



Doña Ana Mutual Domestic Water Consumers Association
Mailing Address: P.O. Box 866 • Doña Ana, NM • 88032
Physical Address: 5535 Ledesma Dr. • Las Cruces, NM 88007
(575) 526-3491 Office • (575) 526-9306 Fax

The following are the minutes of the Regular Board Meeting of the Doña Ana Mutual Domestic Water Consumers Association Board of Directors, November 7, 2019 convened at 9:00 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 9:00 a.m. and called roll:

Vice President – Jamie Stull, Present

Secretary/Treasurer – Kurt Anderson, Present

Board Member – Paul Maxwell, Present

A Quorum was declared

Others in Attendance:

Legal Counsel- Josh Smith

Executive Director – Jennifer Horton

Approval of Agenda

Dr. Maxwell moved to approve the agenda as presented; the motion was seconded by Dr. Anderson. The Chair called for discussion of the motion. There was no discussion.

The Chair called for a vote on the motion. The motion carried by roll call vote 4-0.

Approval of New Members & New Meters

Dr. Anderson moved to approve the New Members and New Meters as presented; the motion was seconded by Mr. Stull. The Chair called for discussion of the motion. Discussion was made by Ms. Horton. Ms. Horton referred to the New Members and New Meters list. She pointed out there were 22 names on the list. She stated 14 were new members, 8 of them are existing members with other properties. Mrs. Horton also advised the board 7 of them involved new meters. There was no further discussion.

The Chair called for a vote on the motion. The motion carried by roll call vote 4-0.

Minutes

Dr. Maxwell moved to approve the Regular Board Meeting Minutes of October 17, 2019 as presented; the motion was seconded by Mr. Stull. The Chair called for discussion of the motion. Discussion was made by Dr. Anderson with regards to a typographical error on page 4, line 4; the word "oversite" should be corrected to "oversight." Mr. Stull referred to page 5; bottom of the page, second line; "7,588 penalties" should reflect a dollar amount; "\$7,588 penalties." President Melton further addressed the following corrections to be made: page 5, 7th line; "legislatures" to "legislators," page 7, first line; "consistently ran" to "consistently seen," and page 7, last paragraph; "current electric" to "Current Electric." President Melton further suggested a comma after File Construction in the same sentence. President Melton suggested clarification to the last sentence of that page; "upsizing transformers" to "upsizing transformers for the wells." The following paragraph, page 8; "confirmed well is done" to "the drilling for Well 10 is complete and waiting for the new pump and motor to arrive." Page 12, third sentence; "this is the RIP Loan Resolution" to "this is the Loan Resolution..." and page 13, 5th line; "county kicking septic providers out..." to "county no longer accepting our sludge." President Melton also addressed corrections to be made to page 13, 8th line; "decided a while back" to "it was decided in a

previous meeting” and a final correction to page 16, 4th line; “she would need to meet the demand...” to we would need to meet the demand...” There was no further discussion and with the agreement to editorial changes, Dr. Maxwell moved to approve the notes as amended with a second by Dr. Anderson.

The Chair called for a vote on the minutes; the motion carried by roll call vote 4-0.

Customer Issues and Public Input

Mr. Crespin, Deputy Fire Chief of Dona Ana County Fire Emergency Services addressed the Board of Directors with his concerns regarding a six-inch water line. He stated they are looking to remodel and expand the fire station. Mr. Crespin expressed he has met with Ms. Horton on more than one occasion to discuss an issue that is very critical to the fire department and has crippled the ability for this project to move forward. He further explained the issue is the impact fee for the purpose of connection to a six-inch water line at the fire station. Mr. Crespin stated they were not opposed to paying their responsible dues for the plan review and connection but are concerned with the amount of the impact fee for a six-inch water line at the cost of \$144,000.00 for the suppression system at the fire station. He further stated this was not going to impact the service system of Dona Ana MDWCA. Mr. Crespin continued to explain if there was an activation, the rule for activation would be one or two of the sprinklers would set off. Therefore, the impact would be fifteen gallons per minute. He continued to state he hardly believed fifteen gallons to be an impact, if the six-inch line was to be used for its intended purpose. Mr. Crespin stated he guaranteed Ms. Horton they would not utilize any of that water for any other purpose but suppression. He also stated he would be willing to put in writing. He further mentioned the annual inspection, as required by code uses one hundred gallons when it is tested. He stated the policy states Dona Ana MDWCA would not charge or cannot charge for water used for purpose of suppression during fire fighting efforts. Mr. Crespin stated he would

further ensure the system is designed with alarms to help keep checks and balances in order. The alarms would indicate anytime there would be a change in water pressure. A flow switch will alarm and activate. The fire station would be monitored 24 hours a day and 365 days a year. Mr. Crespin would also ensure a second call would be placed to Dona Ana MDWCA to inform the Association water has flowed through the system. He further stated the fifteen gallons per minute or the one hundred gallons a year from the annual testing performed would not impact the service provided by the Association. Mr. Stull asked why the need for a six-inch line when a recommended two- inch line would meet the demand of fifteen gallons and the hundred gallons for annual testing. Mr. Crespin stated the design was based off the six-inch line that currently exists outside the fire station and it would provide them the pressure needed to eliminate the need for a booster station or reservoir tank. Ms. Horton asked what psi was needed. Mr. Crespin stated the psi required was 20 by the time it reaches the end of the system. Ms. Horton stated a residential line would provide 60 to 80 psi and would be more cost effective. Mr. Crespin further stated the engineer based the design off the six-inch line. Dr. Maxwell asked how many other fire stations have a six-inch line for fire suppressions. Mr. Crespin stated they are currently installing a six-inch line at the Moon Gate system. President Melton asked if Mr. Crespin has examined the cost of the county providing a booster pump system vs the impact fee of \$144,000. Mr. Crespin stated the booster station and the needed equipment would exceed the cost of the impact fee. President Melton stated once the Association installs a six-inch line it is committed to provide a demand at full capacity, at any given time. He further stated the Association currently is not designed to meet that type of demand, whether it is used or not. President Melton stated a standard residential line will provide fifteen gallons per minute. Ms. Horton stated other fire stations are using a two-inch line for fire suppression. Mr. Crespin stated he has no other choice but to return to the engineer as all his resources have been exhausted.

Board President Report

President Melton stated things are moving along nicely in Radium Springs with higher water pressure. Ms. Horton stated the pressure of 90 psi was reported at the last reading and was a little high. She further stated with some adjustments it should be set at 80 psi. President Melton asked the board if they had anything to report. There were none. President Melton advised the Board of Directors, both Dr. Anderson and Mr. Smith were successful in their campaigns for the positions within the Water Conservation Districts. Dr. Maxwell asked Dr. Anderson if he would continue to serve on the board. Dr. Anderson stated yes.

Staff Reports

Ms. Horton discussed the reports.

Ms. Horton presented the revised organizational chart, updated with names.

Ms. Horton continued with the Financial Reports. She stated this is where the checks will be found for August and September. Ms. Horton stated the larger checks on the report are for projects currently in construction. Ms. Horton asked if there were any questions. There were none.

Ms. Horton continued with the Budget Report as of 9/30/2019. She stated revenue was 1.57 million and expenditures slightly under 1.1 million with a difference of \$471,958.52. It was reported there was 70% of revenue remaining and 81 % of expenditures remaining.

Ms. Horton moved on to the Balance Sheet. Ms. Horton explained this report is a snap shot as of 9/30/2019. She expressed the report is close to what was reported last year. Ms. Horton further stated there are reimbursements pending and the Association is in a very

good cash position. Ms. Horton mentioned having a strong cash position would be very critical to one of the projects, which she advised would be discussed further into the meeting. Ms. Horton asked if there were any questions. There were no questions.

Ms. Horton referred to the Income Statement dated 9/30/2019 which ties back to the budget report. It reflects income of 1.57 million and approximately 1.1 million in expenditures. Ms. Horton stated this was standard for the department. Ms. Horton asked if there were any questions. There were no questions.

Ms. Horton advised the board the auditors were to arrive November 19th and expects the audit will go well.

Dr. Maxwell asked Ms. Horton where he would find the board payroll on the report. Ms. Horton stated it would be under bank draft; EFT. She further stated it would list the name of each board member. Ms. Horton stated there were no board meetings in August. She stated September checks would be reflective in October's report.

Ms. Horton handed out the construction project list requested by Dr. Anderson at the last board meeting. She stated the three current projects; District 5- Wastewater Treatment Plant, Radium Springs and Southeast Collection. Ms. Horton stated the project description listed the vendor/contractor, budget/contracted price, amount paid vs amount remaining and percentage remaining. Ms. Horton mentioned there would not be another project going to construction for about another year. Ms. Horton asked if there were any questions. There were no questions.

Ms. Horton discussed the current projects. She mentioned Radium Springs is going well. The booster station went online this week and the Indian tank was tied over to the new line.

The additional connections to Soldier tank is currently being made. Ms. Horton advised the board there is an outage in Radium today and there will be a series of outages over the next couple weeks while lines are being capped, and final tie ins are being completed. Ms. Horton stated the system is at a 90 to 95 psi with still a few lines to be capped. Once it is flowing there will be a few more pressure checks along with any necessary adjustments at the booster station to stabilize the system.

Well 9 and 10 have been drilled and completed. All the analytical reports have come in for Well 10, pump tests have been completed and pumps have been ordered. Analytical reports for Well 9 have been taken and should take about 40 to 45 days to get in. At which point, we will know the water quality and where pumps should be set. Ms. Hortons stated pump test will be completed and pumps will be ordered.

Ms. Horton discussed El Paso Electric designing the new transformers. Ms. Horton stated the ability to run power to both Well 9 and Well 10 is currently available. However, the line that is feeding them is fried. Ms. Horton stated we will be running new lines rather than running the risk of impacting the new pumps. Ms. Horton stated there would be a single transformer to serve all three wells. Ms. Horton mentioned the contract will extend approximately 4 months; about 120-day process. It will allow El Paso Electric 30 days for design, 30 days for the contract to be signed and about 30 to 60 days to get power in. The booster station will be pulled once the wells go online. Ms. Horton stated she is pleased with the progress of this project.

Sewer Treatment Plant is moving along and is about to start the by-pass pumping phase. Ms. Horton stated the clarifiers have been poured and have met the concrete break of 75% of the seventh day mark. She mentioned they have started backfilling. She further stated once filled and secured they will start equipping new clarifiers. She mentioned at the

completion of the EQ basins and the RAS chambers, basins 2 and 3 would be pulled and drained to begin rehab. During the rehab of basins 2 and 3, she stated we would function on the large basin 1 and little basin 4. She stated the final phase of the project would be the rehab of the digester. Ms. Horton advised we would still meet permit requirements to remain compliant.

Ms. Horton discussed two agreements; one for Bohannon Houston and one for Mr. Smith, which both relate to the USDA Funding; 15 million for the Southeast Collection Project. She further stated her conversation with USDA advised her to obtain a loan; Interim Financing or a Bridge Loan from the start of construction to cover all engineering fees, permits and bidding. Ms. Horton explained, at the start of construction we will submit a request to USDA, and they will pay off the loan. Ms. Horton stated the anticipated interest to be \$74,000. Ms. Horton advised the board that the Association is in a strong cash position to carry out the project in house. The first payout application would be a reimbursement to the Association. Ms. Horton stated to the board her recommendation would be to carry out the project in house and not obtain a Bridge Loan. Dr. Maxwell inquired about the loan amount and Ms. Horton stated about a million to 1.1 million for the Bridge Loan with a calculated interest of \$74,000. Ms. Horton mentioned she would like for it to benefit the customers. Rather than spending it on interest, she would like to have more connection fees covered for the customers. Dr. Maxwell asked what was in reserve. Ms. Horton stated there was 1.6 million in reserve, 1.4 million in the bank with a total of 3 million cash available. Ms. Horton further stated USDA is quick to reimburse once the process starts, which usually takes about twenty days. Ms. Horton asked the board for their thoughts on her recommendation. The board agreed with Ms. Horton's recommendation.

Ms. Horton discussed the development of Legends West and mentioned it is approved and will start construction on the water side in about 2 weeks.

Ms. Horton stated Elks View is almost done.

Rancho de Gallo was reported as not progressing and Ms. Horton is uncertain on a completion date.

President Melton inquired about Casa de Oro. Ms. Horton advised they have submitted plans addressing comments back to Bohannon Houston. Ms. Horton further added she believed there were still some issues with what has been proposed.

Ms. Horton mention on October 18th there was an email stating the next submittal for Thurston should be in March, with the understanding all three phases would be completed at once.

Dr. Maxwell asked if there was an agenda available for the New Mexico Rural Water Conference. Ms. Horton stated it was sent to her and she would have it printed for everyone by the end of the meeting.

Dr. Anderson inquired about the meeting minutes posted to the website. Ms. Horton advised Dr. Anderson all minutes have been posted and are current, except for the October 17, 2019 minutes. She further stated once corrections have been made and minutes have been signed it will be posted. Ms. Horton continued to state minutes are sent out early for review prior to the board meetings.

New Business

None

Unfinished Business

Dr. Anderson motioned to approve the Contract 632634; Souder Miller and Associates as presented; the motion was seconded by Dr. Maxwell. The Chair called for discussion of the motion. Discussion was made by Ms. Horton. Ms. Horton stated the contract is for Souder Miller and Associates to pull together all easements, in attempt to obtain all necessary easements for Phase IV Southeast Collection, also known as the alternates to Phase III Southeast Collection. She continued to explain these easements have to do with private roads and will allow the project to move forward. Ms. Horton stated the project is funded through Coloinas and mentioned we had two years to spend it. Ms. Horton stated we would have to satisfy \$93,500. She stated we had \$15,000 to cover easements, \$40,000 would come from our operating funds, which would be considered our 10% matching component for that project. Dr. Maxwell asked if this was an amended contract to the original. Ms. Horton stated it was. President Melton asked if there was any further discussion. There was no discussion. The Chair called for a vote on the motion. The motion carried by roll call vote 4-0.

Dr. Anderson motioned to approve the Contract #2018-06- Task Order #1; Bohannan Houston as presented; the motion was seconded by Dr. Maxwell. The Chair called for discussion of the motion. Discussion was made by Ms. Horton. Ms. Horton stated this is the contract to have Bohannan and Houston complete Preliminary Design, Final Design and ROW for the large Southeast Collection project, funded by USDA. Ms. Horton reviewed the cost for the preliminary design at \$482,729.00, final design at \$385,153.00, bidding and negotiation phase at \$25,000.00 and the construction phase of \$274,182.00; with a lump sum of 1.1 million. Ms. Horton advised the board the \$274,182 construction phase does not need to be paid prior to construction and will be covered by reimbursement while construction happens. President Melton asked if there was any further discussion.

There was no discussion. The Chair called for a vote on the motion. The motion carried by roll call vote 4-0.

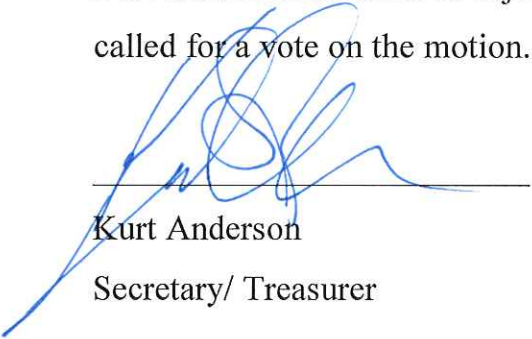
Dr. Maxwell motioned to approve Legal Services Agreement; Watson Smith, LLC as presented; the motion was seconded by Dr. Anderson. The Chair called for discussion of the motion. Discussion was made by Ms. Horton. Ms. Horton stated USDA wanted a separate agreement specific to the project. Ms. Horton stated the contract should not exceed \$10,000. President Melton asked if there was any further discussion. There was no discussion. The Chair called for a vote on the motion. The motion carried by roll call vote 4-0.

Open Discussion

None

Adjournment

Dr. Anderson motioned to adjourn at 10:25 a.m., with a second from Mr. Stull. The Chair called for a vote on the motion. The motion carried by roll call vote 4-0.



Kurt Anderson
Secretary/ Treasurer

11/21/19
Date