

SLPPOA Board Meeting

March 9, 2010

Meeting called to order at: 7:20 p.m. by Jeff Erickson

Board Members in Attendance: Jeff Erickson, Kent Wolford, Barbara Van Ruyckevelt, Judy Kilburg, Sabine Shurter, Suzanne Star, and Laurie Lauer (minute taker)

Minutes

Suzanne motioned to approve the, February 9, 2010, minutes with revisions as written. Kent Wolford seconded motion, and motion was passed.

Water

Mutual Domestic Discussion.

Status of Mutual Domestic Vote

Sabine asked the board if there were any more corrections for the informational mailer regarding the Mutual Domestic and the water system maintenance schedule for spring 2010. Judy Kilburg made a motion the mailing be sent out to the membership, Kent Wolford, seconded the motion, motion passed.

Sabine discussed budget concerns of a future Mutual Domestic Water Association (MDWA). She suggested having the meeting/vote the end of April or beginning of May. She questioned the idea of having the meeting on a weekday 7:00-9:00 p.m. instead of the normal Saturday. By then we should have Phase 1 of the PER completed. It was decided that the meeting/vote for the MDWA should be on a Saturday morning. Tentative date proposed: May 1, 10:00 a.m.

Kent questioned if it would be good to add the well back into the vote. He suggested that it would be advantageous to have a backup water supply. Suzanne replied that the well is not a top priority at this time. Peter Nathanson (NMRW engineer) concurred that it was also low priority in a former meeting. Sabine commented that if we replace the Hovenweep well, we may consider placing it in another area. We will not be able to install pressure reducing valves, which may be important in our long range plan. If we start plugging up our leaks, we may not need an additional well. Sabine said we may have to do a special assessment for water needs because the spring project may exceed budget allocations.

Sabine commented about the concern on how to interpret the bylaws with respect to the upcoming MDWA vote. There are two different places in the bylaws; Article 2, Section 5 and Article 10, that dictate quorum and vote. The articles of incorporation give the board authority to transfer assets from SLPPOA to the Mutual Domestic for the benefit of the health and welfare of the membership. The Board agreed that a legal reading should be conducted to ensure accuracy.

Laurie suggested that we state on the voting ballot the guidance we are using. It was explained in the meeting that the MDWA will have its own set of bylaws and a separate board. Becoming a Mutual Domestic wouldn't change the existing SLP bylaws; however it would be advantageous to synchronize the bylaws of both entities.

Water Rights – Sabine brought up a concern about keeping the water rights with SLPPOA. She recommended the board consider leasing the water rights. This as a safety precaution until we are sure the MDWA is stable. She suggested that our water rights have a value of possibly \$1.5 million. She commented that if we don't get loans, members may decide to opt out and drill their own wells putting a financial burden on the remainder members. Kent Wolford asked if we could have a Mutual Domestic with leased water rights. Sabine stated that we could consider a 99 year lease. Jeff asked if we could to get guidance on that. Sabine and Star are still investigating this, leasing has been done before. An attorney will be needed to guide us through that. We need to make sure the water rights are protected.

Suzanne Starr stated that the water operator will be sending a questionnaire out to households to gather more information about the water shutoff etc. on each lot. She suggests that we include a stamped self address envelope.

Splitting off the Mutual Domestic from SLPPOA, will require new efforts. When we become a Mutual Domestic rates will need to be established. Are we thinking about splitting up the budget this year? Once we have approval for the Mutual Domestic, we will have to figure out what we have for the roads what we have for water. Mutual Domestic determines its rates with a rate analysis. We will have to do the same for roads. Sabine thinks this may start in the summer. If we go for a loan, the lender will require a budget. The lender will dictate to us on how much they will lend us based on our budget. Jeff suggested we plan to do this next year. Sabine stated that we can charge a base rate for the water, without having meters. For the roads we could do the same thing.

It was stated that Board members can sit on both board, but the boards are separate. Sabine stated that the board of the MDWA has the authority to set the rates, however, if there is an objection to how the board is establishing rates the membership is provided remedies in law. The board can't just set the dues. It all has to be justifiable. Star mentioned that The Jemez Springs Domestic Water Association manages their system based on the direction of their PER.

Management: Suzanne informed the board they have talked with Yvonne who handles the management aspect of the Jemez Springs Mutual Domestic Association. Yvonne expressed interest in the position and suggested she thought it would require approximately 10 hours per week. She may be able to take the minutes at the board meetings.

Sabine also discussed the possibilities of the two entities, SLPPOA and the Mutual Domestic, being unified by a synchronized set of bylaws. She suggested that we need to ensure members pay their associated dues for each entity, and that they are in good standing for both

organizations. Both entities will have the authority to shut off water in the event of non-payment as is standard in the industry, in addition to the other options that we recently pursued, including the issuance of liens for those home owners in default.

Budget available The board went over the available funds for the water system. It was decided once we get information on the system needs from Roy Spencer and the PER, we would make a determination on the water system budget.

Jeff suggested we start with the \$6788.32 dedicated for leak detection and repairs in addition to the current monies allocated to the water operator fees and maintenance on systems 1 and 2. Sabine asked for guidelines on how far we draw the account down before we initiate a special assessment. It was suggested that when the water budget has drawn down to 10% that the board will define the need to utilize reserves and then if that cannot accommodate, we move ahead with a special assessment.

Securing well –heads – Sabine suggested that we need to do something to do secure the area around both system well heads; Meadow well and Aspen Grove as there has been unauthorized parking and access on the properties. She recommended that we pursue fencing the Aspen Grove property this year.

Budget –

Laurie provided a spread sheet, which breaks down the allocations and costs per each expense. The board asked for Laurie to provide graphs indicating allocations, expenditures, and available balance. Laurie will also provide a copy of the year to date costs budget sheet to the board that CRA provides monthly. The board asked Laurie to contact Michael at CRA to verify the amount in the Reserve Account. Laurie reported the income taxes for 2008 and 2009 will be completed. Also a full financial audit of the Association's 2009 financial records has been requested, the estimated cost to be \$2,500.00 and should take place from April 1 – 30, 2010. She reported on the delinquencies for the Association's assessments.

Roads

Judy reported we had snow removal 3 times. At last month's board meeting, Judy discussed the possibility of having her husband Rich Kilburg assist as needed to plow roads. The board asked Judy to find out if he had insurance. Judy reported that Rich does have insurance, she has used him 3 or 4 times, and that he will submit a bill for the work he has done. Judy talked to the county about plowing Hovenweep. The county told her it was on their schedule to plow it and he said it is not a problem for him to do it so he will continue to plow it. Judy also discussed the well at Hovenweep with him and he said he would try to start keeping that open. As of today we used up the \$7,500.00 deposit given to Pete Meskimen for snow removal. We will now be paying as we go for snow removals. She did send an e-mail to Maxwell, because they were having problems getting to their house.

Legal Issues – Nothing to report.

Architectural Control - Barbara will send the Architectural Control form to Laurie (for the records) and Suzanne to put on the web.

Parks – Nothing to report. Barbara has the manual for the rules on the parks and will hold onto the manual while in this position.

Action Items:

Judy gave Jeff Erickson a letter answering a request from a resident on drilling a private well and being granted associated member status that would allow for partially payments instead of the entire annual dues. The response is the current bylaws and dues do not allow for this at this time.

Jeff to prepare a letter to designate Jeff Erickson, Kent Wolford and Laurie Lauer to have signature authority for the SLPPOA Los Alamos National Bank Account and Lock Box (see below under New Business).

New Business

Kent Wolford was nominated by board to be Vice President to replace Orlando Archuleta. Barbara made a motion that Kent become Vice President, Judy 2nd the motion and the motion passed.

The Annual Conference for Rural Water is April 5-8. If anyone would like to attend it would cost \$85.00 per member. Suzanne and Barbara may attend, Suzanne will check with Damien Spencer to see if he would like to attend.

Next regular board meeting is April 13, 2010

Meeting ended at 9:30 p.m.