

VISTA REDONDA WATER & PROPERTY OWNER'S ASSOCIATION

PO Box 375, Tesuque, New Mexico 87574-0848

MINUTES OF THE BOARD OF DIRECTORS MEETING

Monday, November 5, 2012

The second meeting of the Board of Directors for 2012-2013 was held at the home of Susan Mize. Notice of the meeting was announced to the membership via email and website posting by Judy Simon. Mize called the meeting to order at 6:00 PM. Eight of the voting Board Members were present; the required number to certify a quorum was met.

PRESENT: Sue Mize, President; Chris van Schayk, Director, WA & POA; Phil Marineau, Director, WA & POA; David Rule, VP WA & POA; Susan Rule, Treasurer, WA & POA; JoAnn Ruppert, Secretary, WA & POA; Harvey Simon, Director, WA & POA; Harvey Stone, Director, WA & POA. Fred Meyer, Adj. Dir, WA & POA; Bill Berra, Technical Advisor, Roads.

NOT PRESENT: Judy Simon, Director, VP of POA;

Architectural Review Committee: Anna van Schayk, Jill Bossory

Vista Redonda Property Owners Present: David Stupin, David Pines, Suzy Pines, Haus Frauenfelder, Verena Frauenfelder, Marie-Noelle Meyer, Chris Brislaw

EXECUTIVE SESSION (CLOSED SESSION) VR Attorney, Mark Sheridan was present for this session. The discussion involved the Basham Property/Water Rights. *(Note: The NM Open Meetings Act requires generally that all meetings of a public body, such as the VRMDWCA, be public meetings. But there is an exception under the statute for meetings, subject to attorney-client privilege. See NMSA 1978, Sec.10-15-1(H)(7). Under this statutory exception, meetings of a public body with legal counsel for advice on a legal dispute that has not reached the courts, may properly be discussed in a closed session. If a meeting is "closed," under this attorney-client privilege, then the minutes (and therefore any oral report of it) need only state that the matters discussed in the closed session were limited to those*

matters specified in the motion for a closed meeting, or in the notice of the closed meeting. If a decision were made in that session, the statement that a decision had been made would be included in the minutes. In the case of the VR closed session, no decision was made. Therefore the Board had no obligation to discuss with the members of the Association the substance of any matters discussed in the closed session).

MOTION: van Schayk made a motion that the Board wait until the determination of the Office of the State Engineer (OSE) settlement with Vista Redonda, before responding further to the Bashams. This was seconded and carried unanimously.

The **Regular Session** commenced at 7:15 PM, at which time the VR Homeowners joined the meeting.

Minutes: Aug. 21, 2012 VR Annual Meeting & Aug. 23, 2012 Board of Directors Meeting: J. Ruppert stated that the draft Minutes had been presented to the Board and was still awaiting some additional comments before finalizing both documents.

FISCAL & ADMINISTRATIVE MATTERS: S. Rule presented the budget for 2012-2013 and opened by noting that the transition to new administrative personnel occurred on or around October 17th. S. Rule reported higher than expected legal fees resulting from review and revision of water and property owners' bylaws. She also noted that the Vista Redonda accounts showed over \$40,000 of accounts receivable from several years of Basham and Sussman unpaid invoices and questioned whether these these were appropriate charges.

Legal fees also included costs for the continuing suit with the Office of the State Engineer (OSE) and water rights issues with the Bashams. No lien has been filed on Sussman as he's not part of the VR water system. Rule stated that she would look into the Sussman issue further.

MOTION: Mize moved that the Basham charge be deleted due to inappropriate billing and that the billing of the current owners of the Sussman property be investigated in that regard as well (determine the potential of a Quit Claim Deed). H. Simon seconded and the motion carried unanimously.

BYLAW STATUS: P. Marineau reported that he, Keitha Leonard, David rule and Susan Mize had met with attorney Mark Sheridan, on September 21, 2012. Sheridan strongly recommended that there be separate Water Bylaws, and with the Homeowners Association being a voluntary organization, that it was not absolutely

necessary for separate bylaws, except as regards its relations with the VR Architectural Committee.. Leonard and her Committee decided that they would proceed with editing two separate sets of bylaws, one for Water and one for the Homeowner Association. A number of VR community members have been contacted to review the bylaws, with a deadline of November 16 set for responses.

It was noted that the Water Association is a legal entity while the Homeowner Association is a voluntary entity.

ROADS: Several VR Board members and Community Homeowners met with the County earlier on November 5th, with the County reporting that after further evaluation, the County recommends that Asphalt Paving be done from CR 592 to the 4-way Stop and from the 4-way Stop 1300 feet on Paseo Encantado Ne and 2500 feet on Paseo Encantado SW. This decision was made after the County conducted a traffic count from CR 592 to the 4-way Stop on VR Road in early September (and also partially based upon recommendations from the County Commissioner and County Manager at a meeting held on July 31, 2012.)

The first hurdle to getting the required funding is the bond issue for roads, which will be voted on November 6th. If that passes, VR's chances for funding will be greatly enhanced. All is on hold until the impact of the bond issue is known to the Santa Fe County Public Works. The County has stated that it will come to Vista Redonda soon to clean up the area around the 4 Way Stop and to clean up the roads. Re-engineering the dangerous areas in Vista Redonda, such as steep hills and curves will require an additional \$100,000.

Jill Bossory, who is a realtor as well as homeowner in VR, reported that she feels the condition of the roads is affecting property values. Bossory will contact the County with this information. Berra also stated that VR is currently at a standstill with the County regarding the current condition of the roads, and recommended that VR homeowners write to the Commissioner with their concerns; he also suggested that homeowners write a letter to our political representatives, with a cc to the County (Danny Mayfield). J. Simon will send Mayfield and other representative's contact information to VR homeowners so that they can follow up with letters.

WATER MANAGEMENT: D. Rule stated that Vista Redonda is under order from the Office of the State Engineer (OSE) to establish beneficial water rights of 20.08 acre feet, which is a significant percentage of our total water rights of 29.08 acre feet. VR must specifically establish this with wells 1a, 2, 5 and 6. Each well must establish 3 acre feet, plus 8.08 acre feet from the "Alto Ditch". These four specific wells pumped the cumulative requirement for 2012 by mid-September of this year. Rule also commented that the OSE requires pumping the wells in a particular pattern and that this

has been complicated in 2012 by the uranium issues and by multiple pump failures. When year-end data are available (e.g., early January 2013), the Application for Beneficial Rights will be submitted to OSE, such that approval from the OSE should thereafter be routine. Rule said that this approval will remove a long term “cloud” that has been hanging over Vista Redonda in this regard.

Overall Water Resource Status & Recommendations: Rule stated that the VR water right of 29.08 acre feet is the single most important communal asset of our community, and that the current rate of water consumption may not be sustainable in the long run. VR consumed an estimated 26.88 acre feet in 2012, as against the total water right of 29.08 acre feet. This leaves only about an 8% margin which is not adequate to support build-out of future homes, or excessive irrigation. Additionally the current well status is equivalent to 5 ½ wells, not 7. Four of these wells are good producers – 18 to 20 gpm- but 3 are not. Those three produce less than 10 gpm and there is not as much excess capacity or flexibility as might be hoped. Rule feels that the current strain on the system will probably result in the need for re-drilling or for more wells. Additionally, the general drought conditions appear to be reducing the shallow water table. This resulted in reduced well capacity-for example, in well 4 and increased uranium production such as in Well 3a. It is Rule’s Recommendation that Vista Redonda implement measures to encourage conservation. He suggested reinstating 163.5 Kgal/yr allotment and the rate schedule for the remainder of 2012-2013 (til end of June, but not retroactive). Rule also suggested initiating an allotment/rate analysis to be implemented in Fiscal 2013-2014. He stated that the initial work on this is in place and will be ready for discussion at the January 2013 Board Meeting. Rule also suggested that water rights for Multiple lot owners should be clarified, with the issue of how multiple lot owners acquire multiple water allotments. He recommended that a new rate structure be implemented in future, given the above concerns and that a subcommittee be formed to evaluate the issues at hand.

Rule also addressed the **status of the NMED Compliance Order:** Rule stated that he had just been advised that the NMED now requires 5 extra quarters of compliance, so that VR is now looking at 2014 in order to establish compliance. Well 4 is now compliant and as such will convert to a 3 year testing cycle. Well 6 should be compliant when the 4th quarter results are received and will also convert to a 3 year cycle. Well 3a is not compliant and possibly getting worse. Rule recommended a wellhead treatment system. He stated that VR could operate on 6 good wells and be compliant in future.

Last, Rule stated that Dennis Cooper will be resigning at the of 2012 but will complete the beneficial water rights application and year–end OSE reporting. Long term, the Board and community need to examine alternatives to the current management

structure. One example would be a single organization to provide engineering, reporting, operations and maintenance.

MOTION: Mize made a motion that a subcommittee be formed to develop strategies re water issues and to determine how aggressive VR must be in addressing these issues effectively. The motion was seconded and carried unanimously.

ARCHITECTURAL GUIDELINES: A. van Schayk stated that the board must wait for the Bylaws committee to finish their review/recommendation period before the architectural guidelines can be addressed. This will occur in early 2013.

VR WEBSITE: C. van Schayk stated that the subcommittee will interview several web site designers and make a determination on one in the near future.

DATES FOR REMAINING MEETINGS: Mize presented the following dates for Board Meetings in 2013:

Monday January 7, 2013

Monday, March 11, 2013

Saturday or Sunday, May 4 or 5, 2013 (Special Meeting for Bylaws Vote)

Monday, June 17, 2013

Tuesday July 16,2013 (Annual Meeting)

Motion: A motion was made and seconded that the Meeting be closed at 8:50 PM; the motion carried unanimously.

Respectfully submitted,

JoAnn Ruppert, Secretary