

Tierra Grande Improvement Association, Inc.
ANNUAL MEETING
July 19, 2024

Directors Present: Rhonda Davis, President
Michael Sumner, Executive Vice-President
Jim Lardner, Secretary/Treasurer
Richard Moore, Director
Trenton Moore, Director

Administration Present: Sue Moran, Administrator
Ron Robbins, IT/Operations
Sandy Schauer, Newsletter Editor
George Hobbes, Ballot Chair

Guest Speaker: Lee Baldwin, CPA – TG 2023 Annual Financial Review

TG Members/Guests: 52 Present (42 Members & 10 Board/Staff/Guests)

11:00 – 11:45 Call to Order – Rhonda Davis, President

Ms. Davis, Board President, called the meeting to order.

Call for Ballots.

Ms. Davis announced that anyone who had not voted or who had an election ballot. turn it into Mr. Hobbes at this time.

After calling the meeting to order, Ms. Davis introduced and thanked individual TG staff, Board of Directors, Committee Members, and guest speakers for their contributions to TG.

President's Remarks

Ms. Davis took a moment to pay respects to the memory of Judi Magnussen. Judi worked hard to support members by serving on the TG Board of Directors for over 18 years. Judi was the Architectural Control Chair, and served in the positions Treasurer, President, Vice President, Secretary and Director. Judi loved Tierra Grande, and her many contributions have supported the integrity and mission of the Tierra Grande Improvement Association.

Another person who served as a cornerstone of our Association is George Hobbes, TGIA's accountant for over 35 years. George kept us on the straight and narrow financially. His knowledge of not-for-profits helped us traverse the IRS requirements for an entity such as ours. While George officially retired from service as our accountant at the end of 2023, he continues to support our efforts. He willingly answers financial questions related to TGIA and

he is here today serving as Chair of the Ballot Committee. We cannot thank him enough for his guidance and expertise.

Today we add Michael Sumner to our list of those to be grateful for. Michael is celebrating his 30th year of service to our Association. Michael has served as President, Vice President, Secretary, Treasurer and Director. His experience in financial matters has helped Tierra Grande become fiscally strong and responsible. We could not have had a better guide along the way. It may interest you to know that Michael's main reason for joining the TG Board back in 1994 was his interest in protecting our Big Horn Sheep population. A successful venture to this day. On behalf of Tierra Grande and the Big Horn Sheep for his leadership and dedication, a framed photograph of Big Horn Sheep in the Tierra Grande Open Space was presented to Mr. Sumner.

President's Remarks - MEMBER SURVEY 2023 – Status Update – Rhonda Davis

Last year we asked the members to prioritize matters before Tierra Grande. (There is a copy of the Member responses in your Annual Packet if you would like to follow along). I've a brief update to provide.

1. Create water supplies (tanks) at strategic areas in TG for use by the fire departments to fight home fires and wildfires - 91% YES.

Now that we know a Fire Station in Tierra Grande is not feasible:

- TGIA has purchased a property with a well at the intersection of Military HWY and Diablo as the first phase of this endeavor.
 - a. Fencing the lot will begin within the next few weeks.
 - b. Pricing for a tank, solar pump, fire hydrant has been obtained. It is hoped that this well will be up and operational before the end of the year.
- TGIA owns a property on Fachada Loop off Diablo near the foothills. SunZia, the transmission line company has agreed to have a well drilled at no cost to TGIA. Well drillers are hard to find and even then, they are running months behind in their work.
 - c. Fencing the lot will begin within the next few months.
 - d. Pricing for a tank, solar pump, fire hydrant has been obtained. It is hoped that this well will be up and operational before the end of the year.
 - e. Discussions with the Valencia County Road Department, Wildland Fire, and the Rio Communities Fire Department regarding Mutual Aid Agreements for Road maintenance needs and fire suppression will be forthcoming.

Discussions with the Valencia County Road Department, Wildland Fire, and the Rio Communities Fire Department regarding Mutual Aid Agreements for Road maintenance needs and fire suppression will be forthcoming. It is our hope that these hydrants and tanks, once operational, might help to lower the cost of homeowners insurance for some residences in Tierra Grande.

2. Partner with an internet provider to provide cost-effective, quality internet in the community - 87% YES.

Transworld Network has been working these past 2 years to bring a second tower into our community to serve the residents in the foothills. Socorro Electric (SEC) is partnering with the company Red Bolt to bring broadband internet to the rural areas. The plan is to string the broadband lines alongside the current power lines. SEC has started in the southeastern area of their coverage territory. We hope to hear something about our community within the next year or two.

3. Enhance TGIA website - 77% YES.

Many enhancements have been made to the TGIA website. Ron Robbins, TGIA IT/Operations, will speak more about that subject in his presentation.

4. If a fire station is not feasible, explore the possibility of moving the Tierra Grande office and community room closer to the TG main entrance at Mallette & HWY 47 - 74% YES

The TGIA Board has discussed the possibility of moving the Tierra Grande office and potential community room closer to the TG main entrance at Mallette Dr. & HWY 47. Between the cost of construction, the ongoing maintenance, the increased property taxes, the insurance costs, and the increased risk of break-in's when the office is closed, it does not seem to be the best use of TGIA funds. The Board would rather use funds in other ways to improve our community at large such as Open Space protection, entrance beautification, road improvement grant to Valencia County for replacement of a cattleguard at Manzanita and for the improvement of Mallette Dr. using an experimental binding product called Permazyme as well as fire suppression efforts. Trenten Moore, TGIA Director, will speak more on the topic of roads and efforts to beautify our entrances later in the meeting.

5. Meet with local realtors to promote TGIA - 71% YES

Sue has met with local realtors representing Rio Communities, Belen and Los Lunas. TGIA has joined the Greater Valencia County Chamber of Commerce. These realtors and the Chamber of Commerce have been provided with TGIA brochures. The Chamber distributes our For Sale By Owner catalog through and eblast to its membership and community.

6. Create a new brochure showing the benefit of moving to the TG Community – 64%

Along with updating TGIA's logo, the installation of new billboards, and the updated website, the TGIA brochure has been updated and distributed. Each of you has a copy of the brochure included in your meeting packet. Sue Moran, TGIA Administrator, will go over some of the information in the brochure during her presentation. TGIA has also taken on the task of printing the newsletter in-house, which has saved over \$6,000 annually.

7. Update TGIA promotional video – 62%.

The Board discussed the possibility of updating the TGIA promotional video. TGIA staff have been monitoring the number of times the current video on the TGIA website has been accessed. There appears to be little interest from the public. Therefore, currently, a new video is not being considered.

8. Increase funding for current Grants and/or add new Grants – 55%

The Board is in the process of reviewing and updating grants. Some grants, such the Road Improvement grant, may be limited to a one time per owner. The Conservation grant will be split into two separate grants. One for Solar/Power conservation and the other for Water conservation. No change in the grant amount is expected. The biggest change will be in the Power Line Extension grant. Instead of the grant being based on the number of lots the power line improves, it will be based on the number of utility poles needed to reach the destination. Any / all these changes will be provided to members either through email notification and/or on the TGIA website. Members will have 15 days to review and comment on the proposed changes.

Nothing is ever as easy as it seems. The Board of Directors has the best interests of our members in mind and will continue to move forward to achieve your goals.

Treasurer's Report - Jim Lardner, Acting Treasurer

Jim Lardner, Acting Treasurer, reported that for the period ending December 31, 2023. TG continued to be stable and in excellent financial shape, with our economic condition remaining very liquid. He reviewed along with the audience the year ending 2023 Cash Budget and the proposed 2024 Budget. He explained that the Budget is now broken out in two (2) parts. - -

- Assessment Budget which is made up of mandatory operating expenditures that are funded by the collection of member assessments and interest on delinquent account.
- Discretionary Budget which derives its income from other sources and is used to fund non-essential expenses such as grants, common area improvements, and foreclosures.

Mr. Lardner shared the following:

1. Governing documents and IRS regulations are clear, TGIA is NOT a developer. We could lose our tax-exempt status. We cannot use more than 10% of our assessment revenue on projects that might be considered improvements.
2. Assessment revenue must cover our day-to-day operation costs. Assessment/Interest Revenue estimated to be around \$193,500. Operating expenses are estimated to be around \$197,500. Leaving a budget deficit of \$4,000.
3. The increase in the insurance premium from \$10,000 to \$50,000 – reasons outside of our control – TGIA has not had any claims. Next best quote came in around \$114,000 annually.

4. Alternate sources of income: SunZia/El Rio Sol income for easements through our Abo Arroyo has ended for the most part. Interest on savings, tower site rent, grazing leases, HOA/TTF fees, ACC fees/fines, and from time to time TGIA lot sales – are used for funding non-essential costs such as grants, road projects, entrance beautification, and foreclosures.

Annual Financial Review Report for 2023 – Lee Baldwin, CPA

Auditor Lee Baldwin reported on TG's 2023 Annual Financial Review. He noted that there were no findings. Mr. Baldwin went on to review the document page by page with the audience, noting any unusual changes from the prior year. There were two transactions of note: The payment from El Rio Sol for a transmission line easement through Tierra Grande's Abo Arroyo and the increased cost of liability insurance. Mr. Baldwin recognized that TG is fiscally conservative, maintains excellent records and works hard to follow State and Federal law changes.

There were no questions from the audience at this time.

11:45 – 12:00: Roads & Entrance Beautification – Trenten Moore, Director

Trenten Moore, TG Director, shared with the audience the following information regarding roads in Tierra Grande and entrance beautification possibilities:

Roads:

Tierra Grande does NOT own the roads in our community NOR are the roads in our Community exclusive to Tierra Grande. Horizon, the original developer of our community dedicated the roads to the GENERAL PUBLIC back in 1973 and were accepted by the Valencia County and Socorro County Commissions, respectively.

- The County Commission accepting the platted roads does NOT mean they accepted those roads for maintenance.
- For those of you who have properties in Socorro County – that County will NOT maintain any road in Tierra Grande.
- For those of you who have properties in Valencia County – That County will only maintain roads on which there are homes and have been accepted by the County for maintenance. If a home is built on a road not on the County maintenance list, it is up to the landowner, once their home is built, to petition the County to accept the road for maintenance.
- These are the primary reasons TGIA developed Grants for road and culvert improvements.
- Now that additional funds are available the Board has also approved grants for the Counties to improve roads in Tierra Grande such as the 1-mile experiment of Perma zyme on Mallette, replacing the cattleguard at Manzanita. It is our hope that the partnership with the County road departments will continue to help improve the roads in our community.

Entrance Beautification:

- Seems like a great idea – simple to implement – not so. The problem is that the inside of the fence line along 47 is owned by individuals, while outside of the fence line along 47 belongs to the State of New Mexico. The lights were an easy solution – or so we thought. The Valencia County Road Department thinks that the State Highway Department may frown on our efforts.
- Therefore, the only place TGIA can beautify the entrances in Valencia County is within the current road easement (which VC has agreed to allow). Since the roads are only about 24 ft. wide but the actual easements at over 60' wide there is room for beautification but what design is safe for autos. It only makes sense to use the current entrance structures and figure out how to beautify them. We've volunteers who are willing to design and make signs and others who are willing to help install the signs. Since the consensus of the members is to keep the red tile roof at the Mallette entrance, we will be re-painting our name and hopefully adding our logo. We were hoping to do some plantings and/or add large rocks around the bases of the entrances but that may be a safety hazard. If you have ideas, please send them our way.

At this point there were comments from the audience regarding issues with Diablo Road in Valencia County. Mr. Moore reminded people that TGIA does not own nor maintain the roads. That owners can contact the TGIA office regarding road issues. The staff will forward that information to Valencia County. Owners can also contact Valencia County Directly.

12:00-12:15: TGIA Website Updates – Ron Robbins, IT/Operations

Ron Robbins, IT/Operations reported that the TGIA website has undergone several updates in response to recommendations from the members. Our website has been simplified to reduce the duplication of information. There is now a search bar for looking up documents and other information. Also added is an Announcement Bar to draw attention to updates and other essential information.

Mr. Robbins added that the video of today's Annual Meeting along with the documents associated with the meeting will be uploaded to the TGIA website under "Member Meetings" so those who could not attend in person or via Zoom can watch the entirety of the meeting.

TGIA will continue to work to improve our website in response to member comments.

12:15-12:30: Administrator's Report – Sue Moran

Ms. Moran reviewed with the audience TGIA's member benefits brochure. Found on the back of the brochure are the four (4) responsibilities of the TGIA Board. As your representatives they take these responsibilities seriously, with great consideration to securing the long-term future of Tierra Grande.

Here are the foundational principles of this Board:

Point 1 - Monitoring compliance with and enforcing the protective covenants:

- Currently we are tracking twenty-two properties that are during some sort of Architectural Control review, variance, non-compliance, and liens.
- During 2023 TGIA collected over \$4,000 in fees and fines, placed or renewed twenty-three liens, sent out twelve warning letters, and approved twelve structures,
- Semi-annually we contact each of these owners' requesting information regarding the status of their Covenant related issues.
- The ACC meets annually to discuss / review issues.
- TGIA responds to all concerns received from our members on covenant related issues. Ron Robbins, IT/Operations, is the chief investigator of such complaints.

Point 2 – Adopting & publishing rules and regulations governing the use of TG property:

- The Board has outlined rules regarding activities that take place in TG Open Space
- The Board's adoption of policies such as Architectural Control Fees & Fines, Liens, Foreclosures, and Grants, have enhanced TG's efforts to uphold the protective covenants while remaining a welcoming, supportive community.

Point 3 - Establishing assessments and collecting annual charges and all other charges referred to in the Indentures/Protective Covenants:

- The Board's decision in 2019 to increase the assessments in 2020 was a difficult but necessary one. It had been 25 years since the assessments had been increased. While TGIA has received funds from various partnerships. These funds cannot be used to pay for general operating expenses. Our Auditor was clear, ONLY assessments and interest on assessments collected can be used to fund our day-to-day activity.
- This is the primary reason the Board created a discretionary budget to fund grants, enhance our entrances, fund projects with the County to improve our roads, replace cattle guards, etc.

Point 4 – Preserving the Open Space

- The Board has made every effort to preserve the pristine, natural habitat of the Open Space for your enjoyment. No trespassing signs have been installed at every easement. The combination to the locks is changed annually and our Open Space Steward, Kim Pravda, works with NM Game and Fish to assure that no hunting occurs within our footprint.
- Paying for the construction of water tanks and fire hydrants in two strategic locations near the Open Space
- Developing agreements with Wildland fire and the local fire department to use our new fire hydrants for fire suppression
- Paying the insurance for the Open Space which amounts to around \$40,000 annually.

12:30-12:45: Drawing(s) – Michael Sumner & Richard Moore

Michael Sumner and Richard Moore, TG Board Directors, drew the names of the winners of door prizes. Many prizes were donated through the generous spirit of TG members.

White Tickets:

- Dragon Fly Metal Garden Stakes - handmade by David Venenga
- 2 Trees – donated by owners of the Natural Burial Cemetery
- Various Plants – donated by Alexa Roberts
- Bottle of Wine – donated by Holly Woelber
- Gift Cards (5 in total) to local dining establishments – donated by TGIA.

Red Ticket – Grand Prize Prizes

- Kangaroo Blanket – handmade by Holly Woelber
- Quilt - handmade by Judy Venenga.

12:45-1:00: Election Results – George Hobbes, Ballot Committee Chair

At this time Mr. Hobbes reported the following election results:

- 182 Ballots were cast, totaling 237 votes.
- One (1) write in vote for Michael Scott
- 236 votes for Richard Moore – elected to the TG Board of Directors

Questions & Answers

Members of the audience had the opportunity to speak directly with the audience, Board members, speakers and staff on a variety of issues.

Details can be viewed in the video recording posted on the TGIA website under “Member Meetings”.

Adjournment

Ms. Davis adjourned the meeting at 1:15 p.m.

Signature

Date Approved

/sdm:Minutes071924