



*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, October 19, 2023 convened at 9:03 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 9:03 a.m. and called roll:

Secretary/Treasurer – Kurt Anderson, Present

Board Member – Brian Clouse, Present (via Zoom)

Board Member – Clayton Berryman, Excused Absence

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

Member- Mr. Mike Hart

Approval of Agenda

Dr. Anderson moved to approve the agenda as presented; the motion was seconded by Mr. Cox. The chair called for discussion of the motion. Dr. Anderson suggested a minor editorial change. Mr. Cox 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

Dr. Anderson moved to approve the Regular Board Meeting Minutes of September 21, 2023 as presented; Mr. Cox seconded. There was no further discussion, and the motion passed unanimously by roll call vote 4-0.

Dr. Anderson moved to approve the Regular Board Meeting Minutes of August 17, 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

Mr. Mike Hart, member of the Association, addressed the Board of Directors with questions he had regarding the Southeast Collection Wastewater System Improvement Project. He asked if the allocated money runs out if the members will be forced into connection. Ms. Horton clarified that the connection is not mandatory. She further stated the customer can choose to connect or choose to keep their septic. Mr. Hart also asked if unforeseen circumstances occur if one could pull their application for connection once it has been submitted. Ms. Horton stated the application can be pulled up to the day their septic system is to be removed by the contractor. Ms. Horton further stated to Mr. Hart that he resides in phase 4 and phases 2 and 4 are considered to be

alternates. She stated those phases currently have no funding for connection at this time.

Board President Report

President Melton stated District 1 has been quiet and there have been no significant issues brought to his attention.

Staff Reports

Ms. Horton stated financials have been provided for the month of September. She reviewed the Check Listing Report and stated the checks were standard with routine billing. Ms. Horton stated the budget is looking better. She stated some of the larger receivables have come in. She reviewed the Budget Report with \$2 million in revenue, \$1.45 million in expenditures, for a net difference of \$600,000. Ms. Horton reported \$450,000 in receivables have come in, reflecting a positive million dollars to the Budget and Income Statement. Ms. Horton reviewed the Balance Sheet and stated it is a current cash position. She reported the cash position is up from a year ago as receivables are coming in. Ms. Horton stated the Income Statement matches and ties back to the budget. Ms. Horton stated she is looking into moving the cash investment out of the investment account into the Money Market account as there are better interest rates for the time being.

Ms. Horton stated the Project Budget Report reflects the current available funds to draw from and it is currently missing 3 entries as she has not yet included them, prior to this report. Those funds include: \$910,000, \$3 million from USDA and the 2 new Colonias funds as those funds are not ready to close on just yet.

Ms. Horton provided a written report and reviewed the Project Updates. She stated she is close to wrapping up the finalized development policies for the Water and Wastewater Standards with Bohannon Huston to ensure the language sets the expectations for construction and capital projects. They will provide Mr. Smith with a draft to review soon.

Ms. Horton reported on the Dona Ana Village Lift Station and Force Main Project. She stated the project was scheduled to hit substantial completion on September 21st and it was not complete. She was advised they would need 5 additional weeks. She further shared they have previously asked for a change order (90 days) due to utility conflicts with Zia Gas that was not agreed to. Ms. Horton stated she believes they will be in liquidated damages. Once a response is received, they will be placed on notice of liquidated damages. That damage is \$1,000.00 per day and further discussion ensued.

Ms. Horton shared the Southeast Collection Final Phase project which is expected to start on November 13th. She did report there was an issue with the piping ordered based on the specs in the bid. Ms. Horton further explained that the contractor ordered SDR 35 piping for the service connection as that is what the bid asked for and Airvac has stated that is not the required piping that should be used for connection, they require Schedule 40 piping. Ms. Horton stated there is a cost issue as the required piping is 2 times the amount and is waiting on a price quote from the contractor and further discussion ensued.

Ms. Horton reported on the Dona Ana Tank Rehab Project. She shared they were back on site at the end of September and have sandblasted the 2-million-gallon tank at the North tank site. She shared everything is looking good. Ms. Horton stated that the

project is to bring the tank up to code due to new rules implemented. She further stated the vents will be replaced, larger manways will be cut, and it will include a recoating inside and out.

Ms. Horton reported on the Picacho Hills Sewer Main Protection Project. She stated the design is not finalized as she is currently waiting on 3 easements and then the project can go out to bid.

Ms. Horton stated the Dona Ana Village Lift Station and Force Main project did not award that entire project as there was not sufficient funding. She further stated she has received the rest of the funding and will bid it in December. Ms. Horton stated that closing for the funding in the amount of \$910,000 is December 29th. Once the remainder of the force main is out to bid, she will see who the contractor will be and what the price is. Ms. Horton stated Colonias Infrastructure has cost overrun money and she expects it will be higher than \$910,000 and further discussion ensued.

Ms. Horton reported on funding applications. She asked President Melton, Dr. Anderson, and Mr. Smith to join the November 9th meeting to close on the USDA funds. She explained there are necessary documents to be signed and reviewed, to ensure there are no delays for the first pay app to the contractor.

Ms. Horton reported on Colonias Infrastructure. She stated she has received the \$910,000 approval from USDA. She stated draft documents will be available at the next board meeting for their approval. Ms. Horton further stated it is scheduled to close December 29th for the construction funding application for the Dona Ana Village Lift Station and Force Main project that has been approved.

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 also received the \$6 million for the Southeast Collection Project to go along with the \$18 million that USDA will need to concur on. She stated she is providing the necessary documents for their consent this round. Ms. Horton further stated the \$3 million has been approved and will be signed at closing on November 9th.

Ms. Horton shared she is actively working on the application for the Drinking Water State Revolving Loan for approximately \$1.5 million for the new Lead and Copper Rules program as it is due tomorrow. She anticipates it will be funded in the next 60 days.

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 she is waiting on engineering contracts and is working on that to close on both grants.

Ms. Horton reported on subdivisions. She stated the 1,300 lots for Vista Rancho are on hold as she spoke with their engineer. They stated the Thurston's are not moving forward at this time.

Ms. Horton shared she is still 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 as she has not heard from them.

Ms. Horton stated Buena Suerte Subdivision on Valley is for 217 lots. She stated she spoke with one of the owners and was advised a partner has pulled out. She further stated they are seeking another partner before moving forward.

Ms. Horton reported the Reyes West Wind Subdivision is 9 lots off West Wind Road. She reported they are searching for 4.5-acre feet of water rights and are unable to find any. Ms. Morales has asked him to provide their due diligence showing who has been contacted and is currently waiting for it.

Ms. Horton stated it is rumored that Flemish Subdivision has a buyer. She stated she received a call from a real estate agent requesting a new will serve letter. A commitment letter to show we have water for the 87 lots in Picacho Hills.

Ms. Horton reported on Other Matters. She stated 2 new State Certifications were obtained for the month of September. She stated a Water Level 1, and a Wastewater Level 4 were obtained. Ms. Horton further stated there are others scheduled to test this month as well.

President Melton inquired about the status of the Rate Study. Ms. Horton stated she needs to call Mr. Brown as she has some questions. She further stated it is about 90% complete.

Ms. Horton shared that we are in the process of the Smart Meter conversion. She further stated the radios and hardware will arrive this month, with installation of the hardware to begin in November. Ms. Horton reported the new meter styles will be in in December.

Dr. Anderson inquired about the El Paso Electric bill. Ms. Horton reported approximately \$200,000 a year is spent on power for the Association as a whole and further discussion ensued.

Ms. Horton shared the new payment portal is live and is user friendly with a customer point of view to easily assist them. Ms. Horton highlighted some of the new features.

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 479 completed applications for connection.

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

New Business

None

Unfinished Business

Dr. Anderson moved the Approval of New Members New Meters; the motion was seconded by Mr. Cox. The Chair called for discussion of the motion. There was no further discussion, and the motion passed by roll call vote 4-0.

Close Session

Dr. Anderson moved to enter Closed Session as authorized by the Open Meetings Act, New Mexico Statutes Annotated, Section 10-15-1, Subsections H (2), H (7), and H (8) the following portion of the Board Meeting will be conducted in closed session:

Litigation and Threatened Litigation as presented; the motion was seconded by Mr. Cox. A roll call vote was taken, motion carried unanimously 4-0, and at 9:57 a.m. the Board of Directors went into Closed Session.

Dr. Anderson moved to exit Closed Session and enter back into Open Session; the motion was seconded by Mr. Cox, a roll call vote was taken, motion carried unanimously 4-0, and the Board of Directors at 10:55 a.m. went back into Open Session.

President Melton stated:

As authorized by the Open Meetings Act, New Mexico Statutes Annotated, Section 10-15-1, Subsections H (2), H (7), and H (8): (A.) Litigation and Threatened Litigation there is no action required to be acted upon in Open Session.

Board Open Discussion

Dr. Anderson expressed his concern about water loss, available assets and investing in additional water rights. Dr. Anderson inquired about the average cost per acre foot of pre- 1960's water rights and Mr. Smith stated it ranged anywhere from \$4,000 to \$6,500 and further discussion ensued.

Adjournment

Dr. Anderson motioned to adjourn at 11:00 a.m., with a second from Mr. Cox. The motion passed unanimously 4-0.



Kurt Anderson

Secretary/ Treasurer

11/16/23
Date