

MINUTES
SIERRA LOS PINOS PROPERTY OWNERS' ASSOCIATION (SLPPOA)
BOARD MEETING
May 16, 2017

1. CALL TO ORDER: President, Ms. Judy Kilburg called the meeting of the Sierra Los Pinos Property Owners' Association to order at 7:18 p.m. at the SLP Fire Station.

2. ROLL CALL: (P-Present, E-excused, A-Absent without notification)

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

GUESTS: Mr. Stan Bennett, Mr. David Schmitt, and Ms. Suzanne Star

3. APPROVAL OF AGENDA: Ms. Kilburg asked if everyone had a chance to review the agenda. Ms. Fredlund made a motion to approve the May 16, 2017 agenda. Mr. Corn seconded the motion. There were no oppositions.

4. APPROVAL OF THE MINUTES: Ms. Kilburg asked if everyone had reviewed the meeting minutes. Ms. Fredlund made a motion to approve the minutes and Mr. Veverka seconded the motion. There were no oppositions.

5. OFFICER REPORTS:

a. President – No Report.

b. Vice President – No report.

c. Secretary/Treasurer: In Ms. Otero's absence Ms. Kilburg provided the following Monthly Report:

The balance in the accounts as of April 30, 2017 are as follows:

Operating Account: \$158,335.66

Reserve Account: \$84,497.1

Special Assessment Account: \$5,218.38

Past due accounts:

As of April 30th, we currently have 20 past due accounts which total \$22,215.34. Of these delinquent accounts, four are considered uncollectible in the amount of \$11,454.23. Last month letters were sent out to the remaining delinquent members. To date, eleven members responded. Five of the eleven said they would send a check for the balance on their account. The other six have requested or are going to request approval to make payments. Two foreclosures will be discussed in closed session. Late interest has been, and continues to be posted on past due accounts, including the retroactive late interest on this year's annual assessment.

A lien was placed on May 1st on the property that is now in foreclosure.

Legal costs for the lawsuit remain at \$34,318.53.

The NM Tax and Revenue, Combined Reporting System (CRS) filing was completed on 4/21/17 and we are now current.

HOAMCO provided a check in the amount of \$1,483.47 from the Reserve Account that they had set up with their bank. Lorraine has deposited the check in our LANB Reserve account on 4/17/17.

Audit and Tax are complete and in review.

One property on Los Griegos closed. There has been inquiries on other properties, which means properties are still moving.

On the payment plan request, information has been sent to all board members and we need to vote to approve. There are four requests. We've been able to collect from these individuals in the past. Two have been on payment plans in the past and paid it off early. Mr. Veverka made the motion to accept the payment plans for these four individual owners. Ms. Fredlund seconded the motion. There were no objections.

6. STANDING COMMITTEE REPORTS:

a. Water

i. Water Maintenance – Mr. Veverka reported that everything is fine but usage is going up. Installation of valves, two new and one replacement was completed. Everything seems to be going fine. Mr. Corn and Mr. Schmitt have taken care of a System 2 issue. One meter reported tampering. The lid was probably dropped in place and crimped a wire.

ii. Water Compliance – Mr. Corn provided the following report April 2017 Water Compliance-Meter Report

Water System Coliform/Microbiological Reports:

- System 1 sample, 4/8/17
 - o Total Coliform - Absent
 - o Total E. Coli - Absent
 - o Disinfected, Residual 0.06 mg/l (87 Aspen Grove)
- System 2 sample, 4/8/17
 - o Total Coliform - Absent
 - o Total E. Coli - Absent
 - o Disinfected, Residual 0.09 mg/l (720 Los Griegos)

Water System Compliance Schedule required by NMED DWB for 2017:

- TTHM are from 6/1-6/30 (1 sample) due date.
- Lead & Copper 6/1/17-9/30/17 (5 samples) due date
- HAA5 9/1-9/30/17 (1 sample) due date
- Microbiological samples monthly (1 per system every month; ...see above)
- CCR (Consumer Confidence Report is due on July 1 to NMED but must be submitted to NMED DWB by June 17 for review by Maria Medina.
 - o Frank Naranjo has initiated this report.

Water System Misc:

- A System 1 member whose March water usage was 57751 gals, was back to average usage for April.
- The highest System 2 member has increased their water usage from 34229 gals in March to 47,962 gals for April.
- Residential Meter Can Assemblies currently installed =147
 - Total Lots in Sierra Los Pinos = 155
 - Total Vacant Lots Opted Out = 8. One may request a meter when it changes ownership.
- Sys 1 Isolation valves replaced = 3 (April 19, 20,21).
- Sys 1 Meter Loop Leak test accomplished April 25th, separate report.
 - A verbal altercation for a "possible" road blockage was received during the activity from a property owner outside of the SLP subdivision. It was very, very un-nerving and hopefully it won't happen again.
- Sys 2 LevelCon stopped working May 1. Maintenance update by Dave Schmitt.

Water Usage: (Meters were read on May 1, 2017 by Harold Corn & brother-in-law Jim, reader setup was by Mark Stanley)

- System 1
 - Wells Pumped 747,860 (756,712) gals, (...last month's data...)
 - Leakage Rate = 11.5 (10.5) gpm (valve replacement project probably contributed to the loss).
 - Leak Flags Identified = 16 (12)
 - Users > 10,000 gals = 4 (4); highest user = 24,534 (leak flag present)
- System 2
 - Well Pumped 209,410 (204,500) gals, (...last month's data...)
 - Leakage Rate = 1.0 (1.0) gpm
 - Leak Flags Identified = 5 (5)
 - Users > 10,000 gals = 2 (2); highest user = 47,962...~ 23% of Sys 2 production

Mr. Corn asked Mr. Schmitt to report on System 2 Level Con. Mr. Schmitt reported that Mr. Brophy changed the batteries on May 1st. It still wasn't working. Mr. Schmitt took unit to his shop and there were damaged wires. Mr. Schmitt spoke with Mr. Mitchell at Level Con. The system started reporting, but only once a day and should be once every four hours. After discussion with Mr. Mitchell again, we have two options: send back for repair, but with the damage it's not too optimistic that it would work or purchase a new one for \$390.00. Mr. Schmitt would like to give it a few days and see how it works. After discussion, it was decided to go ahead a purchase a new one. It's a smaller unit that uses AA batteries and is more robust.

b. Roads – In Mr. Vergamini's absence, Ms. Kilburg reported that regarding cinders, she needs to track down the company that Terry Vergamini purchased the cinders and have them make delivery.

On maintenance, a Request for Quote (RFQ) was sent to Marko (Kris Luster) and Desert Mountain Corp (Pamela Tuttle) on April 25th. To date, no response from Markon so she sent another email today and asked if they are going to respond with a quote. Desert Mountain Corp is working to get bids. Ms. Tuttle is looking into obtaining water from another source so as not

to use from our system since with have water right issues. She's probably also going to be breaking the bids out so we will probably have two bids for that. We should have something from her within a few days. Depending on what the timeframe is when they can actually do the work, since we were hoping to have it done before the dry season, we may need to call a special meeting to vote on it. We may not be able to wait until the June meeting. We would like to get this done before the rainy season. People have been going out and filling holes and we appreciate that very much. Mr. Corn suggested asking Ms. Tuttle how much water they will need. Discussion ensued as to how much water may be needed. Ms. Tuttle is actually trying to work with the Forest Service to see if we can get water from the river. The other way is to possibly have the material wet when they bring it up.

c. Legal – Mr. Fredlund reported the following:

Star's Appeal: Mr. Fredlund hasn't seen any email traffic about the appeal.

Reconsideration Costs: The reconsideration hearing is set for May 23rd at 10:30.

Mimbres Way Trash: I went all over the state and county web sites looking for someone that would handle this. Couldn't find anyone. The unhelpful operator only transferred me to the landfill. Suzanne managed to find someone in P&Z that said they would send an investigator. I called the same person (Cat Martinez), asking to be kept in the loop, but got no response to voicemail. P& Z number is [505-867-7628](tel:505-867-7628). Looks like what we have is termed a "nuisance." She was told that John Lorne, their investigator, will be given the info and will do a field check in a week or two and reply back. Contact person she spoke to is Cat Martinez. Called P&Z. Got transferred to Zoning enforcement. Left a message with "John." He called back and said he could start the process, but don't expect anything to happen soon. They have limited power, and limited staff, so other priorities will cause it to take a long time. What other HOAs have done is get a group of people together to clean it up. Suggested we go ahead and clean it up. I read the bylaws & covenants - They don't assign or permit any action by the board to enforce covenants - Up to individuals. The bank refuses to spend any money to clean it up. He spoke with the realtor and she said she could put it on her expense to get reimbursed, but that hasn't happened yet either. Other bank owned property has been cleaned up, but it's a different bank. Discussion ensued regarding options. Ms. Star reported on her discussion she had with P&Z. The property owner is in violation. Ms. Kilburg stated that we have to have permission from the property owner go onto their property, but the owner is the bank and they aren't responding. The agent could add the cost of cleanup to the cost of the sale, but it comes out of her personal expenses.

Mr. Corn asked Mr. Fredlund if he was chasing the insurance request. Mr. Fredlund had asked for clarification from HOAMCO and hasn't seen anything.

d. Firewise – Ms. Fredlund reported that Virgin Mesa 613 acres completed and no more prescribed burns until fall. Thompson Ridge slash pit is open. People can bring pine needles and any slash has to be less than 8" in diameter. Gillman Tunnel will be closed until possibly August. It's taking that long to make the road safe again. Hopefully by fall it will be open. Jemez Ranger District has sent an engine to Georgia to help with the fires there. In return we have 4 eagles to help. It's looking good in our area. They're really happy with the rain.

e. Parks – Mr. Otero was not present.

f. Architectural – Mr. Otero was not present.

7. OLD BUSINESS:

a. Audit Status – Ms. Kilburg reported that it's probably complete and probably sent to Ms. Otero, so will have more information when she returns.

b. Restrictive Covenant Violation – Mr. Fredlund already reported on this.

c. Meter Can Install on Vacant Lots – Mr. Corn reported that the vacant lot hasn't sold yet. We probably won't order the can until we know when it will be developed.

d. Funds Transfer to Reserve Account – We've talked about transferring some of the money from the Operating Account to the Reserve Account. This is excess money that has accumulated from those years when there was carryover. What is proposed is that there is \$158,335.66 in the operating and the budget for the year is \$117,645. We still have some money that's left to come in and more has come in since the April 30th financial report. Ms. Kilburg is proposing that we take \$40,000.00 from the Operating Account and transfer to the Reserve Account. That will still leave us everything that we budgeted for the year. When we do the major road repairs and water line replacement, those are capital improvements that should be paid out of the Reserve Account, and we need to increase the Reserve Account anyway. The motion was made by Mr. Veverka move \$40,000.00 from the Operating Account into the Reserve Account. Ms. Fredlund seconded the motion. Motion passed unanimously. Ms. Kilburg will speak to Ms. Otero about transferring the funds.

8. ACTION ITEMS

a. Residential water leak flags – Mr. Corn already discussed above.

b. Excess usage policy (surcharge/meeting) – Mr. Corn said that he still needs to notify people who have flags for this month.

c. Draft policies – Ms. Kilburg reported that the draft policy on the No Lien, Mr. Fredlund had a comment and she didn't recall seeing a response from Brad Hays. Mr. Fredlund clarified his comment on the policy.

d. Reserve Study – Ms. Kilburg indicated that she is going through the proposed changes and wants to make sure there aren't any other changes that need to be made. Mr. Corn is also updating the water parts inventory. It's still technically a draft and we haven't been billed for the study. Mr. Corn stated that he would also like to know how they would incorporate into the reserve study how to anticipate for lawsuits. It's a large amount of money and we probably use reserve funds for that. He isn't sure if the engineers even know how to account for that. That's a question we need to ask them. Mr. Corn added that in speaking with the engineers who performed the reserve study, we are very unique in that we manage a water system.

e. Google Drive – Mr. Fredlund reported that everyone received emails that they have folders. They all should be working now. Everyone has a folder and there is a documents folder that everyone should be able to get into. He will provide the password to the president and vice-president.

9. NEW BUSINESS:

a. Board Member Resignation– Ms. Kilburg reported that we had a board member resign – Terry Vergamini. Technically speaking, we should vote to accept resignations, which we’ve never done in the past. Mr. Veverka made the motion to accept Mr. Vergamini’s resignation. Ms. Fredlund seconded the motion. The motion passed unanimously.

b. Search for Board Member / Nomination Committee – Ms. Kilburg asked that if anyone knows of anyone who may be interested in running for the board to let us know. Mr. Veverka stated that he’s had lots of negative responses. It’s also that time of year that we need to start putting together a nominating committee and put out a newsletter with a call for interested volunteers. Ms. Kilburg will ask Mr. Otero if he will lead the nominating committee. Ms. Kilburg will send out a list of terms to all board members.

c. HOAMCO Contract - Ms. Kilburg reported that the transition has been a little more difficult and time-consuming and it isn’t getting much easier. They seems to have difficulty calculating late interest. Every month it’s a challenge and now they’ve decided that we have to calculate late interest and send it to them. They have a system that does the calculations for them, but it wouldn’t calculate the retroactive interest correctly so we had to give them the numbers, and they still didn’t process correctly. We are an “accounting only” client and don’t have a person assigned to us to oversee everything related to our account. It seems that every month we receive the financial reports and we have to go through it carefully. Everything seems to be posting correctly except for the late interest. It’s taking as much time or more time for Ms. Otero and I to review their work than to do it ourselves, so it might be worth it to hire an accounting firm or bookkeeper instead of a management company. There aren’t any management companies out there who will manage all of our needs because we are so unique in that we manage our water system. None will send out warning letters, including the previous management, so Ms. Otero still has to do that. After some discussion it was decided to research replacement firms before a formal vote is taken to terminate the contract.

d. Line Replacement – Mr. Corn reported that he and Mr. Stanley did a meter loop test from where they left off on system 1 last and came up with 3 different sections. The first section was leaking 2.8 gpm, which is across the valley from San Juan. The next one was on Mimbres Way and that was leaking 3.3 gpm. The last section went all the way to the meadow and 1.3 gpm. The most gain to get completion on is from the meadow to the James’ place, which would give a gain of about 4 gpm. The other two sections combined would take three 60-day periods. If we start June 1st, then another August 1st and then October 1st and maybe could get all of it completed. The first section has no service taps or fire stands. The second section has 9 service tabs and 1 fire stand. The next section had 3 service tabs and 1 fire stand. The big question for the Board is how much do we want to do this year and how much do we want to spend. The total distance of all three sections is close to 3,000 ft. This is all System 1, Unit 2. It’s probably most logical to start where we left off last year, although the worse section is the middle section. Discussion ensued regarding the details of the project and went into discuss of available funds. Money for the road maintenance will come from the road budget and the \$20,000 that was previously approved and not expended, and more money has been and will be added to the Reserve Account. They will get an estimate for the entire project from the contractor. Materials will be more expensive this year. After much discussion, it was decided to vote today in order to get started on the project and then vote later to bring the project to completion. The motion was made by Mr. Fredlund to approve \$20K from the Reserve Account to start the work on Hovenweep Loop to Mimbres Way.

e. S. Star Question – Ms. Star asked if we were going to have board members sign non-disclosure agreements to keep board members, past and present, to not disseminate information. Ms. Kilburg and Mr. Veverka both indicated that enforcement would be difficult. If at some point it's determined that this is possible, the policy could be modified.

Due to an emergency call-out, two members had to leave the meeting and there was no longer a quorum. Unofficial discussion ensued on the following:

Mr. Schmitt asked who the contact to architectural was. He will be submitting a request. Ms. Kilburg added that the submittal forms are available online.

Mr. Schmitt also asked about a property next to him that has dead or dying trees on their property and would like permission to cut trees. We gave him the name of the bank, but unfortunately, we have no direct contact information.

Mr. Schmitt indicated that a resident that pulled another dead vehicle onto their property. He asked about what can be done. This will be discussed at the next Board meeting.

10. NEXT MEETING: Tuesday, June 13, 2017, 7:15 p.m.

12. ADJOURN: The meeting adjourned at 8:53 p.m.

Submitted by: Judy Kilburg