



*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 Meeting of the Doña Ana Mutual Domestic Water Consumers Association Board of Directors, July 20, 2023 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:

Secretary/Treasurer – Kurt Anderson, Present

Board Member – Brian Clouse, Present

Board Member – Clayton Berryman, (Excused Absence)

A Quorum was declared.

### **Others in Attendance:**

Legal Counsel- Josh Smith

Executive Director- Jennifer Horton

Office Manager- Margo Lopez (Excused Absence)

Executive Assistant- Shelby Morales

Member – Brian Cox

### **Approval of Agenda**

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

have items number 8 and 9 moved ahead of items 5, 6, & 7. President Melton requested to remove item number 2, Acknowledgement Award. Dr. Anderson moved to approve the agenda as amended, Mr. Clouse seconded, there was no further discussion, and the motion passed unanimously by roll call vote 3-0.

### **Minutes**

Dr. Anderson moved to approve the Regular Board Meeting Minutes of June 15, 2023 as presented; Mr. Clouse seconded. There were minor editorial changes suggested. Dr. Anderson moved to approve the minutes as amended, Mr. Clouse seconded, there was no further discussion, and the motion passed unanimously by roll call vote 3-0.

### **Customer Issues and Public Input**

None

### **Board President Report**

President Melton stated everything has been going well within the Association and apologized for skipping over the Board President Report and the Staff Report. Ms. Horton suggested completing the Unfinished Business and her Staff Report will follow.

### **New Business**

President Melton introduced Mr. Cox as a candidate to interview for the vacancy of District 3. Mr. Cox stated during his interview, he is a life-long resident of Las Cruces and the President of his family-owned business of over 30 years. He has contributed to the growth and success of his business. Mr. Cox further stated his business has enabled him to create job opportunities, strengthening the local economy, and with his experiences he believed his decision-making skills, collaboration, and critical thinking

skills could be utilized with the responsibilities as a Board Member. President Melton shared the expectations, time, and training required of a Board Member. Mr. Cox shared he did not feel the expectations would create any burden on him and further discussion ensued. President Melton entertained a motioned to appoint Mr. Cox as Representative for District 3. Dr. Anderson moved to appoint Mr. Cox as Representative of District 3 to the Board of Directors; the motion was seconded by Mr. Clouse. The chair called for discussion of the motion. There was no further discussion, and the motion passed unanimously by roll call vote 3-0.

Ms. Horton administered the Oath of Office as follows:

*“I, Brian Cox, having been appointed to District 3 of the Dona Ana Mutual Domestic Water Consumers Association Board of Directors do solemnly swear that I will support the Constitution of the United States and the consideration and laws of the state of New Mexico, and will faithfully and impartially discharge the duties of this office to the best of my ability.”*

President Melton welcomed Mr. Cox to the Board of Directors.

### **Unfinished Business**

Dr. Anderson moved the Approval of New Members New Meters; the motion was seconded by Mr. Clouse. The Chair called for discussion of the motion. Ms. Horton reported there were 33 names on the list with 27 new members. There was no further discussion, and the motion passed by roll call vote 4-0.

Dr. Anderson moved the Approval of Resolution 2023-14; 4th Quarter Reports- the motion was seconded by Mr. Clouse. The Chair called for discussion of the motion.

Ms. Horton stated the 4th quarter was a bit of a rough year. She shared there were several receivables carried, approximately \$1.4 million toward the end of the year. Ms. Horton stated the expenses were up this year as the economy had shifted with higher cost in materials and supplies. She further reported there were a number of issues with the water wells, many small water line breaks, and the extremely high amount in paving costs for the year. She pointed out the paving costs was in excess of \$150,000.00, well over the normal. She had planned on the receivable coming in last year from USDA, however, the loan was not closed. She further stated \$1.1 million will close now that the bids are open. She further stated aside with the unexpected issues with the wells and excessive amount of paving to be done along with its related cost, her budget was inline with her projections and further discussion ensued. There was no further discussion, and the motion passed by roll call vote 4-0.

Dr. Anderson moved the Approval of Resolution 2023-15; FY24 Final Budget the motion was seconded by Mr. Clouse. The Chair called for discussion of the motion. Ms. Horton reviewed the Final Budget and led a thorough discussion on 3 funds (Operating, Grants and Loans, & Restricted Funds) for each budget associated. She further reviewed the expenses to include personnel, revenue, and wrapped it up with her projections for Fiscal Year 2024. There was no further discussion, and the motion passed by roll call vote 4-0.

Dr. Anderson moved the Approval to Award Southeast Collection the motion was seconded by Mr. Cox. The Chair called for discussion of the motion. Ms. Horton shared she and Ms. Lopez will recuse themselves due to thier conflict of interest. She announced Ms. Morales will be the Chief Procurement Officer (CPO) for this project and request the Board of Directors disignate signature athuority for all changes orders and for the contract to Ms. Morales. Ms. Horton further stated she would not make

any recommendations for award or provide information about the contractor, however, she would answer questions about the project in general and monitor its progress. Mr. Clouse also stated he would be recusing himself due to his conflict of interest with this project as he is an employee of Morrow Enterprises, Inc. Mr. Clouse asked legal counsel, if he was the Project Manager on this job if it would create a conflict of interest. Mr. Smith stated so long as he does not vote to approve the award there would not be an issue. Mr. Cox disclosed his son-in-law works for Bohannon Huston. Ms. Horton confirmed Mr. Cox's son-in-law did not work on the project and assured there was no conflict of interest. Ms. Horton asked Mr. Smith, Legal Counsel who was present for the bid process and most familiar with the ins and outs of this bid to present the recommendation. Mr. Smith led discussion. He stated this is the rebid of this project and on July 7th 2 bids were opened, one from Morrow Enterprises, Inc. and Spiess Construction. He further stated both bids were responsive and Morrow Enterprises, Inc. was the low bidder. Mr. Smith presented the engineer, Bohannon Huston's recommendation to award the Southeast Collection to Morrow Enterprises, Inc. for the following: base bid, alternate 1 and 3 for \$13.1 million, pending the \$3 million approval from USDA on the cost overrun application that is in process. However, Mr. Smith clarified should the additional \$3 million not be approved the award then it is for base bid and alternate 1. Ms. Horton shared there is a base funding of \$15 million dollars, she further stated \$11 million of that is grant and \$4 million of that is loan. She continued to stated there is a supplemental application for a little over \$3 million with USDA in the works with the terms pending at this time. She further stated the Association can ask for up to 20% for cost overruns for any project they have previously agreed to fund. Ms. Horton shared an additional \$6 million has been awarded from the state for this project as well. The \$6 million is 90% grant and 10% loan. She further stated as this will not be closed for sometime, that money is not

included in any recommendation from Bohannon Huston. There was no further discussion, and the motion passed by roll call vote 3-0.

### **Staff Reports**

Ms. Horton stated financials have been provided for the month of June. She reviewed the Check Listing Report. Ms. Horton advised the Budget Report was discussed when she reviewed the 4<sup>th</sup> Quarter Report earlier in the meeting. She reviewed the Balance Sheet Report and stated it is a current cash position. She reported cash of \$1.7 million, pointed out the fund transfers, and restricted cash. 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 Water and Wastewater Standards have been finalized with updated items and language to set the expectations for construction and capital projects. She mentioned she has included Mr. Smith and Bohanna Huston's input regarding a full developer policy/manual to include the inspection fees, 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 and currently working South of Taylor Road. She stated there were some issues with the spacers as they continue to break, therefore, that portion of the project is on hold until a resolution can be found for the spacers. She further stated they have continued to install the pipe down El Camino Real and will move back to the lift station to start in the next 30 days.

Ms. Horton shared Southeast Collection Final Phase was on today's agenda and an award has been made. The award will be submitted to Bohannon Huston, and once construction dates can be provided, she will report that information.

Ms. Horton stated the Parking Lot Improvement Project is complete.

Ms. Horton reported on the Dona Ana Tank Rehab Project. She shared 3 out of the 4 tanks are complete and online. She stated a stop work has been issued for the 4<sup>th</sup> tank. Ms. Horton further stated she would like to get through the summer before pulling the 2-million-gallon North tank. She anticipates work to continue in the first week of September.

Ms. Horton reported on the Picacho Hills Sewer Main Protection Project. She stated the design is 90% complete. Ms. Horton stated access easements and construction easements need to be secured before the project can go out to bid.

Ms. Horton shared there was a kickoff meeting for the planning of the East Central Collection and reported they are well underway for the PER.

Ms. Horton reported on funding applications. She stated she has the \$15 million scheduled for closing to begin the Southeast Collection Project, with a little over \$3 million in a cost overrun application in the works for the state to review next week.

Ms. Horton stated there is a \$910,000 construction funding application for the Dona Ana Village Lift Station and Force Main project that has been approved and awarded. She continued to state it is pending a sign off from USDA. Ms. Horton stated that is to be allocated to the Spartan Construction Project for the Dona Ana Village / Dona

Ana School Road area. Ms. Horton stated a change order was offered to Spartan Construction and they declined the offer as they were not willing to hold line-item costs. She further stated once the funding is closed, she will send it back to bid.

Ms. Horton shared the Association was awarded \$1.9 million from Colonias Infrastructure on May 24<sup>th</sup> 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 reported she expects this will be a long closing process as USDA will need to sign off on this as well. Ms. Horton further reported she received \$6 million for the Southeast Collection Project to include the other two alternatives and mentioned it would also be a long closing process as USDA will also need to sign off on it.

Ms. Horton shared she has asked the Drinking Water State Revolving Loan for approximately \$1.5 million for the new Lead and Copper Rules program and expects to hear back from them sometime in September as it will go before New Mexico Finance Authority (NMFA) for review and approval.

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 reminded the Board it did not include the entire project as \$381,000 was needed to complete both master plans. Ms. Horton clarified the Association would need to produce the rest or seek additional funding.



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 has not reviewed plans or issued approval for the Desert Oaks Subdivision, as their plans were in no condition to be reviewed. She is waiting for their resubmission, which was for 187 residential lots in Picacho Hills, with one commercial lot for a club house. She further stated comments have been sent back to them.

Ms. Horton stated Buena Suerte Subdivision on Valley is now 217 lots. She stated they are moving forward as they are trying to figure out the best location to connect to the city for the wastewater side of it. She further stated we will be the provider for wastewater and will be sending it to the city for treatment.

Ms. Horton reported the Reyes West Wind Subdivision is 9 lots off West Wind Road. She stated it is at the county for review at this time.

Ms. Horton reported on Other Matters. She stated a State Certification for a Water Level 2 was obtained this month. Ms. Horton further shared there are several scheduled to 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 shared that she is moving forward with the Smart Meters previously discussed and the Kiosks are live. She further reported a new payment portal will be active in the next 60 days.

Ms. Horton stated the fiscal year is wrapping up and with the start of a new fiscal year comes new auditors. She stated once the new budget is off to the state and fixed assets are all wrapped up, she will schedule the audit for late August early September.

Dr. Anderson inquired about wells and pointed out the Static Depth is dated 2022. Ms. Horton confirmed they are remeasured at each shut down and will ask to obtain that information from the driller to reflect report. Dr. Anderson stated he was very interested in the annual trend and further discussion ensued.

### **Board Open Discussion**

Dr. Anderson expressed his concerns with the Pump vs Sold, regarding the 14% water loss and his concern for the Thurston Development. Ms. Horton stated the funding agencies would like to see 10% or less. It is a goal for all water systems for unaccounted water. However, stated the Association hovers over 13% - 14%. She further stated it could include flushing, line breaks, firefighting, illegal taps, and mentioned this could be a result of any unknown leaks or a number of things. She further stated it is challenging for the staff to find them over 140 square miles. Ms. Horton stated she is hoping with the new meters this should help if there are any inaccuracies with the current meters, however it does not resolve any illegal tap issues and further discussion ensued.

President Melton inquired about Well 15. Ms. Horton stated the VFD has a burnt piece in the bottom of the circuit panel and does not believe it needs a new VFD as she has been advised. She believes they should be able to replace the circuit board panel. Ms. Horton continued to state those issues have not been resolved. She further shared since that occurred Well 6 exploded and blew a hole on the side of the motor. She did state the motor was still under warranty and waiting to hear why that would have happened.

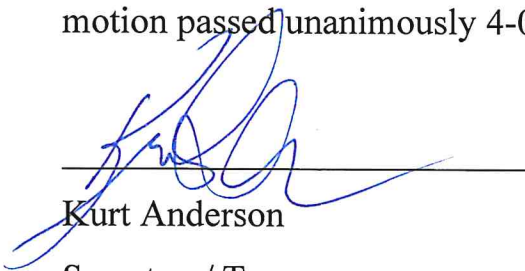
Dr. Anderson asked if there was any progress on the waterline in District 5 and Ms. Horton stated time has been spent on the water wells.

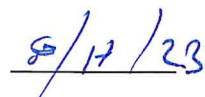
President Melton inquired about the remanded judgment for Westmoreland. Ms. Horton and Mr. Smith indicated there was no update at this time.

President Melton stated he wanted to make a request. He continued to state he would like to request the board packages be posted no later than Tuesday by close of business. Ms. Horton agreed and apologized for her delay in getting them out in a timely manner.

**Adjournment**

Dr. Anderson motioned to adjourn at 11:37 a.m., with a second from Mr. Clouse. The motion passed unanimously 4-0.

  
\_\_\_\_\_  
Kurt Anderson  
Secretary/ Treasurer

  
\_\_\_\_\_  
Date