



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, July 20, 2017 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

Board Member – Dr. Kurt Anderson

Board Member – Raymond Ponteri, Present

A Quorum was declared

Others in Attendance:

Executive Director – Jennifer Horton

Community Members – Jim Hayhoe and Nancy Simmons

Approval of Agenda

Dr. Anderson moved to approve the agenda for the July 20, 2017 Regular Board Meeting as presented; the motion was seconded by Mr. Stull. The Chair called for discussion of the motion. Executive Director advised the date on the minutes needs to be updated to reflect July 7, 2017. Ms. Horton requested we remove Item 2 as Ms. Limon's concerns have already been addressed. Dr. Anderson amended the motion to reflect the requested changes; Mr. Stull seconded the motion. The Chair called for a vote on the amended motion which carried by roll call vote 4-0.

Minutes

Dr. Anderson moved to approve the Board Meeting Minutes of July 06, 2017 as presented; the motion was seconded by Mr. Stull. The Chair called for discussion of the motion. Ms. Horton advised the minutes were not in the published package as they were lost when a computer crashed. The minutes were later emailed to the Board. The Chair called for a vote; the motion carried by roll call vote 4-0.

New Members & New Meters

Dr. Anderson moved to approve the New Members and New Meters list as presented; the motion was seconded by Mr. Stull. The Chair called for discussion of the motion. Executive Director Jennifer Horton advised we have fifteen (15) names on the list; eleven (11) are new members, and two (2) are new meters. The Chair called for a vote on the motion; the motion carried by roll call vote 4-0.

Board President Report

Mr. Melton advised he lives in the Radium Springs service area and has noted consistent water pressure improvements. Mr. Melton inquired if any recent outages have occurred; other than the line break the Board is aware of. Ms. Horton advised that is the only one.

Staff Reports

See Attachment

Ms. Horton summarized the reports provided from Customer Service, Operations, Projects, and Administration. Dr. Anderson inquired if there is a timeframe before wells are up and running. Ms. Horton advised well 11 and well 15 should be online by the end of August; both are under review by NMED.

Unfinished Business

Dr. Anderson moved to approve Resolution 2017-07 4th Quarter Report as presented; the motion was seconded by Mr. Stull. The Chair called for discussion of the motion. Ms. Horton advised this is the report that will go to the Department of Finance and Administration (DFA); who now requires the report be certified at the end of the fiscal year. The report does match the budget and ties back to the staff reports provided. The format utilized is specifically from DFA. The Chair called for a vote on the motion; the motion carried by roll call vote 4-0.

Dr. Anderson moved to approve Resolution 2017-08 FY2018 Final Budget as presented; the motion was seconded by Mr. Stull. The Chair called for discussion of the motion. Dr. Anderson requested a summary of the budget, similar to the DFA format, for future reference. Ms. Horton explained in the past the Board has requested the specific line items, but we can update to have both. Each line item has been provided for the projected Budget and includes the upcoming 3.5% rate increase for water and wastewater recommended by our rate analyst; the change in wastewater with the county transfer of additional revenue has also been projected. The wastewater system does not have cash flow and will remain upside down for some time. There are large expenses on the wastewater side of business that will continue to grow once the debt from Picacho Hills comes online; the water system is what will subsidize this. Ms. Horton summarized the line items in the budget report and reassured the projections do include continuous system repairs and maintenance.

Mr. Melton inquired as to what our fall back is with having all of our software in one place? Ms. Horton explained our software company houses our data in multiple locations for reserves.

Mr. Ponteri stated he reviewed the rate study from Carl Brown and believes the wastewater increase is only supposed to be 3%. Ms. Horton advised this can be updated

to reflect accordingly. He is happy to see the merit increase potential for staff since we did not do this last year, however there are concerns about a lack of management positions. Ms. Horton reassured we will continue cross training in both the Administrative and Operations departments with an evaluation of where our needs stand for future hiring. Mr. Melton advised Ms. Horton is a unique individual with many skills, and while they have discussed the cross training needs of the Association he expressed praise that Ms. Horton is irreplaceable.

Mr. Ponteri voiced concerns about how steep the projected budget is. Ms. Horton acknowledged this; however the upcoming debt increases at the Picacho Hills wastewater site and city treatment fees are going to change our expenditures drastically. The wastewater revenue will receive an assist once the Southeast Collection system is online.

The Chair advised we will need to vote based on the amendments of updating the wastewater revenue percentage to 3%. Dr. Anderson amended his motion to reflect this, with a second from Mr. Stull. The Chair called for a vote on the amended motion; the motion carried by roll call vote 4-0.

The Chair called for a brief recess at 10:25 a.m. The Regular Board Meeting was called back into session at 10:30 a.m.

Dr. Anderson moved to approve Resolution 2017-09 Rate Increase as presented; the motion was seconded by Mr. Ponteri. The Chair called for discussion of the motion. Ms. Horton has proposed a 3.5% increase for water and a 3% increase for wastewater; following the recommendations of the rate analysis from Carl Brown. The chart will be updated to reflect the correct wastewater amounts. The chart provides current rates vs proposed rates per meter size and usage. The Association's costs continue to increase (trash, sludge removal), and with the ongoing well problems we need more preventative maintenance in the entirety of our systems. The County just completed their rate increase.

Ms. Horton advised incremental increases each year create less of a burden as opposed to a great increase every five years.

Mr. Ponteri reviewed his notes and the rate study with projected financials and stated the Association is doing better than what was projected. His concern is that the rate adjustment may not be necessary based on the presentation from Mr. Brown.

Mr. Stull advised with the proposal of pulling more wells for system maintenance costs add up quickly. We need to become more proactive versus reactive.

Mr. Melton reminded the Board we have had a significant decrease in reserves due to matching money for grants and unexpected costs this past year. We need to maintain the reserves we have as we cannot anticipate catastrophe's; however with what has happened recently we need to ensure we are able to get water to the public and continue establishing constant maintenance of the system overall. We have actually come a long way in the last five years.

Ms. Horton agreed we have come a long way; from keeping proper inventory and having the right parts in stock, to maintaining the vehicles and upkeep of the system. Maintenance is constant, especially when unknowns occur like the discovery of piping held together with bailing wire in the Radium Springs area. We continue to improve; however it does take time.

The Chair called for a vote on the motion; the motion carried by roll call vote 3-1:

Mr. Jamie Stull – Yes

Dr. Kurt Anderson – Yes

Mr. Ray Ponteri – No

Mr. James Melton – Yes

Dr. Anderson moved to approve the Souder, Miller, and Associates (SMA) Contract 6323683 for General Support Services as presented; the motion was seconded by Mr. Stull. The Chair called for discussion of the motion. Ms. Horton explained this is

the contract to continue utilizing general engineering support services with SMA. The budget is for \$22,000; however we do not anticipate using all of these funds. The Chair called for a vote on the motion; the motion carried by roll call vote 4-0.

Dr. Anderson moved to approve the Souder, Miller, and Associates Contract 6323684 for General Wastewater Support Services as presented; the motion was seconded by Mr. Stull. The Chair called for discussion of the motion. Dr. Anderson inquired if this is the same as last year. Ms. Horton advised this is the same and is for engineering services related to examining arroyos or assistance with the lift station; this is not for budgets attached to state or federal funding. The Chair called for a vote on the motion; the motion carried by roll call vote 4-0.

Mr. Stull moved to approve the Souder, Miller, and Associates Contract 6323685 for General Water Support Services as presented; the motion was seconded by Dr. Anderson. The Chair called for discussion of the motion. Ms. Horton explained this is similar to the wastewater contract at a budget of \$40,000. Mr. Melton clarified this includes items such as inspecting low water pressure areas, or odds and ends not related to a specific project. The Chair called for a vote on the motion; the motion carried by roll call vote 4-0.

Mr. Stull moved to approve the Souder, Miller, and Associates Contract 6323686 for GIS/AM Support Services as presented; the motion was seconded by Dr. Anderson. The Chair called for discussion of the motion. Ms. Horton advised this is utilized when we need assistance with the GIS database. The Chair called for a vote on the motion; the motion carried by roll call vote 4-0.

Mr. Stull moved to award a Contract to D.J.M Construction for the Wastewater Treatment Plant Fencing Project as presented; the motion was seconded by Mr. Ponteri. The Chair called for discussion of the motion. Ms. Horton stated this is the fence at the wastewater treatment plant in Picacho Hills that has previously been presented to the Board. This will fence most of our property line. We received two quotes; there is a large difference between the bids as state wage rates must be accounted for on bids over \$60k. Ms. Horton is requesting clarification as to the hill Mr. Stull referred to in the past that should be torn down to prevent the fence sitting too high. Mr. Stull advised he is willing to go out to ensure it is the correct location.

Mr. Ponteri expressed his dispute of the fence and feels this is a waste of funds.

Mr. Jim Hayhoe approached the Board as the President of the Barcelona Ridge Homeowners Association to express their vehement objection of this fence. He has concerns with DJM Construction as they do not have a resident contractor preference which has the potential to save money. Ms. Horton clarified this does not save money; it only presents an advantage for the contractor however both contractors are residents. Mr. Hayhoe feels the DJM quote is incomplete and deficient in certain areas.

Mr. Hayhoe referenced the original presentation of the fence where it mentions the potential for providing brown shade cloth or slats. The Association potentially has about \$4,000 left once the fence is complete and is requesting the cloth be considered to provide enhancement of the fence. Ms. Horton explained the fence that faces the street will only be visible at the top; experience with slats is that they do not hold up. We do not have any experience with the cloth and Mr. Stull advised the material is not meant to hold up in our desert climate. We can look at potential screening based off the Board's guidance.

Mr. Ponteri stated one of the reasons the fence was originally presented was to shield the piping we had; which is now gone. Mr. Stull advised we also have had

vandalism. Mr. Hayhoe opined the fencing is based off an extremely large projection. Mr. Melton explained the future goal is onsite disposal of sludge with the plant modifications.

The Chair called for a vote on the motion; the motion carried by roll call vote 3-1:

Mr. Jamie Stull – Yes

Dr. Kurt Anderson – Yes

Mr. Ray Ponteri – No

Mr. James Melton – Yes

Open Discussion

Mr. Melton forgot to mention in his report that he participated in a meeting with representatives from Rancho de Gallo and basically their plans have been approved by the Association. Ms. Horton clarified the plans have been reviewed; however they will not be approved until the requested modifications have been completed with updated building plans.

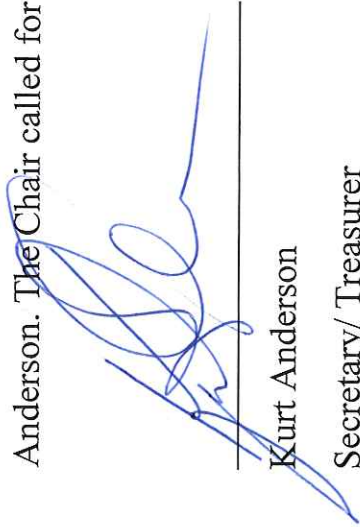
Dr. Anderson asked if we have been approached by Mr. Thurston and his subdivision in terms of increasing the amount of homes. Ms. Horton counselled we have not been approached; the plan is still 300 lots. Dr. Anderson would like to see the website updated.

Mr. Hayhoe inquired as to where we are with the review of the bylaws? Ms. Horton explained we are finalizing our 40-year water plan first.

Dr. Anderson inquired as to the possibility of solar panels at any of our sites. Mr. Hayhoe advised he completed an analysis for the Picacho Hills Country Club that resulted in the replacement of 3 meters in lieu of solar panels. He is willing to volunteer his services to the Association as well.

Adjournment

Mr. Stull moved to adjourn at 11:32 a.m.; the motion was seconded by Dr. Anderson. The Chair called for a vote on the motion which carried by roll call vote 4-0.



Kurt Anderson
Secretary/ Treasurer

8/63/2017
Date