilburg would like to review before signature.

Mr. Vergamini purchased 50 snow stakes. He believes he can get the stakes in the ground by hammering them in even in the frozen ground.

Mr. Vergamini asked if our sander was yellow. Mr. Otero said there is a yellow on a flatbed and there is another grey. It was stated that the yellow one was owned by Sandoval County and the gray one is our sander.

- c. **Legal** – Mr. Fredlund reported he hasn't received further information on the delinquent accounts we are attempting to collect through the lien process. The wife of the party accepted service of the legal document and their response is due on January 23, 2017.
- d. Mr. Fredlund said Ms. Kilburg asked him to put together the lawsuit status for the newsletter. Mr. Corn asked Mr. Fredlund to please read to the Board and guests his proposed status so that the minutes reflect what has transpired. Mr. Fredlund read the following:

*In court on December 12; Suzanne Star, Sabine Shurter, and Barbara Van Ruyckevelt disputed the Findings of Fact and Conclusions of Law filed with the Clerk of the Court resulting from the trial on February 3 and July 12, 2016. SLPPOA was represented by our lawyer, Brad Hays. Having heard testimony and argument from both parties, the Court adopted the Findings of Fact and Conclusions of Law from that trial. Specifically, the Court ordered and adjudged that:*

1. *Defendant may restrict the information provided to Association members to that information defined in the Homeowners Association Act as "financial and other records" or a reasonable policy based upon that definition.*
2. *The words Audit/Review/Compilation are interchangeable when defining terms within the Bylaws.*
3. *Defendant may, in the best interests of the Association, withhold disclosure of personal adverse financial information on delinquent accounts.*
4. *Plaintiffs cannot replace the process of setting and changing policy of the Association by the Board of Directors and the Annual Meeting with request for court intervention.*
5. *Plaintiffs' claims are not supported by substantial evidence and therefore denied with prejudice.*
6. *Each party shall bear their own attorney's fees.*

*Your Board of Directors would like to draw your attention particularly to items 4 & 5. Item 4 makes it clear that the plaintiffs' attempts to contravene Board and Association policy by using the court system are not acceptable. Item 5 makes it clear that the plaintiffs did not provide any substantial support for their claims and are barred from filing the same/similar case again.*

*While it is disappointing that item 6 did not allow SLPPOA to get reimbursed for attorney's fees, it was not unexpected in this case. The judge did award \$1,857 worth of costs against the Plaintiffs and to the Defendant. The plaintiffs objected to this judgment and have not as yet reimbursed SLPPOA for these costs.*

*Suzanne Star filed a Notice of Appeal on 12/30/16. Your Board of Directors is hopeful that this appeal will fail without any substantial additional legal costs for SLPPOA. This lawsuit, which the Board believes to be frivolous and malicious based on items 4 & 5 above, and contrary to the best interests of the SLP homeowners, has already cost SLPPOA over \$32,000, or over \$210 per member.*

Mr. Fredlund further explained that the \$210 is the sum of \$32,000 divided by 150 members. Mr. Fredlund asked if anyone had any further comments. Mr. Corn said it sounded accurate, straightforward and to the point and that the membership deserves to know what has happened. Mr. Corn thanked Mr. Fredlund for crafting the information. He said it should go out and if there is additional feedback they can contact Mr. Fredlund. Mr. Fredlund stated that if a newsletter is issued to convey this information, we could also add sanding situation, washboarding, etc.

Mr. Fredlund said our attorney provided comments today about the private information policy that was drafted. Mr. Fredlund said the comments looked simple to incorporate. Mr. Corn said we should incorporate those and since it was drafted by Ms. Kilburg we will discuss at the next meeting since Ms. Kilburg was not here. Mr. Fredlund said our attorney has not yet responded to the water surcharge or the treehouse issues.

**Firewise** – Ms. Fredlund reported that the Santa Fe National Forest is offering 10 general meetings to the public to present and gather feedback on the Forest Plan Revision and Wilderness Evaluation Maps. Initial plan components and draft wilderness evaluation will be available on the SFNF website at:

[www.fs.usda.gov/goto/santafe/forestplan](http://www.fs.usda.gov/goto/santafe/forestplan). The general meetings are scheduled for the evening and do not require a RSVP. The technical public meetings February 6&7 will include more in-depth discussions, and need an RSVP. Dates, locations and times on website.

Ms. Fredlund said she talked with Ron Gallegos and he said they are completing the burn on partially burned piles that didn't completely burn on Thompson Ridge, they will also be burning the slash pit, and they still have one third of the Vallecitos burn that they want to complete and that will be it for this winter.

e. Parks – Mr. Otero reported no actions at this time.

f. Architectural – Mr. Otero reported no actions at this time.

## **7. SPECIAL COMMITTEE REPORTS:**

a. Status of Annual Meeting Minutes - Ms. Otero reported that the two non-Board members who were in attendance at the September 2016 Annual Meeting and volunteered to review the draft meeting minutes had an opportunity to review the minutes and had no additional comments. Mr. Fredlund motioned to accept the minutes and Mr. Otero seconded the motion. There were no oppositions. The minutes will be posted on the website.

## **8. OLD BUSINESS:**

a. Reserve Study Status – We finally received the long awaited Reserve Study after much prodding by the Board. Mr. Corn said the report was mainly boilerplate. Mr. Corn said we will get together offline to review the report in some detail. Mr. Corn would like to get Mr. Joe Brophy's input as well when he's had a chance to look at it. Mr. Corn stated we got a compliment in the report which he read aloud:

*Executive summary: In general we find the capital reserve items to be in good condition in comparison to other associations we have inspected. It is evident that the Association is maintaining the infrastructure and making necessary replacement and repairs. This Association is unique in that it is responsible for the water system and roads within the Association. Typically this type of infrastructure is managed by some type of public utility authority. The Association relies on the technical expertise of many of the volunteer members. We find the reserve fund to be well funded but anticipate you will need to increase contributions in order to meet future expenses. We discuss the funding levels and recommendations in depth in section 6 of this report. Total current contributions levels are approximately \$5000 per year. We estimate the reserve contributions will have to increase to approximately \$18,720 per year to meet long term capital expenditures.*

Mr. Corn said we don't have to have a special assessment to bring it up to speed. He said he has discussed this with Ms. Kilburg. We could take any excess monies from the operating budget and move it to the reserve fund. Mr. Corn said \$5,000 for the reserve per year is not going to be enough. The report tried to separate the maintenance from the major items like adding base course, culverts, etc. What they are talking about is the capital improvement of the roads which is needed and he doesn't believe it will be sufficient. Mr. Corn said he did not see a reserve in the report for lawsuits and we can ask the company about this. Ms. Fredlund said the report suggested that we only have one park and she asked if anyone uses the park by the fire station. The answer was yes. Mr. Corn said to keep in mind when you review the report to look for things that may be missing or not adequately addressed. The report recommends that we do a review every three to five years because things change. The contractor did a site visit. Mr. Fredlund stated that the report was basically boilerplate with a spreadsheet where they compiled all the items we own and what we take care of, which is what we paid for. He is not sure what took the company so long to provide the study. Mr. Corn said it is similar to a home inspection which is mainly boilerplate and all calculations are done behind the scenes. Mr. Corn mentioned that we should be billed for half the cost of the report. The company will incorporate any requested revisions and then bill the last half.

## **9. ACTION ITEMS:**

a. Road Marker Stakes – covered this in 6.b above.

b. Residential Water leak flags & excess usage policy (notification & surcharge) – Mr. Corn sent to the Board the Jemez Springs Water Rates he found it on the web. He gave 3 different tiers of someone using various amounts of water.

For "average" member usage (approx. water usage from the web) of 3000 gal/month:

- Base Minimum Charge/month = \$45.27 (excludes gross receipts tax)
- Charge for over 2500 gals = \$ 3.85 (I split the difference between summer & winter rates)
- 
- Total Monthly Water Charge = \$49.12
- Total Annual Water Charge = \$589.44

For "intermediate" member usage (approx. 16,000 gal/month):

- Base Minimum Charge/month = \$45.27 (excludes gross receipts tax)
- Charge for 2500-5500 gals = \$ 11.55 (split the difference between summer & winter... \$3.85/1000 gals)
- Charge for 5500-8500 gals = \$ 13.50 (split the difference between summer & winter... \$4.50/1000 gals)
- Charge for 8500-12500 gals = \$ 22.00 (split the difference between summer & winter... \$5.50/1000 gals)
- Charge for 12500-17500 gals = \$ 24.20 (split the difference between summer & winter... \$6.05/1000 gals)
- 
- Total Monthly Water Charge = \$116.52
- Total Annual Water Charge = \$1,398.24

For "excessive" member usage (approx. 70,000 gal/month):

- Base Minimum Charge/month = \$45.27 (excludes gross receipts tax)
- Charge for 2500-5500 gals = \$ 11.55 (split the difference between summer & winter... \$3.85/1000 gals)
- Charge for 5500-8500 gals = \$ 13.50 (split the difference between summer & winter... \$4.50/1000 gals)
- Charge for 8500-12500 gals = \$ 22.00 (split the difference between summer & winter... \$5.50/1000 gals)

- Charge for 12500-17500 gals = \$ 30.25 (split the difference between summer & winter... \$6.05/1000 gals)
- Charge for 17500-30000 gals = \$3,125.00 (Deterrence of Excessive Usage...\$0.25/gal)
- Charge for above 30000 gals = \$20,000.00 (Deterrence of Excessive Usage...\$0.50/gal)
- 
- Total Monthly Water Charge = \$23,249.57
- Total Annual Water Charge = \$278,994.84

Mr. Corn reported that we haven't gotten an answer from the attorney on the excess water use surcharge yet but we are looking at that. If we start charging for excess water usage it could be a deterrent.

Mr. Fredlund used Google drive to request updated member contact information. Ms. Fredlund said she has received 73 responses. Ms. Otero said she has not received all the responses which she will work out with Mr. Fredlund. Mr. Corn asked Ms. Otero to update QuickBooks with the updated information.

c. Draft Policies (Kilburg) – We will table to next month's meeting.

## 10. NEW BUSINESS:

Mr. Corn mentioned that a Drinking Water Bureau sent out an invitation for people to apply for money for wells, pipes, etc. He wasn't certain we would be eligible since we are a private non-profit water system. We would qualify for 3% interest if we borrowed money. The deadline was early this month and was extended but he wanted the Board to know in the event we had an interest in doing something like that. It's been controversial in the past because it was done without membership approval. We don't want to do that again.

a. Audit to be performed – Board vote to approve. Mr. Corn asked about the cost. Ms. Otero said HOAMCO was not able to provide us a quote before our meeting. Mr. Corn thought it was approximately \$3-5K. HOAMCO will provide the point of contact. Mr. Otero motioned to expend funds to activate this process. Ms. Fredlund seconded the motion. There were no oppositions.

b. Tax Preparation by new company – HOAMCO will make initial contact.

c. Ms. Kilburg renewed the SLPPOA Go-Daddy subscription for 3 years.

d. Washboarding (Fredlund) – When Mr. Fredlund travels on Forest Rd 10 the firetruck or rescue vehicle skips on the road. How is the skips in the road (washboarding) caused? Excessive speed on the road, mainly by small vehicles. How can we help?

Travel no faster than 20 miles per hour

Always put your vehicle in all-wheel or four-wheel drive when you travel on this road

Mr. Corn also mentioned that poor suspension or worn shocks could cause washboarding too.

Mr. Fredlund said this will be put in the newsletter as well.

e. Bylaw Amendment – Discussion on this topic will be tabled for the closed session.

11. NEXT MEETING: Tuesday, February 14, 2017, 7:15 p.m.

12. ADJOURN: The meeting adjourned at 8:38 p.m.

**EXECUTIVE SESSION: Lawsuit**

Meeting commenced at 8:40 p.m. and adjourned at 9:15 p.m.

Submitted by: Lorraine Otero