

**FINAL MINUTES OF THE Vista Redonda Homeowners Association
ANNUAL MEETING
OF MEMBERS**

Tuesday, August 21, 2012

The meeting was held in the ballroom of Four Seasons Rancho Encantado Resort.

President, Susan Mize, welcomed everyone and called the meeting to order at 4:10pm.

1. CERTIFICATION OF QUORUM

Annie Lewis certified a quorum, with 64 homeowners (out of 82 lots) present or represented by Proxy. Mize noted that the Board is operating under the 2004 Bylaws and will be until/if the community approves a split in the VR Water and Property Owners Associations.

2. APPROVAL OF MINUTES OF THE ANNUAL MEETING OF 2011 AND RATIFICATION OF BOARD ACTION

Motion: P. Frank moved to approve the minutes of the 2011 Annual Meeting. Nat Sloane seconded. The motion was carried; with one no vote (J. Berger).

3. BYLAWS (Water & Property Owner's Associations):

S. Mize stated that community concern has resulted in the Board's decision to table the proposed Bylaws for now. She stated that Keitha Leonard has agreed to head a special committee of VR members including several Board Members, to review and revise the Bylaws, this in order to formulate a compromise document suitable to community. A deadline of October 1st was agreed upon, for submittal of this draft document to the Board, for review.

A discussion by the VR community brought up several issues to be considered in this process; Holly Hayes expressed concern that the teams establish well defined objectives in order to build consensus in the compromise process. S. Berger noted that Vista Redonda will be able to be divided into two organizations once the Bylaws have been passed, if so desired by the VR Community. He further noted that the Articles of Incorporation are the relevant documents which need to be amended in order to initiate the division into the two organizations.

Motion: Carl Stern moved that the team headed by K. Leonard work on a draft document for presentation to the Board. P. Martineau seconded and the motion carried.

4. ROADS:

H. Stone stated that the one consensus among the community is that the roads in Vista Redonda are in very poor shape. He noted that the members should be very clear that although the County does want to know how the majority of VR Homeowners vote on this issue, the final decision will belong to the County.

J. Simon stated that **56** lot owners voted, with **38 (68%)** of the community voted for **base course** and **18 (32%)** preferred **paving** of all roads. On the issue of **partial**

pavement, 52 lot owners replied with **33 (63%) voted for**, while **19 (37%) voted against**. Partial paving would include the road from ST Rd. 592 to the 4 way stop sign and up/down the steep hills on Paseo Encantado NE and Paseo Encantado SW. The Director of Public Works, Adam Leigland, has stated that he feels it appropriate to pave the above-mentioned areas in the community. (It should be noted that 5 homeowners did not vote as they found the ballot on the roads unintelligible).

On the matter of contributing up to \$150,000 to the County to facilitate the road work, **34 voted FOR (61%) and 19 against**. In deciding whether to purchase materials for said roadwork, **61% voted against**. P. Frank noted that a mechanism might exist to fund the Homeowner's Association, sufficient to cover this contribution without the necessity for a special additional assessment.

In comments from the floor, concern was expressed regarding installation of guard rails if asphalt is used to pave the hills. Other concerns were that pavement would encourage speeding and the attendant issues for walkers and pets. Holly Hayes asked if the County could provide any objective reports on the safety of the various paving materials. S. Mize stated that she would raise this issue with the County. There seemed to be considerable agreement among the community that safety is the foremost issue and if asphalt is deemed the safest, a number of members would change their vote. K. Leonard will request engineering specifications from the County, so that Vista Redonda homeowners can make an informed decision.

Motion: F. Meyer moved that the Membership approve the Board negotiating with the County on roadwork, based on community preference, and that the Board be authorized to contribute up to \$150,000 toward said improvements, based on the type of road and county timetable. N. Sloane seconded and the motion carried 25 FOR and 9 AGAINST.

5. THE TREASURER'S REPORT:

P. Frank summarized the Treasurer's Report, stating Vista Redonda results for the year ended June 30, 2012 were almost exactly as budgeted for the Fiscal Year ending June 30, 2012. This excluded the contingencies for wells and uranium abatement which were not needed during the year. Ending cash for the fiscal year is approximately \$790,000. *See attached Documents for further detail*

Motion: Nat Sloane made a motion that the 2011-2012 Financial Report be approved. Phil Martineau seconded and the motion passed.

P. Frank also noted that the Budget for 2012-2013 is based on the splitting of the VR Association into the VR Water Association and the Property Owner's Association. Assuming a split for this fiscal year, no Water System Capital Reserve assessment will be made as a two year holiday has been proposed for Water System Capital Reserves. An assessment equal to the abated water reserve assessment will instead be implemented, on behalf of the POA, to create funding for road improvements. This assessment in 2013 should aggregate \$64,800 in the POA and a similar assessment will be made in the following fiscal year.

P. Frank noted that the aggregate Dues Structure for 2013 will result in a \$400 reduction in total assessments for each Property Owner. That is, for 2012-2013, the Water Operations fee will be \$1,000 (the same as the prior year); the Homeowners Operating assessment for the 65 Improved lots will be \$200 (same as prior year) plus the above noted special Assessment which will be \$800 (reduced from the prior year \$1,200 Water Capital Assessment). Dues will remain the same at \$80 and thus the AGGREGATE will be \$2080 instead of the \$2480 assessed for 2011-2012. For unimproved lots, the Homeowners assessment for 2012-2013 will be \$100. Water Operations Assessment will be \$500 and the dues of \$80, resulting in an AGGREGATE amount of \$1480. This is also a \$400 reduction from the \$1880 assessed in 2011-2012. *See attached document.*

P. Frank also noted that the Board will not use the \$150,000 designated for roads if it is deemed unnecessary.

Motion: C. Van Schayk made a motion that the community approve a two year holiday for water capital assessments, as described above. The motion was seconded and carried, with 5 votes in opposition. C. van Schayk made a motion that the community approve a two year special assessment for the Homeowner's Association (as described above). The motion was seconded and carried.

6. WATER MANAGEMENT REPORT:

D. Rule reported that uranium continues to be the largest issue. In 2009 the New Mexico Environmental Department (NMED) issued an Administrative Compliance Order to Vista Redonda, to provide water to the community at or below the revised EPA standard of 30 µg/l of uranium by January 2014. The VR Board initially intended to solve the problem by replacing the system. However, when the cost estimates escalated, the Board decided to investigate more cost effective options. As a result of further investigation, VR instituted a Well Assessment Program to systematically, and under controlled conditions, gather data on all wells. It was concluded that uranium concentrations could be reduced by implementing well purging protocols prior to sampling, and in some instances limiting well flow rates.

Currently three of our seven wells did not meet the EPA standard of compliance, but we have made progress in remediation; since implementing the well purge protocol and restricting flow, all wells have tested within NMED 30 µg/l standard, with one exception, Well 3a. Currently Wells 1A, 2, 5, and 7 are in compliance. Well 4 should be deemed compliant when the March NMED results are received, and Well 6 will require testing into 2013 to establish compliance. These 6 wells may be able to achieve the required water standard requirements, through simple sampling and operational changes – the results are encouraging.

D. Rule stated that Vista Redonda should be able to satisfy NMED requirements of the Compliance Order by mid-2013. He said that we have been in close contact with NMED and that they understand and are satisfied with the progress to date.

Well 3a, the “problem well”: VR just received a notice of violation from the NMED and a number of cost effective options are being evaluated:

- Decommission the well or designate it “for emergency use only”
- Institute Interval testing and consider a well work over, to identify and seal the high uranium producing zones
- Drill a New Well, using a pilot hole to identify and avoid high uranium zones
- Consider Individual Well-Head treatment/ Abatement to remove uranium
Lower cost technologies are evolving and currently entering the marketplace, which may help to address the problem in future

D. Rule stressed that all options are significantly less costly than a full system replacement and can be accommodated within the existing Capital Reserve, with no additional assessment required. He stated that there will continue to be future uranium issues, and that limiting uranium below the EPA limit will remain a long term problem. This is a Basin wide issue and it is possible that the EPA could further tighten regulations. VR compliance will require constant vigilance and response.

BENEFICIAL WATER RIGHTS:

Vista Redonda has a mandate from the Office of the State Engineer (OSE) to demonstrate beneficial use of a significant percentage of our existing total water rights. This has been a long standing issue with the OSE and they have placed us under an Order of Compliance. If VR does not use the water allotted to us, the amount will be reduced to current usage.

We currently have 20 acre feet of water rights in a total allotment of 29 . These water rights are in four specific wells: 1a, 2, 5 and 6. Having shifted our diversion to the four specific wells, our water rights should be secured by the end of September, 2012. The Board continues to look into buying more water rights and has put in a request with the State Engineer for an additional 15 acre feet.

7. ARCHITECTURAL REPORT:

A. van Schayk presented a report from the architectural committee and introduced two new members, Jill Bossory and Bill Larson.

8. SLATE OF OFFICERS FOR 2012-2013:

C. van Schayk presented the Slate of Officers for the Board of Directors, for the coming year:

Sue Mize, President
JoAnn Ruppert, Secretary
Susan Rule, Treasurer
Judy Simon, Director
David Rule,
Harvey Simon, Director
Christian van Schayk, Director

Harvey Stone, Director
Phil Marineau, Director

EX-OFFICIO-ARCHITECTURAL COMMITTEE- Non-Voting POA BOARD MEMBERS:

Anna van Schayk
Jill Bossory
Bill Larson

Adjunct Board Members:

Fred Meyer
Susan Waller

Motion: Nat Sloane made a motion to accept the slate of officers for 2012-2013; H. Simon second and the motion carried unanimously.

9. **RATIFY BOARD ACTIONS, 2011-2012:** S. Mize asked for comments from the community regarding any additional issues regarding the Board actions for the year. None being forthcoming, P. Marineau made a motion that the Board Actions for the year just ended, be ratified; this was seconded by N. Sloane. The motion was carried unanimously.

10. **NEW BUSINESS:** Marlene Frank asked if it would be possible to have the telephone equipment on SR 592, across from the entrance to Vista Redonda, be enclosed by a fence or screen to make it less of an eye sore near the entrance to the community. After discussion, M. Myerson said that she would spearhead a committee to approach CenturyLink on this matter.

J. Morris suggested that volunteers come forward who would be willing to help form a VR Service Committee to address a variety of community issues such as adopting sections of the VR roads and arroyos for clean-up, and putting together a phone tree and list for Members with 4-wheel drive vehicles who might assist in emergencies. He will spearhead this group.

M. Costello read a letter she had written, stating concern for the well being of the community.

MEETING ADJOURNMENT: There being no further business, H. Simon moved to adjourn the meeting at 6:20 PM. K. Leonard seconded and the motion carried unanimously.

Respectfully submitted, JoAnn Ruppert