



Doña Ana Mutual Domestic Water Consumers Association
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The following are the minutes of the Regular Board Meeting of the Doña Ana Mutual Domestic Water Consumers Association Board of Directors, June 2, 2016, 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- Mr. 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- Raymond Ponteri, Present

Others in Attendance:

Executive Director- Jennifer Horton, Present

Approval of Agenda

Mr. Anderson moved to approve the agenda for the June 2, 2016 Regular Board Meeting as presented; the motion was seconded by Mr. Stull. The Chair called for discussion of the motion. The Chair called for a vote on the motion; the motion carried by roll call vote 4-0.

Minutes

Mr. Anderson moved to approve the Regular Board Meeting Minutes of May 19, 2016 as presented; the motion was seconded by Mr. Stull. The Chair called for discussion of the

motion. President Melton corrected a few grammatical errors as well as adding a few missed line items of importance with regard to the fiduciary responsibility of the Board Members. Mr. Anderson moved to approve the Regular Board Meeting Minutes of May 19, 2016 with the modifications; the motion was seconded by Mr. Stull. The Chair called for a vote on the motion; the motion carried by roll call vote 4-0.

New Members & New Meters

Mr. Anderson moved to approve the New Members and New Meters list as presented for May 2016; the motion was seconded by Mr. Stull. The Chair called for discussion of the motion: Executive Director Jennifer Horton advised there are twenty (20) names on the list consisting of thirteen (13) new members, six (6) new meters, and one (1) new sewer connection. The Chair called for a vote on the motion; the motion carried by roll call vote 4-0.

Customer Issues and Public Input

No Customer Issues or Public Input

Board President Report

Mr. Melton reported we successfully completed our public meetings with regard to the new rate study conducted by Carl Brown. Mr. Melton is surprised by the lack of public input.

Staff Reports

Executive Director

See Attachment A

New Business

No New Business

Unfinished Business

Mr. Anderson moved to approve Item Three (3) Approval of Construction Contract for District Five (5) Water System Improvement Project to General Hydronics; the motion was seconded by Mr. Ponteri. The Chair called for discussion of the motion. Mrs. Horton advised prior to entertaining the contract award to General Hydronics we have to identify that General Hydronics has donated to an unnamed political campaign. We do have to confirm these contributions did not go to any of our Board Members campaign. By roll call each Board Member confirmed zero campaign contributions from General Hydronics:

Ray Ponteri – No

Kurt Anderson – No

Jamie Stull – No

James Melton – No

Mrs. Horton recommends we award the contract with the exception of removing deduction number three (3) for demolition of the existing tank. We will recommend a rehabilitation of the tank as an alternative. The engineering estimate was around \$3.6 million and General Hydronics base bid came in at \$1,856,306.27. General Hydronics comes highly recommended from the City of Alamogordo; with references from Holloman Air Force Base included in the endorsements. Mr. Ponteri questioned what is the plan or reasoning for the rehabilitation of the existing tank instead of the demolition. Mrs. Horton explained the proposal is to reduce the size of the tank to around eighty (80) to one hundred (100) thousand gallons so that it can act as a buffer zone for water pressure. This will reduce the chance of blowing a main line in the event that the technology that controls the booster station was to fail. The worst case scenario of the

technology failing would be an overflow of water from the tank instead of major destruction on ten (10) inch water lines and asphalt. Mr. Ponteri asked if this would assist with the pressure issues in the Coronado Ridge area. Mrs. Horton advised this will not assist with the pressure issues in Coronado Ridge; this will resolve the issues on Picacho Mountain. The difficulty with Coronado Ridge is the development design of being fed water from the bottom up, instead of from the top down. If we turn the booster station pressure up too much to accommodate Coronado Ridge we will blow lines for everyone else. We do try to regulate the pressure as much as possible, but a few properties in Coronado Ridge will have to purchase their own personal pressure tank to add on to their systems. Mrs. Horton has provided these suggestions with references to the upset home owners, but there is nothing we can do about the lack of pressure at this time. This is a problem we inherited and are trying to resolve as best we can, but this strictly comes from the design element of the development. These homes sit too high above the existing tank. The Chair called for a vote on the motion; the motion carried by roll call vote 4-0.

Mr. Anderson moved to approve Item Four (4) Approval of Contract 6324372 for Fairview II Water System Improvement Project, Utility Locating Design Phase to Souder, Miller, and Associates as presented; the motion was seconded by Mr. Ponteri. The Chair called for discussion of the motion. Mrs. Horton explained this is to expose where utilities lie in order to finalize plans for the Fairview II Water System Improvement Project. We have called for utility location three (3) separate times, and have received three (3) different findings; as a result we have allotted digging at four (4) main points to locate the actual lines. This will prevent us from accidentally striking a hidden utility or discovering our lines do not fit where we have designed them to be installed. Costs for this are extremely minimal considering how exorbitant hitting a hidden line could be or become conscious of a lack of space; Souder, Miller, and

Associates have proposed a total work plan price of \$4,963.00. The Chair called for a vote on the motion; the motion carried by roll call vote 4-0.

Mr. Anderson moved to approve Item Five (5) Approval of Contract 6323931 for Additional Construction Time for the Water System Improvement in the Railroad Right-of-Way to Souder, Miller, and Associates as presented; the motion was seconded by Mr. Ponteri. The Chair called for discussion of the motion. Mrs. Horton explained the Railroad Project was originally slated to coincide with the Dona Ana School Road project; however we did not receive permits in time. This portion of the project was pulled. The costs and scope of work presented are consistent with what was originally scheduled with a request for an additional thirty (30) days for completion; thus resulting in a sixty (60) day project at a work plan cost of \$24,645.00. The Chair called for a vote on the motion; the motion carried by roll call vote 4-0.

Mr. Anderson moved to approve Item Six (6) Approval of Contract 6324321 for District 5 Wastewater Treatment Plant Improvement Project to Souder, Miller, and Associates as presented; the motion was seconded by Mr. Stull. The Chair called for discussion of the motion. Mrs. Horton clarified this is the project we have discussed at several meetings however each stage does need approval from the Board. This portion is for the approval to allow for the design of District 5 Wastewater Treatment Plant Improvement Project at a projected cost of \$288,149.00 through New Mexico Environment Grant Funding. These costs comprise the field survey and mapping, preliminary design, and final design. The Chair called for a vote on the motion; the motion carried by roll call vote 4-0.

Mr. Anderson moved to approve Item Seven (7) Resolution 2016-07 Infrastructure Capital Improvement Plan (ICIP) for FY 2018-2022 as presented; the motion was seconded by Mr. Stull. The Chair called for discussion of the motion. Mr. Anderson

asked what the difference is between this ICIP and last years. Mrs. Horton explained five (5) projects have been completed which resulted in a shifting up and prioritizing of other projects; however, nothing new has been added. Mr. Melton asked if this includes all of the Picacho Hills arroyos. Mrs. Horton explained this does not include all of the arroyo issues in the Picacho Hills areas, only the one along Barcelona. We need to address the protection of our assets due to the potential risk of possible sewer line breaks. The other two arroyos are being further evaluated. The Chair called for a vote on the motion; the motion carried by roll call vote 4-0.

Mr. Anderson moved to approve Item Eight (8) Approval of Resolution 2016-08 10% match for CIF 3507 as presented; the motion was seconded by Mr. Ponteri. The Chair called for discussion of the motion. Mrs. Horton clarified CIF, Colonias Infrastructure 3507, is for the \$1.2 million that we received from Colonias Infrastructure to build the connection between Picacho Hills and Fairview. This funding source requires the Association to match ten (10) percent of the project. This Resolution is to allocate the 10% of Associations funds in the event Federal money will be is not available, which results in \$120,000. The Chair called for a vote on the motion; the motion carried by roll call vote 4-0.

Mr. Anderson moved to approve Item Nine (9) Approval of Resolution 2016-09 Changes to the Water and Wastewater Rates as presented; the motion was seconded by Mr. Stull. The Chair called for discussion of the motion. Mrs. Horton advised we have had our work session and three public meetings. This rate study and tier change is a very good thing for the Association. Mrs. Horton suggested we adopt the Rate Study recommendations with the exception of the capacity rates. Capacity rates are something we as an Association need to be very careful with in order to encourage new members and further growth. The rate changes would go in to effect August 1st, 2016 if approved;

we will publish this in the newsletter once the details are finalized. Mr. Ponteri recommended we update the Resolution to clarify Mrs. Horton's endorsements as right now the Resolution appears to adopt both the Rate Structure and the Capacity rates; that way we show we are only adopting the rate changes for meter size based service charges for water and waste water to proceed from an eight tier rate structure to a four tier rate structure. Mrs. Horton confirmed this would provide transparency by separating the Rate Study into two sections: pages one through eighteen are the water and wastewater changes, and the capacity rate changes are on pages nineteen and on. Mr. Melton asked about the 3.5% increase per year. Mrs. Horton advised she is recommending reviewing this year by year instead of setting a resolution to increase per year. Mr. Melton wants to clarify this rate study is for the sustainability of our Association; a residual increase is considerably more proactive than realizing toward the end of the year we have to charge our members a lump assessment due to budgeting concerns. Mr. Ponteri would like to see these projections in next year's budget to show the upcoming capital influx we have anticipated. Mr. Ponteri posed a question on behalf of Mr. Hayhoe who was unable to be present for this meeting: How are we advertising the rate structure changes? Mrs. Horton stated this will not only be published in the newsletter, but will also go out in an update for those who have elected to receive email notifications. We are excited about the billing policies we are retiring: rounding up for water and wastewater and the set service fee. Customers will now be billed for actual usage. The Resolution was modified to reflect: "Rate Chart" instead of "Rate Analysis" on line one. Line two was updated to add "self-sustaining and adjusted appropriately". Mrs. Horton will include the rate table with the Resolution to reflect the new rate structure for our members. The Chair called for a vote on the Resolution with the proposed modifications; the motion carried by roll call vote 4-0.

Open Discussion

Executive Director Horton advised our Attorney, Lee Peters, is retiring as of October 1st, 2016. We have placed a Request For Proposal (RFP) advertisement in both the Sun News and the Albuquerque Journal for General Counsel in preparation for Mr. Peters' retirement. Mrs. Horton explained at this time we are not seeking a Litigation Specialist; we are pursuing counsel with water rights expertise. If a suit were to come about the Association would seek a Litigation Specialist for whatever the case may be. Mr. Ponteri counseled there are all purpose firms who carry various types of specialists on site. Mrs. Horton confirmed this is why we ran the advertisement in Albuquerque. If the Association elects to hire a firm that is located in another part of the state we would establish a phone conference system in order to reduce costs of onsite counsel. Mr. Peters will finalize and/or train the new firm with regards to any pending items. Acknowledgements for the RFP are due June 8th; proposals will be due by June 17th. The target date for hiring a new firm is August 1st. Mr. Melton and Mr. Anderson will join Mrs. Horton as the selection committee to evaluate the proposals that are received.

Mr. Anderson brought to attention our lack of a Board Member for District Three (3) and needing to fill the vacant chair. Mr. Ponteri suggested placing an article in the Association Newsletter to try to encourage the community of District Three (3). Mr. Anderson would also like to remind the community of District Three (3) that until a Board Member is elected they can call on any of the other District Board Members with concerns or questions.

Mr. Anderson brought to the Board's attention allegations from a member with regard to the proper handling of the finances within the Association. Mr. Ponteri stated that he was part of the discussion Mr. Anderson is referring to and that the member did not make any such allegation. The member was offering a hypothetical situation that could occur if

accounting controls within an organization are lacked. The Association does note any such claims are unfounded and without merit. If a community member has issues with the Association they are encouraged to attend public meetings with evidence of their concerns, otherwise gossip is discouraged entirely.

Mr. Ponteri inquired on where we are at with regard to the review of the personnel medical back pay. Mrs. Horton has spoken to the Dona Ana MDWCA auditor as well as our legal counsel Mr. Peters. Our auditor has suggested issuing a W-2 for taxable benefits as an option. We also have the opportunity to charge each employee until all payments are reimbursed. Mr. Peters does not endorse the W-2. Mrs. Horton asked the Board if they have a particular preference as every applicable employee will be subject to the final decision. Mr. Stull inquired on what would happen if Mrs. Horton and Mr. Peters disagree with regard to if the W-2 is the chosen method for handling this issue. Mr. Melton wants to be absolutely certain whatever choice we make does not have ramifications in adherence with the Anti-Donation Clause. Mrs. Horton confirmed she is researching which choice would be best for the Association in reference to following all policies and statutes. The members of the Board agreed to leave the matter to Mrs. Horton to finalize and report back.

Adjournment

Mr. Ponteri moved to adjourn at 11:09 A.M.; the motion was seconded by Mr. Stull. The Chair called for a vote on the motion: and the motion carried by roll call vote 4-0.



Kurt Anderson

Secretary/ Treasurer

7/7/16
Date