

SLPPOA Board Meeting

February 9, 2010

Board Members in Attendance: Jeff Erickson, Sabine Shurter, Suzanne Star, Judy Kilburg, and Barbara Van Ruyckevelt.

Absent: Kent Wolford, Laurie Lauer, Orlando Archuleta (resignation letter, sent that night)

Guests: Sumner Dean, Roy Spencer, Damien Spencer

Minutes

Minutes - November 10, 2009 minutes - Suzanne made a motion to approve the minutes, as has been reviewed and modified. Motion passed as approved.

Minutes for November 14, 2009 – Sabine made a motion, Suzanne seconded the minutes, motion passed.

Minutes for January 5, 2010 – Judy made a motion, Barbara seconded. Minutes were approved as comments were incorporated.

Water System – Roy Spencer

Roy Spencer would like to take the system beyond what it has been for the last 30 years. His goal is to pull the system together and organize it, so he can stay on top of things, and be proactive so that nothing breaks. Below are a few items he proposes to do for this year.

1. Change the chlorination over from the calcium hypochlorite to sodium hypochlorite. It frees up the operator because calcium hypochlorite is more labor intensive, since it is hard to measure the concentrations levels. With sodium hypochlorite, you put it in there, you dial it in and you are good to go. The same pump is used, there is no cost difference. This will free up the operator to do the other maintenance items, such as turning valves.
2. Get volunteers to help out. He will guide them, keep them focused, determine what needs to be fixed and get it fixed. The people who are helping need to keep cohesive. This will free up time for the operator.
3. Purchase radio frequency controls that work for this system. It is a floating device in the tanks that transmits to the pumps and turns them on and off. It costs \$1500.00 per unit/pump, a total of \$3,000 for both pumps. The control requires a line of site. He will work to find the best equipment for our system.
4. Put together a map that documents the water system. It will identify the locations of the valves, lines and all aspects of the water system. He will get the history of the water system from the members that have been involved previously with the system. The map

will be put into AutoCAD, so it is actually measured out, so we will know the locations and insure they are accurate.

5. Put together a questionnaire to send to the property owners. This will help Roy gather as much information about the system before spring. He hopes people will respond to the questionnaire so he doesn't have to pole this information from the home owner personally thus giving him more time to work on the system.
6. Run pressure tests at each household and use the information in the questionnaire to help conduct the tests. Roy has found in his experience that most leaks (80-90%) are found in households. It doesn't take many of them to add up to 35,000 – 50,000 gallons in leaks.
7. In the spring, attack valves to see if they work. If they don't work replace them. Mark the valves by putting a stake by them. This will include staking each homeowner's shut off valve to help find the valves easily, especially in the winter. Place cement caps over the main valves at the road surface. Determine the best way to cap them by consulting with Pete Meskimen and other people who do road work to find out what will work best with their equipment. This way valves are not moved out of the roads, we do not put in more joints and do not cut the lines.
8. Start isolating the lines and finding the leaks. It is ideal to find two or three areas that are leaking, isolate between the areas then have the leak detection people come up one time and check them.
9. The goal by spring is to know where the worst areas for leaks are. Mark, Sumner, and Harold are using electronic analysis to determine the volume of leaks in System 1. Harold Corn would be available to do back hoe work. Roy will look at System Two as well, but it has been quite stable recently. Valves will be identified on the map.

That will take us up to fall next year. Roy noted that we have to tighten up the system. Once we tighten up the system, the costs will go down. One of the problems Roy mentioned is the pressures on the system. That is the worst enemy. He suggested we might install pressure reducing valves but will not do this until we start buttoning the system up. Again, volunteers are desperately needed to help to work on the water system.

Sabine asked that Roy take the lead on the system. Roy said he will get Damien on board. The Board agreed to have Roy take the lead on the water system. Sabine mentioned there was a leak by the pump and Judy said that there may be a leak on Los Griegos by the second house before you get to Aspen Grove. Suzanne said we have another stand that is leaking as well. (Suzanne pointed it out to Roy, which is in the Hovenweep area.)

Mutual Domestic- Sabine Shurter and Suzanne Star

Star mentioned that Q&A's are posted on the web site regarding the Mutual Domestic. Shurter has set up a meeting to be held, Saturday, February 27, 2010, at the Fire Station. Matt Holmes, the Executive Director of the New Mexico Rural Water Association and Krista Schultz, the Community Services Coordinator of the New Mexico Environment Department will be

attending. She will talk about funding options if we became a Mutual Domestic. We were told if we stay a private home owners association there are no grant opportunities but loans may be possible, the only way to receive grants is if we are a Mutual Domestic. Requirements are few, we have to do an audit, people need to have the opportunity to look at our records and run the water system as a Mutual Domestic Water Association. The informational meeting is titled “The Future of Your Water-- Recommendations for a Sustainable and Reliable Water Systems”. It will be a time for our members to ask questions. Sabine reported that Peter Nathanson from the NM Rural Water Association has volunteered to do our Preliminary Engineering Report (PER) at no cost. That saves us \$35,000 - \$50,000.

Once Roy starts working on the water system and we receive the report from the PER we will find out what the needs are for the water system. We may need to use up all of our reserves to get these items on the water system fixed. If we run short then we may need to have a special assessment. After we become a Mutual Domestic it may take one – two years to receive funding. Ron Romero, from the NM Environmental Department advised us to set up a shell Mutual Domestic Corp. This involves filing the articles of incorporation and costs \$25.00. It is not obligatory what so ever. The articles of incorporation have been drafted and when filed with the PRC will put us on the funding radar screen. This will let them know we are there and they may consider us for some grant money or whatever.

Judy asked what if our water system starts to really fail? What is the likely hood that the state can come in and mandate us, would they shut us off? Suzanne explained that they would not do anything, because we are a private entity and they do not have any rights to come in here. The problem is up to our membership. If we became a Mutual Domestic and failed in our obligations and loans, the state would come and run us and tell us what we were going to pay. There would be no votes.

Sumner Dean

Sumner asked the Board where the Association was regarding the Special Assessment. He was told the last vote did not pass and the bylaws state we must have a six month period between assessments. The current plan is to have Roy Spencer work on the water system as he has planned and also to see what guidance we receive from the Preliminary Engineering Review (PER). Once we get that input, the board will decide on the next plan of action.

Sumner also asked if he could get a copy of the Membership Address list, without names. The purpose of no names would help stop the ID theft concern mentioned in the last meeting. Judy said we need to discuss it as a board and determine a path forward and would let him know their decision.

Mutual Domestic

Suzanne and Sabine asked if the board was in favor of moving ahead with the Mutual Domestic. Suzanne made a motion that we move forward with pursuing the Mutual Domestic Water Association. Barbara seconded it, the motion was passed. They also proposed that we create the shell Mutual Domestic Corp, so that we are in this queue for grants and loans. The Articles of Incorporation have been prepared and are posted on the web. We will need three incorporators to sign the Articles. The name is going to be called the Sierra Los Pinos Mutual Domestic Water Consumers Association. We are required to have a minimum of three and are proposing at least five members on The Board of Directors. Sabine and Suzanne are willing to sit on both boards, initially until there is a formal vote by the membership. When we send out the mailing for the meeting, we will send out a volunteer sheet, we will need volunteers for the board of directors, volunteers for a funding committee (people who can go out and look for loans) and an audit committee. Dave Ponton said he would be willing to be on the initial board of directors. The incorporators will be Suzanne, Sabine and Barbara. Star suggested to have Jeff sign it because he is the president but it may only need the secretary to sign it. Suzanne will send a draft of the Articles to the board for review, so we can get the signatures and get the filing done. The reason Sabine wanted to move ahead with this to get us in the queue because we may need money for the Environmental Assessment Report (EA).

Proposed Budget for the Mutual Domestic

Suzanne and Sabine talked with the Office Manager at the Jemez Springs Mutual Domestic. She works 32 hours a week. She takes care of everything: billing, book keeping, going after loans and grants, minutes, and talks with the NM Environment Department. We would need to hire someone that could do this type of work and it was agreed that it would be better to hire someone as opposed to using volunteer help because there is more stability. There was discussion on the cost of a water operator. Suzanne explained that once the system get's buttoned up, then our budget, electricity, maintenance costs will go down.

A mailing will be sent out to the Association regarding the NMED violation notice, the Ashley Lane settlement notice and the February 27, Mutual Domestic Water Meeting. One of our violations has been taken care of with the mailing. We only need to post the lead and copper violation. It will be posted on the shed. There is also a winterizing notice that will be included in the mailing. It is what we sent out last year.

Jeff requested that a copy of the Notice of Violations be sent for the board's review. Star stated she would get it done next week.

Roads - Judy

We have had numerous snow removals this month, January 19, 20, 23, 28, and February 5. Due to the large snowfall this year, our 4-wheeler people are having problems with where to put the snow from their driveways. They end up pushing and packing it into the banks of the road. This causes Pete a problem because the snow gets packed so hard with ice chunks that he can't get the roads open and is causing problems with his snow blower. We are down to about \$1,000 left out of the money we have paid him for the snow plowing. Judy also asked to find out what the carry over budget from roads was from last year. Judy mentioned a truck of sand or ambers will be delivered to the fire station for the sand barrels. She also mentioned the county is giving away a sand/salt mix at the transfer station in Canon, on Wednesdays and Saturdays. Judy doesn't think we need to have the county plow Hovenweep since the school bus doesn't go back there anymore. She is still talking with someone at the county and wants to find out why they are doing Hovenweep. She would rather them not do Hovenweep because the road is getting torn up. The roads need to be widened because it's difficult to pass around oncoming vehicles. Suzanne also said on the roads where the booster station needs a good pull of area. Judy wanted to know if the board would be willing to pay Rich, Judy's husband, he has been going out and widening Los Griegos, Cerro Pelado, and Aspen Grove and keeping the corner's clear, especially the top of Los Griegos and Shannon's Way. Would the board be willing to pay for his time? Suzanne suggested that Rich check with his personal business insurance. Or we might investigate whether we could pay for someone's equipment cost. Not a salary. For example we might be able to pay a resident for the equipment (backhoe) he uses but not his personal labor time. He still is going to have to pay taxes. Our insurance will cover any one who is a volunteer. If you are a paid contractor, our policy doesn't cover contractors.

Budget

Jeff passed out the budget breakdown. He will tell CRA to go with their suggestion. We can reallocate the entire amount of the realized profit (last year's carryover). The \$11,000 is under reserves that we can reallocate wherever we needed. That adds to our \$27,000 that we have in LANB. So we should have \$16,000 in the reserve in the New Mexico Bank in Trust and \$27,000 in LANB.

Jeff asked Sabine if she wants to be the Water Chair. The Water Chair needs to be in charge of the budget. Suzanne made a motion that we vote for Sabine to take over the Water Chair position. Judy seconded it, motion passed.

Jeff will ask Michael to allocate the realized profit from our reserved account, the \$4K+ back into roads and the rest into leak repair project.

Monthly Reports

Jeff reported that we have about \$41,851 in the bank. We have a number of people who have not paid anything yet. It was suggested to have Michael send out another billing, and give them a courtesy warning that from March 1 forward the \$5.00 late fee will be charged on delinquent

accounts. It was suggested that it may be good to send out a monthly mailing with a bill. With the monthly newsletter we can have a reminder of the dues, Mutual Domestic, and other reminders. Maybe we can get a volunteer from the association to stuff the envelopes. Suzanne will ask CRA if there is a way we can work out a monthly billing with them or for them to send us the files and what it would cost for a monthly billing.

Legal – Suzanne

Nothing

Architectural Control – Barbara

We have an Architectural Control form. A question was raised of whether the board had the right to move in and fine someone? Judy said we do have a right to enforce the Restrictive Covenants and take these people to court. Do we want to adopt a fine policy? Judy suggested we give all these things to give to Laurie and put in her set of policies and procedures.

Parks – Barbara

Judy is right; there are lots of requirements regarding the parks. For example there are 12 inches of chips that need to be put in. She will check everything out in the parks.

Action Items

- Jeff will forward the Guide to becoming a water district to the board
- The December Statement and January Statement
- Jeff will talk to Michael about reallocating the reserve fund.
- Suzanne will contact Michael about the reminder to mail out the bills and fee waivers.
- The Jan & Feb month \$5.00 late fees will be waived. Starting March the \$5.00 late fee will start up.

New Business

The board needs to fill two vacant seats. Suzanne will post it on the web that we have two open positions for Board Members.

Suzanne notified one of the water operator applicants that the position has been filled. Jeff will notify the other individual that was interested in the position. Jeff asked to have the Handy Man position and water operator job taken off the web.

Meeting adjourned: 9:50pm