

**El Creston Mutual Domestic Water Consumers Association**  
**February 4, 2016 Board Meeting**  
49 Mirasol Road, Ojitos Frios Subdivision

In attendance: Gene Solyntjes, Crystal Gallegos, Joe Zebrowski, Jim Peters, Mitch Barker, Linda Solyntjes, Cheryl Zebrowski

1. Meeting was called to order at 7:00 p.m. with a quorum in attendance
2. Notices of meeting were posted and e-mailed
3. Motion made and seconded to approve the agenda. (Crystal/Gene) Motion passed.
4. Motion made and seconded to approve the minutes from November 5. (Crystal/Gene) Motion passed. Motion made and seconded to approve the minutes from January 14. (Crystal/Gene) Motion passed. Motion made and seconded to approve the minutes from January 25. (Crystal/Gene) Motion passed. It was noted that the person submitting the minutes should be on the minutes.
5. Treasurer's report
  - a. See attached
    - i. There were two deliveries by a homeowner. There was discussion regarding the need to finalize the truck policy. Unauthorized drivers cause liability issues.
    - ii. Crystal would like the membership list so she can start using Quicken to generate invoices.
    - iii.
  - b. Jim Peters gave a brief presentation on the budget reported as an Accrual Basis. It will be used to file taxes which we must do this year, as we went over the \$50,000 threshold.
  - c. Filing status
  - d. 2015 Assessment Status
6. Old Business
  - a. El Creston-City of Las Vegas Discussions – Joe will set-up a meeting with the utilities department to discuss testing water samples, which will be needed for the truck operations.
7. New Business
  - a. Water System Phase I update
    - i. The permit for the exploratory well has been received, and Hayes has been given the go-ahead to begin.
  - b. Review of Current and planned funding applications
    - i. Water Trust Board:
      1. 2013 – Joe will request a hardship waiver for this year's payment.
    - ii. Legislative Capital Outlay

1. Have requested a substantial amount for 2016.
    - iii. DWSRF
    - iv. USDA
    - v. We will not be applying for any funding until we have a system in place.
  - c. Water Emergency update: nothing to report
  - d. Water hauling
    - i. 15 deliveries in January
    - ii. Delivery schedule
    - iii. Certification status/Sanitary inspection report
  - e. Membership drive update
    - i. 1 new member
  - f. Annual meeting planning. The date was suggested as March 19<sup>th</sup> at 3:00. Joe would like this to be planned by members. Cheryl and Mitch volunteered to work on it. Linda volunteered the use of their church fellowship hall. Joe also noted that some of our local state representatives would like to be there.
8. Public Comment: Cheryl asked about the progress on obtaining a phone for the driver. Crystal is still working on it.
9. Review action items
- a. Review water hauling policy
  - b. Joe will set-up meeting with city utilities department
  - c. Crystal to set-up phone for driver
  - d. Committee to organize annual meeting.
10. Next Meeting date: March 3<sup>rd</sup>
11. Meeting adjourned at 7:53 p.m.

Respectfully submitted by Cheryl Zebrowski

- 1) **Activity Summary** - As of 2/4/16, we have \$3,101.66 in Checking and \$7,261.92 in Savings with a combined Checking and savings total of \$10,519.32. This is an decrease of \$155.74 from January 2016. I currently have a deposit to make of \$1953.00 that was received today from Ricardo Valenzuela. This will place our account at \$12,472.32 after deposit.
- 2) **Deliveries**- Tomas Chavez was be paid for 15 deliveries for the month of January 2016. Two additional loads was picked up by a member without Tomas driving. The amount charged was different.
- 3) **City of Las Vegas**- \$333.23 for period dates 11-15-2015 to 12-15-2015 is due on Feb 11.
- 4) **Philadelphia Insurance**- \$813.00 was due on February 1, 2016
- 5) **Truck Loan**- Last payment is due February 16, 2016 in the amount of \$4000.00
- 6) **DFA Quarterly Truck Loan Report**- Completed
- 7) **Truck Expenses**- \$120.00 Spent on fuel in January 2016.

## Comments on El Creston 2015 Financial Statements

### 1) Balance sheet

- a) Accounts receivable is the amount of uncollected assessments for 2015 less a 20% allowance for uncollectable accounts.
- b) Grants receivable is the amount of the check from the <sup>Number</sup> ~~WTB~~ that was deposited in January.
- c) Construction in progress shows the total spent on the water system to date, including what has been paid for directly by Souder Miller.
- d) Accumulated depreciation is for the tanks and trucks.
- e) Current liabilities are self-explanatory expect that accounts payable only included water charges owed to the City at the end of the year.
- f) WTB #1 loan payable is only for the amount you have drawn and not the total due since you only have to pay back what you use. The amount charged to the loan is 10% of the amount expended on the project.
- g) Net Restricted Assets - Water system is the amount received in grants toward the system and is restricted to water system construction.
- h) Overall assessment

El Creston is in good shape. The current ratio of 5.83, meaning that current assets are nearly six times current liabilities. The negative cash balance isn't an issue because the grant receivable was deposited early in January making the checking account balance positive. There also is a positive balance in unrestricted net assets, meaning there is a cushion for unexpected issues.

### 2) Income statement

El Creston made a small profit on general administrative, water hauling, and water system operations even though the system is paying interest and has no revenue yet. However, this depends on collecting 80% the assessments due.

### 3) Cash flow statement

El Creston has positive operating cash flows. The drop in the checking account balance is due to the portion of the capital grant that wasn't deposited in until January. This parallels the income statement in showing that operations are paying for themselves on a cash as well as accrual basis.

**El Creston Balance Sheet**  
**as of 12/31/2014**

**Assets**

***Current Assets***

Cash	\$ (33,346.23)
Accounts receivable	3,660.00
Grants receivable	41,632.09
<b><i>Total current assets</i></b>	<u>11,945.86</u>

***Fixed Assets***

Truck	8,995.97
Tanks	1,680.00
Water system construction in progress	195,239.55
Less accumulated depreciation	(4,575.39)
<b><i>Total Fixed Assets</i></b>	<u>201,340.13</u>
<b><i>Total Assets</i></b>	<u><u>\$ 213,285.99</u></u>

**Liabilities and Net Assets**

***Current Liabilities***

Accounts payable	\$ 194.92
Drivers wages payable	525.00
Payroll taxes payable	163.44
Gross receipts taxes payable	1,166.79
<b><i>Total Current Liabilities</i></b>	<u>2,050.15</u>

***Long-term Liabilities***

Truck loan payable	4,000.00
Planning loan payable	8,845.00
WTB #1 loan payable	12,323.96
<b><i>Total Long-term Liabilities</i></b>	<u>25,168.96</u>
<b><i>Total Liabilities</i></b>	27,219.11

***Net Assets***

***Restricted Net Assets***

Truck loan reserve	2,210.54
Water hauling operating reserve	2,373.80
Water system	177,948.29
<b><i>Total Temporarily Restricted Net Assets</i></b>	<u>182,532.63</u>

Unrestricted net assets

	<u>3,534.25</u>
<b><i>Total Net Assets</i></b>	<u>186,066.88</u>
<b><i>Total Net Assets and Liabilities</i></b>	<u><u>\$ 213,285.99</u></u>

**EI Creston Income Statement  
for the year ended 12/31/15**

**Administration**

**Revenues**

Assessments	\$ 2,928.00
Interest and miscellaneous	2.55
Memberships	-
<b>Total Admin Revenues</b>	<u>2,930.55</u>

**Expenses**

Accounting	858.20
D & O Insurance	799.00
Filing fees	210.51
Supplies and expenses	171.55
Website	138.86
<b>Total Admin Expenses</b>	<u>2,178.12</u>
<b>Net Admin Surplus (Deficit)</b>	752.43

**Water Hauling**

**Revenues**

Hauling fees	12,593.00
Water charges	3,434.00
<b>Total Water Hauling Revenues</b>	<u>16,027.00</u>

**Expenses**

Depreciation	1,525.13
Driver gross wages	4,832.45
Driver payroll taxes	422.56
Gas and oil	1,614.15
Gross receipts tax	628.65
Insurance - truck liability	465.00
Insurance - workman's comp	902.00
Tires and parts	1,521.21
Truck license	49.05
Water costs	3,492.41
<b>Total Operating Expenses</b>	<u>15,452.61</u>
<b>Net Water Hauling Surplus (Deficit)</b>	574.39

**System**

Planning loan interest	23.38
WTB #1 loan interest	260.12
<b>Total System Expenditures</b>	<u>283.50</u>
<b>Net income</b>	<u>\$ 1,043.32</u>

**Reconciliation of Net Assets**

Beginning restricted net assets	\$ 56,870.77
Transfers to loan reserves	2,040.54
Loan payment	(4,000.00)
Increased to work in progress	<u>127,621.32</u>
Ending restricted net assets	<u>\$ 182,532.63</u>

Beginning unrestricted net assets	\$ 531.47
Transfer from truck loan reserve	\$ 1,959.46
Net income	<u>1,043.32</u>
Ending unrestricted net assets	<u>\$ 3,534.25</u>

**El Creston Cash Flow Statement  
for the year ended 12/31/2015**

***Operating Cash Flows***

Net surplus (deficit)	\$ 1,043.32
Add back depreciation	1,525.13
(Increase) in accounts receivable	(1,745.00)
(Decrease) in accounts payable	(180.58)
Increase in driver's wages payable	35.00
(Decrease) in payroll taxes payable	(393.22)
(Increase) gross receipts tax payable	<u>628.65</u>
<b><i>Net Operating Cash Flows</i></b>	<b>913.30</b>

***Investing Cash Flows***

Additions to construction in progress	(134,912.58)
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***Financing Cash Flows***

Truck loan payment	(4,000.00)
Planning loan payment	(509.00)
Capital Grants	85,989.23
Increase in WTB #1 loan	<u>7,291.26</u>
<b><i>Net Financing Cash Flows</i></b>	<b><u>88,771.49</u></b>

Beginning Cash Balance	11,881.56
Net change in cash balance	<u>(45,227.79)</u>
<b><i>Ending Cash Balance</i></b>	<b><u>\$ (33,346.23)</u></b>