



*Doña Ana Mutual Domestic Water Consumers Association
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The following are the minutes of the Regular Meeting of the Doña Ana Mutual Domestic Water Consumers Association Board of Directors, August 17, 2023 convened at 9:05 a.m. in the Doña Ana Mutual Domestic Water Consumers Association Board Room located at 5535 Ledesma Dr., Las Cruces, NM 88007:

Call to Order & Roll Call

President Melton called the meeting to order at 9:05 a.m. and called roll:

Secretary/Treasurer – Kurt Anderson, (arrived at 9:35 a.m.)

Board Member – Brian Clouse, Present

Board Member – Clayton Berryman, Present

Board Member – Brian Cox, Present

A Quorum was declared.

Others in Attendance:

Legal Counsel- Josh Smith

Executive Director- Jennifer Horton

Office Manager- Margo Lopez

Executive Assistant- Shelby Morales

Approval of Agenda

Mr. Clouse moved to approve the agenda as presented; the motion was seconded by Mr. Cox. The chair called for discussion of the motion. Ms. Horton requested to have

item number 2; Acknowledgement Award removed. Mr. Clouse moved to approve the agenda as amended, Mr. Cox seconded, there was no further discussion, and the motion passed unanimously by roll call vote 4-0.

Minutes

Mr. Berryman moved to approve the Regular Board Meeting Minutes of July 20, 2023 as presented; Mr. Cox seconded. There was no further discussion, and the motion passed unanimously by roll call vote 4-0.

Customer Issues and Public Input

Ms. Horton shared a member from the Picacho Hills area purchased property, had his home built on that property and acknowledged he was aware of the easement placement. He has requested to build 6.5 feet into the 20-foot utility easement in the back of home to install a pool. Ms. Horton stated she had not granted his request as the request would interfere with the 10-foot separation required for the water and wastewater utility lines. She further shared; in Picacho Hill the county has not allowed us to go into the road under pavement for utilities for any types of replacement. She mentioned there are a group of homes in that area that have easements in the front and the back of their homes. She mentioned their utilities all come out the back of the home and connect to the water line and wastewater line down below their home not in front of their home, not like a traditional subdivision. Ms. Horton expressed her concern should the Association need to dig next to the pool, depending on the type of pool he builds, it could undermine that pool and she does not want to put the Association in that predicament. This member has requested that she ask the Board of Directors to reconsider his request to build 6.5 feet into the 20-foot easement to install his pool and further discussion ensued. After discussion, the Board of Directors agreed they would not grant any sort of variance.

Board President Report

President Melton stated there have been no significant issues brought to his attention. He further stated with the periodic power interruptions in District 1 he does his best to keep Ms. Horton informed.

Staff Reports

Ms. Horton stated financials have been provided for the month of July. She reviewed the Check Listing Report and pointed out a large check for half a million dollars issued to Spartan Construction. Ms. Horton explained Spartan had not been paid in nearly 3 months as they did not follow State Wage Rates. Therefore, she had not released their progress pay apps until they had their payroll straightened out with their employees, at the request of the State of New Mexico. She further stated everything else was standard. Ms. Horton led the discussion on the Budget Report. She advised it is the first month of the fiscal year for the Association and they will see a high income. She stated we do not normally have a high income in revenue, except in the summertime. Ms. Horton pointed out other expenses, the grant revenue, grant expenditures and matching funds. She further stated although we are sitting in the negative there are other receivables coming in within the next week or so. Ms. Horton stated this will be a tight year. She reviewed the Balance Sheet Report and stated it is a current cash position. Ms. Horton stated the Income Statement matches and ties back to the budget.

Ms. Horton provided a written report and reviewed the Project Updates. She stated she is actively working with Bohannon Huston to finalize the development policies for the Water and Wastewater Standards to ensure the language sets the expectations for construction and capital projects. They are finalizing the inspection fees, testing, inspections to be done by the developer, the water rights, development fees, GIS standards, construction standards and all policies associated.

Ms. Horton reported on the Dona Ana Village Lift Station and Force Main Project. She stated the project is progressing slowly and reported they have started on the lift station this week. Ms. Horton shared they have asked for a change order (90 days) due to utility conflicts with Zia Gas. She further stated 811 requirements had not been followed and she is having a tough time with this change order. Ms. Horton stated she believes the contract will go over without the 90-day extension and further discussion ensued.

Ms. Horton shared that she is getting ready to finalize the Southeast Collection Final Phase and received closing instructions from USDA. She stated at this time there is no date for the pre-construction meeting. However, she would expect one in the next 30 days. Ms. Horton further stated the project is a 315-day job with the base bid and 2 alternatives that have been awarded and 345 days to completion. Ms. Horton shared as the additional phases are added, additional time will be added. She continued to state during the pre-construction meeting the contractor would let her know what their schedule would be and what could be anticipated.

Ms. Horton reported on the Dona Ana Tank Rehab Project. She shared the project is on hold until mid-September and stated they will start on the 2-million-gallon tank at the North tank site. Ms. Horton further stated that the project is scheduled to be completed at the end of February.

Ms. Horton reported on the Picacho Hills Sewer Main Protection Project. She stated the design is complete. She further stated she is currently waiting on 3 easements and the project can go out to bid.

Ms. Horton reported on funding applications. She stated she has the \$15 million scheduled for closing to begin the Southeast Collection Project and stated USDA approved the \$3 million cost overrun application. She further stated once she closes in the next 30 days \$1.2 million will be reimbursed.

Ms. Horton reported on Colonias Infrastructure. She stated she is still waiting on USDA to sign off on the \$91,000 loan that goes along with the \$910,000 for the construction funding application for the Dona Ana Village Lift Station and Force Main project that has been approved and awarded. She further stated it has been over a year since she requested their concurrence. She mentioned there are 7 other projects also being held up by USDA.

Ms. Horton shared she has received the \$1.9 million from Colonias Infrastructure for the design of the West Mesa water system, which will rehab the existing system as well as expand the service area to an unserved area. She did clarify it was design money only and will seek construction funds later. Ms. Horton stated this has also gone to USDA for their concurrence and mentioned it could be another 6 – 8 months before they sign off on it. Ms. Horton further reported she received \$6 million for the Southeast Collection Project to go along with the \$18 million that USDA will need to concur on.

Ms. Horton shared she has applied for the Drinking Water State Revolving Loan for approximately \$1.5 million for the new Lead and Copper Rules program and is waiting to see where the Association will rank on the priority list. Ms. Horton shared as a result of revising the guidelines and policies there would be a delay on getting out the first quarter priority list to determine how much subsidy will be given.

Ms. Horton wrapped up the financials with the two planning grants for the water and the wastewater master plans. She stated they were \$50,000 each. She further stated they will recommend approval for \$50,000 for wastewater and \$37,500 for water as result of the water rates being below the state's average. Ms. Horton reported this is going to the New Mexico Finance Authority Board (NMFA) this month and expects to have grant documents by next month. Ms. Horton further shared she is actively looking into Water Smart grants to help offset meter costs for Water Smart with EPA.

Ms. Horton reported on subdivisions. She stated she is waiting on a new plat to be provided by Vista Rancho for their 1,300 lots.

Ms. Horton shared she is waiting on the resubmission for Desert Oaks Subdivision, which was for 187 residential lots in Picacho Hills, with one commercial lot for a club house.

Ms. Horton stated Buena Suerte Subdivision on Valley is now 217 lots. She stated they are moving forward as she has had the contractor, developer, and the engineer all reach out to her. She stated she is waiting to hear back on how they plan to get their wastewater line to the city and whether they will be going down Valley or Motel.

Ms. Horton reported the Reyes West Wind Subdivision is 9 lots off West Wind Road. She stated plans were received and given back as they did not meet all the necessary conditions for review as water rights were not provided. Ms. Horton is waiting for a complete package to be returned.

Ms. Horton reported on Other Matters. She stated a State Certification for a Water Level 2 was obtained this month. Ms. Horton further stated there are several others scheduled for the test this month as well.

Ms. Horton provided a Water Rights update as well as a Project Funding Report.

Ms. Horton stated the applications for the Southeast Collection project are currently being accepted and have received 476 completed applications for connection.

Ms. Horton provided a written Customer Service Report, Operations Report, and a Well Data Table for review.

Ms. Horton pointed out the Pump vs Sold report as that report reflects the Association made more water than what was sold. She reminded the board while the wells were down the city had supplemented water to the Association. Ms. Horton shared she is looking into additional well sites to help with this. She stated she has obtained 3 exploratory well permits and met with the well driller this week. She further stated they will start the first pilot hole at the South tank site by early next week. She continued to state they will drill about 800 feet while sampling every 100 feet. Ms. Horton stated quality samples will be pulled to meet the State / EPA standards and then move on to the second pilot hole at Valley and Taylor while waiting for the results of the tests. She mentioned the results could take 60 to 90 days to return from the lab and further discussion ensued.

*Dr. Anderson arrived at 9:35 a.m.

Ms. Horton stated there have been 3 resignations since the last board meeting, 2 from Operations and 1 from Customer Service. She shared she would not be filling the office vacancy. However, she will be adding a third kiosk to put in the lobby to take payments.

President Melton inquired about the annual audit. Ms. Horton stated she is shooting for mid-September.

President Melton inquired about the status for the rate study. Ms. Horton stated Mr. Brown is close to being done. Ms. Horton shared she asked him to get the Association as close as he can to the state average to be eligible for grant funding. She reported the Association sits approximately 8.5% lower than the state for government water utilities and further discussion ensued.

New Business

None

Unfinished Business

Dr. Anderson moved the Approval of New Members New Meters; the motion was seconded by Mr. Berryman. The Chair called for discussion of the motion. There was no further discussion, and the motion passed by roll call vote 5-0.

Dr. Anderson moved the Approval to Purchase Land for future tank and well site the motion was seconded by Mr. Cox. The Chair called for discussion of the motion. Ms. Horton shared the need for additional well sites and the conflict of interest that she has with the owners. She stated she would talk about the land and withhold any opinions. She proceeded to state she selected this location because it is near our current

tanks, it's fairly flat, and near other infrastructure we own, making good sense from a logistical standpoint. She continued to state there would be no need to run any new line work to make the wells or tanks work at this location and shared Bohannon Houston agreed. Ms. Horton reported she did not know who the owner was for the property until she pulled up the parcel maps. She proceeded to state she ordered an appraisal and the land appraised at \$300,000 for 3.3 acres and \$25,000 is income from the billboard on the land. Further discussion ensued. There was no further discussion, and the motion passed by roll call vote 4-0. Mr. Clouse abstained due to his conflict of interest with the property owner.

Dr. Anderson moved the Approval of Resolution 2023-16; South Central Council of Government District 7 the motion was seconded by Mr. Berryman. The Chair called for discussion of the motion. Ms. Horton stated this is for the membership in the South Central Council of Government, which we have been members of for many years. She further mentioned for as long as she has been with the Executive Director she has always sat on the board and now with new board members she is leaving up to them to appoint someone or if anyone has an interest as designee and alternate to sit on the board. Ms. Horton stated the last 5 years she has been the designee and Ms. Lopez has been the alternate. President Melton stated he believed Ms. Horton and Ms. Lopez would be best to represent the Association or that decision should be left to the Executive Director to do as she sees fit. There was no further discussion, and the motion passed by roll call vote 5-0.

Dr. Anderson moved the Approval of Resolution 2023-17; Water and Waste System Grant Agreement SE Collection Project the motion was seconded by Mr. Berryman. The Chair called for discussion of the motion. Ms. Horton stated this is for the Southeast Collection project recently awarded. She stated she previously applied for

roughly a \$15.1 million grant / loan combo. She further stated it was not sufficient to fund the project and went back and USDA allowed a 20% cost overrun. Ms. Horton stated she applied for an additional \$3 million for a this grant agreement, now a total of \$18,302,100.00 coming from USDA, she continued to state of that \$12,927,100.00 is grant, the rest is a loan. Ms. Horton stated this grant agreement supersedes the original agreement and further discussion ensued. There was no further discussion, and the motion passed by roll call vote 4-0. Mr. Clouse abstained due to his conflict of interest.

Dr. Anderson moved the Approval of Resolution 2023-18; Loan Resolution Security Agreement SE Collection Project the motion was seconded by Mr. Berryman.. The Chair called for discussion of the motion. Ms. Horton stated this was discussed in the previous action taken for the Approval of Resolution 2023-17; Water and Waste System Grant Agreement SE Collection Project. There was no further discussion, and the motion passed by roll call vote 4-0. Mr. Clouse abstained due to his conflict of interest.

Board Open Discussion

None

Adjournment

Dr. Anderson motioned to adjourn at 10:25 a.m., with a second from Mr. Clouse. The motion passed unanimously 5-0.



Secretary/ Treasurer

10/19/23
Date