

Tierra Grande Improvement Association, Inc.  
Board of Directors  
July 22, 2020

**Directors Present:** Carol Gasperetti, President  
Michael Sumner, Executive VP  
Judi Magnussen, Treasurer  
Jim Lardner, Secretary  
Rhonda Davis, Director

**Directors Absent:** None

**Administration Present:** Sue Moran, Administrator  
George Hobbes, Accountant

**Guest(s):** Michael Goff, ROW Agent, Western Spirit Transmission  
Chad Blunt, Supervisor, Western Spirit Transmission

**Audience:** None

Carol Gasperetti, President, called the meeting to order at 3:59 p.m.

**AGENDA:**

Ms. Gasperetti asked if there were any changes to the Agenda.

There was one correction: Call to Order: Correct to reflect: Ms. Gasperetti, President.

Other Items: Ms. Moran added the following items:

- Socorro Electric
- SunZia Transmission Line Project

There being no further changes to the Agenda, the Agenda was accepted as amended.

**EXECUTIVE SESSION:** The Board convened into Executive Session at 4:05 p.m.

To discuss a potential legal issue related to access to TGIA Open Space in Units 15 & 17.  
No decisions were made at this time.

The Board convened the regular Board meeting at 4:14 p.m.

**ACTION ITEMS:**

**Minutes:** June 24, 2020 Board Meeting

Ms. Gasperetti asked if there were any changes or corrections to the content or to the substance of the minutes. No changes were identified. There being no further discussion:

**Motion: Motion by Mr. Sumner, seconded by Ms. Magnussen to approve the minutes of June 24, 2020 as presented. No further discussion. Unanimously approved. Motion carried.**

**Annual Meeting and Election of Officers:** The Board reviewed the Bylaws and Articles of Incorporation as they relate to the Annual Meeting and Election of Officers. Discussion ensued.

Ms. Moran reported that she had spoken with John Hoffman, a candidate running for the vacant Director position. Mr. Hoffman understood the situation perfectly and was agreeable to waiting until the Annual Meeting can be rescheduled.

The following decisions were made:

- Re-schedule the 2020 annual meeting for Saturday, November 7, 2020.
- NOT to open the ballots received as of July 18, 2020 until the Ballot Committee meets just prior to the re-scheduled Annual Meeting date.
- Additional ballots will be called for at the November 7<sup>th</sup> Annual Meeting.
- Appoint Ms. Davis to fill the vacant Director position until such time as the election is held.
- Officers will stay in their present positions until the Board meeting following the election.

**Motion: Motion by Mr. Sumner, seconded by Ms. Magnussen to approve the decisions as outlined above relating to the rescheduling of the TGIA Annual Meeting to November 7, 2020, holding off the counting of Ballots for the Election of a Director, appoint Ms. Davis to fill the vacant Director position until such time as the election is held, and Officers will stay in their present positions until the Board meeting following the election. No further discussion. Unanimously approved. Motion carried.**

Ms. Moran was charged with reviewing the TGIA governing documents to assure that the action taken is in accordance with the Bylaws and Articles of Incorporation.

**Proposed Development in Unit 8:** The Board had reviewed the proposal presented by Core 1 Solar to potentially develop a solar facility on the west side of HWY 47 in Unit 8 which is zoned as C-2 – Community Commercial. It appears that the proposal solar project is in accordance with the Valencia County ordinance for C-2 zoning.

**Motion: Motion by Mr. Sumner, seconded by Ms. Magnussen to support the proposed development of a solar plant in Unit 8 of Tierra Grande. No further discussion. Unanimously approved. Motion carried.**

**Five Year Goals & Objectives:** Annually the Board reviews the status of the Five (5) Year Goals and Objectives for 07/17-06/22. Since the last review in July 2019 the following items have been addressed:

Achieved:

- Develop the Architectural Control Committee
- Develop and Implement Architectural Policy and Procedures - including establishing fees & fines for covenant enforcement.
- Develop and Implement Best Practices - as related by NM State HOA Act 497
- Revise / Update Web Site & Brochures
- Change Language in Foreclosure Orders – to reflect that future overbids will be deposited directly to the courts by the Special Master following the date of the sale

In Process:

- Develop a Consolidated Instruction Book of Office Procedures/Policies - Priority
- Transfer Overage Account Funds to State of NM Courts
- Evaluate Building a Fire Station / Community Room & Grounds in Tierra Grande

New:

- Evaluate Additional Internet Tower in Tierra Grande
- Develop and Implement Best Practices Related to Foreclosing on Vacant Lots
- Develop Policy / Practice to Off-Set Cost of Extension of Power Lines – to support owners building in Tierra Grande

**Motion: Motion by Ms. Magnussen, seconded by Mr. Lardner to approve the updates for the Five (5) Year Goals and Objectives as presented. No further discussion. Unanimously approved. Motion carried.**

**Gate for Leroux Drive:** Ms. Moran reported that dumping has occurred in Unit 3 of Tierra Grande. It appears that someone is using Leroux Drive to transport and dump trash and dead animals. There are no homes in the area, therefore little to no reason for anyone to access the area. Ms. Moran has reached out Valencia County Public Works for permission to install a gate with a combination lock, to prevent unnecessary future access to the area. So far, no has responded to the request. Ms. Moran will also reach out to the Juan Sanchez who is grazing his cattle in that area. No action by the Board is necessary at this time.

**Western Spirit Transmission Line:** Michael Goff, ROW Agent and Chad Blunt, Supervisor for Western Spirit Transmission Line joined the meeting at this time.

Mr. Goff and Mr. Blunt explained that there is a need to increase the width of a section of the easement in Tierra Grande Open Space as the line moves down through an area where there is a severe drop off. He also mentioned that there was a small amount that was due TGIA for

an adjustment to the previous agreement. Mr. Goff stated that Western Spirit is offering to pay TGIA \$3,825.69 for the adjustment due and the additional easement area.

Mr. Goff and Mr. Blunt were asked to leave the meeting at this time to allow the Board an opportunity to discuss the offer.

The Board discussed the offer then made the following motion:

**Motion: Motion by Mr. Lardner, seconded by Ms. Magnussen to approve the request from Western Spirit if they would add a \$3,000 signing bonus to the offer. No further discussion. Four (4) in favor, Mr. Lardner, Ms. Magnussen, Ms. Davis & Ms. Gasperetti. Mr. Sumner Abstained. Motion carried.**

Mr. Goff and Mr. Blunt re-entered the meeting. Mr. Lardner shared the Board's decision. Mr. Goff was not 100% sure that Western Spirit would approve the additional \$3,000 signing bonus. However, he requested that the Board President sign the amended offer which included the \$3,000 signing bonus. Mr. Goff will get back to TGIA if the bonus is not approved.

Conversation took place about the status of the project. Mr. Blunt noted that actual construction will begin shortly. Ms. Moran stated she will ask the members to avoid that area of the Open Space during the next few months.

Mr. Goff and Mr. Blunt left the meeting at this time.

**Units 15 & 17 Removal of Protective Covenants by Majority Owner:** The Board reviewed the draft of the following materials:

- Revised - Amendment to Protective Covenants
- Revised - Notice of Association
- Notice to Landowners impacted by the Removal of the Protective Covenants

Discussion took place primarily around the issue of Tierra Grande's right to release roads. The Board reviewed the language contained in the recorded plat maps for these 2 Units. It is clear that these roads were dedicated to the public. It was agreed that the Revised Amendment to the Protective Covenants should reflect that TGIA does not have the authority to release the roads.

Ms. Moran noted that the Revised Notice of Association cannot be filed until such time as the Revised Amendment to the Protective Covenants is filed as the date of the Protective Covenant filing must be reflected on the Notice of Association.

Ms. Moran was instructed to adjust the Revised – Amendment to Protective Covenants to reflect that the release of roads in Units 15 & 17 are not within TGIA's authority. Once, the updates are made, Ms. Moran will email the amended document to the Board for review and to motion for approval or disapproval.

Discussion took place regarding whether to charge or prorate the 2020 Annual Assessment to the four (4) owners affected by the removal of Units 15 & 17 from TGIA oversight. Decision was made not to charge the owners for any portion of the 2020 Assessments.

Discussion also took place regarding owners who may want to stay with the Association and are willing to pay the Annual Assessment. Was there some other fee that TGIA could designate for these owners? Ms. Moran stated that payment of the Assessment is a vote. TGIA is obligated to do things for these paying owners. She recommended that if someone wanted to make a donation to TGIA for example the Open Space that would be fine.

Ms. Gasperetti wondered if TGIA would still offer assistance to these non-members? Ms. Moran reported that there are a lot of people who are not members who receive copies of our newsletter, who ask for maps and other information, and some who request permission to access the Open Space. We have always done our best to practice good customer service regardless of membership.

**Motion: Motion by Ms. Magnussen, seconded by Mr. Sumner to approve the Revised Notice of Association as presented as well as not to charge the four (4) owners impacted by the removal the Protective Covenants in Units 15 & 17 for the 2020 Assessments. No further discussion. Unanimously Approved. Motion carried.**

**FINANCIAL REPORT(s)** – The Financial Report for period ending June 30, 2020 was reviewed.

There being no questions or discussion the Financial Statements for the period ending June 30, 2020 will be placed in the record for audit or review.

## **OLD BUSINESS**

**Draft Policy – Extension of Power Lines:** Ms. Moran provided to the Board the draft of the proposed policy to offset the cost of extending power lines roadside for individual landowners if the extension of power will prove beneficial to other landowners. Attached to the draft was a worksheet example. Ms. Gasperetti asked about the time frame – will the cap be applied on the fiscal year in which the request was made or the fiscal year in which the payment is made? Further discussion on this topic was tabled until the August 26, 2020 Board meeting.

**Mineral Rights:** Ms. Moran will follow-up with our Attorney, Karla Poe, to address the situation of CapitalFund/s assignment of the TGIA's mineral rights for Black Butte to another person.

**Insurance Quote:** Berger Briggs Insurance has not responded to TGIA's request for an insurance quote to date.

## NEW BUSINESS

**Why Subsequent Developers:** Ms. Moran provided information as to the reasoning behind Horizon's decision to name majority owners as "subsequent developers" exempt from Assessments. Any one of these entities could feasibly take over the TGIA Board of Directors.

- PetroYates – Majority owner of Valencia County Unit 4 = Would have 360 votes as a member
- CapitalFund – Majority owner of Socorro County Units 9, 10, 11, 12, 16 and Valencia County Unit 19 also is the owner of lots in other Units where they are not the majority owner. Would have 840 votes as a member
- Marcland – Majority owner of Socorro County Unit 5. Would have 568 votes as a member
- Total 1,760 potential votes as members

Ms. Moran noted that it is likely that PetroYates will remove the Protective Covenants from Unit 4 at some point in the future. She shared that Tierra Grande will look very different in the coming years but she firmly believes that TGIA will continue.

**Updated Projected Revenue:** The Board reviewed the updated projected revenue worksheet which reflected the removal of income from Units 15 & 17 and reduction of revenue in Unit 4 as more lots in that Unit are being purchased by PetroYates (subsequent developer).

**Annual June 30<sup>th</sup> Analysis of Unpaid Accounts:** The Board reviewed the spreadsheet breakdown of unpaid Assessments broken out by year 1, 2, 3, 4+. Revenue collection improved a little this year, however, those accounts 4+ years in arrears has significantly increased from year to year. It is clear that foreclosure sales have a significant impact on reducing the outstanding revenue balance. It is important that TGIA hold a foreclosure sale annually.

**Foreclosure Criteria – Vacant Lots:** The Board reviewed the Foreclosure Criteria Measures Worksheet for determining which vacant lots that are 4 or more years in arrears meet the measures that move a property forward to our attorney to begin foreclosure proceedings. There are 7 measures. The minimum criteria measure to meet is 4 of the 7.

Ms. Moran provided a breakdown of the 196 lots that are 4 or more years in arrears. No property met 6 or 7 of the measures. 18 lots met 5 of the measures. The Board noted that this system of measures was a fair process for selection. The Board recommended that those properties meeting 5 of the measures be forwarded to our attorney to begin foreclosure proceedings.

## OTHER ITEMS

**Socorro Electric Co-Op:** Ms. Moran reported problems that TGIA owners who are planning to build in Tierra Grande are experiencing with Socorro Electric. She has reached out to Joseph Herrera, General Manager of SEC, in an effort to help resolve some of the issues.

**SunZia:** Ms. Moran informed the Board that representatives from SunZia have reached out to TGIA regarding a proposed powerline through TGIA's Abo Arroyo. Representatives would like an initial meeting with the Association. Tentative meeting scheduled on Monday, July 27<sup>th</sup> at 1:00 p.m.

**ADJOURNMENT:** Ms. Gasperetti adjourned the meeting at 6:17 p.m.

**Next TGIA Board Meeting:** The next meeting is scheduled for Wednesday, August 26, 2020 at 4:00 p.m.

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Signature

/sdm: Minutes06722/2020

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Date Approved