

Sierra los Pinos Property Owners' Association
Minutes-October 14, 2010

1. Purpose of meeting: The main purpose of the meeting is to review the 2011 Budget Allocation and Proposed Dues. Other items will be discussed as per the agenda. As a new way to try to keep meetings to a reasonable time, each item will be discussed for the time allotted. Minutes from Board Meetings will be posted online. Present at the meeting were Suzanne Star, Sabine Shurter, Jan Studebaker, Laurie Lauer, Judy Kilburg, Barbara VanRuyckeveldt, and Dave Schmitt. Also present was Office Manager Yvonne Dickey-Folks.
2. Guests: The Board welcomed several members who were in attendance. The sign-in sheet will be available at the SLPPOA Office.
3. Approval of Minutes: Ms. Lauer moved that the August minutes be approved as written. Ms. Van Ruyckeveldt seconded the motion and the minutes were approved unanimously. Ms. Lauer moved to accept the September minutes as corrected (with regard to Mr. Dean's comments).
4. Board Positions: The following discussion took place in an open session. Ms. Star read a written statement that she prepared in response to e-mails that have been sent back and forth. The Board has become aware of the actions Mr. Schmitt took in talking with NMFA. Ms. Star reiterated that the Board is guided by structure and process, and that the decision had been made by the Board majority to seek funding from NMFA. Mr. Schmitt's actions jeopardized this funding and failed to consider the welfare of the entire community. For this reason, Mr. Schmitt is being asked to step down from the Board.
Mr. Schmitt responded with a written statement which he presented. Mr. Schmitt feels that he was exercising free speech by calling NMFA, and that he does not agree with seeking the loan. Ms. Lauer commented that there is lots of dissent with regard to the water system. All the members of the Board want a good system. The disagreement is about how to achieve that goal. While Mr. Schmitt's actions jeopardized the loan, Ms. Lauer believes that the focus should be on creating a good system rather than taking sides. Ms. Lauer would like to see the water system get basic engineering or a PER, however Mr. Schmitt's removal would be a detriment to the board.
Ms. Shurter explained that there are really 2 issues here. First, after 2 years of hard work, the Association is unable to accurately assess the water system. The loan application was based on an engineer's estimate. A PER might not be desirable because it is so costly and any funds spent on the PER would be better spent on actually making improvements. Meters are needed to help isolate leaks. Leaks and outages are becoming more prevalent, which is preventing the system from moving forward. Second, Ms. Shurter shared her disappointment about members dissenting against the loan and expressed the desire for the water system to move forward rather than continuing the fighting. The main question is, "What does the Association do now?" Ms. VanRuyckeveldt explained that she does not want to see the Board lose Mr. Schmitt. The issue is that a member of the board (Schmitt) went behind the back of the rest of the board contrary to a decision already made. While the board is not trying to control the speech of others, the Board must follow process, be cohesive, and become "team players".
Ms. Star said that NMFA has indicated that Mr. Schmitt may try to halt the loan process through legal action if it is pursued. This, rather than the act of expressing dissent, is the problem. Ms. Kilburg noted the large turnout of members, and would like to encourage community involvement. She does not want to lose Schmitt, and feels that there is no Board Policy

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prohibiting members from asking questions of NMFA. The issue now is how to move forward. One of the members present expressed concern that if Mr. Schmitt was removed from the Board, it could open the possibility of a lawsuit.

Mr. Studebaker pointed out how this would only hurt the Association.

A second member asked whether it was possible that this would hurt the membership.

Mr. Studebaker reminded those present that it was important for the Board to be cohesive. Ms. Shurter repeated that the Board must work together.

Mr. Schmitt stated that he did not feel the loan was adequately discussed.

Ms. Kilburg explained that she feels it is crucial for a Board to deal with problems up front. It is unrealistic to expect 100% agreement, but there must be open communication.

Mr. Studebaker conveyed the fact that too much dissent drags out projects and adds to costs.

Ms. VanRuyckveldt made clear that this issue is nothing personal, but is about the Board needing to cooperate. She moved that the Board vote whether to keep Mr. Schmitt. Mr. Studebaker seconded the motion, and the motion carried unanimously. A secret ballot was passed out, the results of which are as follows: 4 voted in favor of keeping Mr. Schmitt, 3 voted against.

Paul Martinez, a member of the association in attendance made some comments. Mr. Martinez recognizes that the water system needs work. He expressed curiosity as to the comprehensive plan, and asked how meters for each household would help fix problems. Mr. Martinez is worried that installing meters at each household could cause leaks, and wonders whether meters for each home can be installed without replacing the remainder of the system. Mr. Martinez asked whether it might be helpful to install meters at strategic locations on the main lines to isolate leaks. He also added that he feels that seeking a loan is an undertaking that should be voted upon by the entire membership and wonders how we can prioritize areas for repair.

Ms. Shurter mentioned that there are regular water meetings, but these are poorly attended. She would welcome member attendance and input because it is hard to find workers, contractors and the like. The next water meeting is at 6:00 on October 26th at the fire station.

Ms. Kilburg noted that funding is difficult to get for associations that do not have meters at each household.

Ms. Star explained that the only other option for getting the necessary funding to improve the water system is internally generated funds in the form of an assessment.

5. Old Business

- a. Office Manager-The contract has been signed and Ms. Dickey-Folks has been working with Ms. Star, Ms. Shurter, and Ms. Lauer to begin system administration. More will be reported next month, since the contract only became official October 14th.
- b. CRA Termination-Termination with CRA (the former management company) is done and the changeover is progressing smoothly.
- c. Computer/Software Purchase-Approximately \$1,200 was spent on computer, software and bag. This computer will be used by the Office Manager, and is property of SLPPOA. Mr. Studebaker has all software installed and the computer is working well.

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- d. Architectural Control Letter-Letters are being sent to people who have not abided by the CCR's requiring all residents to submit their plans to the Architectural Control Committee before beginning work. Letters will be sent to 2 property owners who have built structures or additions they should not have. One property owner put plumbing in a garage that was not originally approved. The garage now has a toilet and bathroom sink, but does not meet qualifications of being a second residence. Ms. VanRuyckeveldt will do the final inspections. The "softer" of the two letters will be sent, requesting a form to check for compliance. A second letter will be sent if necessary to follow up. Ms. VanRuyckeveldt moved that this be the action taken. Mr. Studebaker seconded, and the motion was unanimously approved.
 - e. Snow Plowing Contract-Ms. Kilburg will contact Pete Meskimmen when plowing is needed. Their verbal agreement is for \$7,500-this will allow for Meskimmen to plow about 8 times. Ms. Shurter asked whether a contract had been signed. Ms. Kilburg said the contract could be written. Yvonne to follow up by paying Meskimmen, Ms. Kilburg will contact him when services are needed. Ms. Kilburg was offered several loads of dirt in exchange for some land, but the trade is not equitable. Ms. Kilburg moved to decline the trade and seek alternative sources of dirt for the road maintenance. Mr. Studebaker seconded the motion, and the action was unanimously approved.
6. Treasurer's Report: Financial Condition/Delinquencies-Ms. Lauer reported that the balance in the LANB account was \$27,056.00. The balance in the cash account was \$40,686.00, and the reserve account had a balance of \$19,762.00 as of September 30th. At the end of August, there were \$3,665 in delinquencies, but that number had decreased to \$1,393.00 at the end of September. Ms. Lauer is working on e-mail communication with Collier regarding the closing on the property. Ms. Dickey-Folks will follow up with Ms. Lauer about delinquents. She will also follow up on getting the electric bill paid. No shutoffs are needed as of September 30th, and Ms. Dickey-Folks will assist Ms. Lauer in communicating with those customers who are on a payment plan. We will also draft a letter regarding the new management, the single payment policy, the due date for member dues, and the possibility of working with the board to create payment plans in case of financial hardship.
7. Review and vote on 2011 Budget Allocation: The budget was presented with changes included as follows:

INCOME - Based on 10% increase		
	2010	2011
Income	\$90,520.00	\$99,572.00
2009 carryover	\$9,550.00	
Projected Uncollectibles		\$5,000.00

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Annual dues	\$584.00	\$642.40
EXPENSE BUDGET		
	2010	2011
Management Fees	\$7,695	\$5,100
Federal Income Tax	\$0	
Reserve Acct	\$6,000	\$2,000
Insurance	\$1,550	\$1,800
Admin	\$3,425	\$2,000
Legal	\$5,000	\$2,000
Property Taxes	\$50	\$100
Accounting*	\$2,700	\$1,560
Roads	\$29,200	\$25,000
Water System	\$19,660	\$25,866
Electricity	\$11,500	\$11,000
Certified Water Operator	\$13,000	\$15,000
NMFA Debt Service		
Total Expenses	\$99,780	\$91,426
Profit/Loss	\$290	\$3,146

Achieving these goals would require raising the annual membership dues for each property 10% to \$642.40. Ms. Dickey-Folks will work on gathering some historical data to support these allocations, and with Ms. Lauer will draft a letter to the membership explaining the new amount of dues. It was properly moved that the budget be accepted and the annual dues increased. Ms. VanRuyckeveldt seconded the motion, and the budget was unanimously approved.

8. Water System Status Report-Sean Flynn and helper began digging to locate leak/make repairs. Mr. Schmitt reported that as they were digging, they encountered a 14,000 volt electric line which was fairly shallow and right near the water line. He has called Jemez Mountain Electric Coop employees, and will continue to try to get in touch with supervisors about the safety issue and the possibility of getting the lines re-buried.
Ms. Shurter invited everyone to a water system tour on Saturday, October 16th at 10:00 a.m. beginning at the Fire Station.

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9. It was properly moved and seconded that the meeting be adjourned. The next meeting will be scheduled for November 9th at 7:15 p.m. at the Fire Station. The meeting was adjourned unanimously.